Investor Presentation

Year Ended December 31, 2013

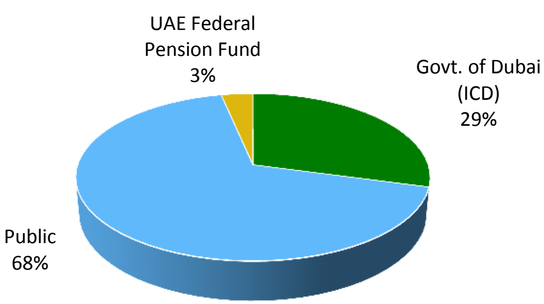
بنك دبي الإسلامي
Dubai Islamic Bank

DIB Overview

Overview

- Established in 1975. DIB is the largest Islamic Bank in the UAE and amongst the top players in the world.
- DIB's principal strategy is to expand its core Islamic finance business while actively supporting the continuous progression and advancement of Islamic Finance in the region and beyond.
- No single shareholder can own more than 10% other than government.
- Foreign ownership limit of 15%

Ownership Structure



Key Strengths

- **Amongst the Top 5 banks in the country and the largest Islamic Bank in the UAE**
- **Established heritage and vintage**
- **Bank of systemic importance with significant government ownership**
- **Rated "Baa1" Moody's and "A" by Fitch with both carrying a stable outlook**
- **Strong group franchise and branch network with 85+ branches**
- **One of the best capital structure in the industry**
- **Strong social and economic footprint**
- **Stable and diversified funding base**

DIB Yesterday, Today and Tomorrow

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

CONSOLIDATION
2008 - 2012

2013

GROWTH
2014 - 2016

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- Enhance Capitalization
- Improve Asset Quality
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- Building Synergies
- Diversifying risk profile
- Establish low cost funding base

Summary Financial Highlights

Balance Sheet

USD Million	2013	2012	2011	13 vs 12
Financing assets	15,266	15,024	13,917	2%
Sukuk investments	3,170	3,019	3,454	5%
Interbank placement & CDs	6,696	3,134	2,634	114%
Investment in equities & properties	2,211	2,203	2,104	0%
Other operating cash and cash regulatory reserves	2,103	1,975	1,751	6%
Other assets	1,398	1,492	1,717	-6%
Total assets	30,844	26,848	25,577	15%
Customers' deposits	21,525	18,166	17,634	18%
Sukuk and Financing wakalas	764	2,294	2,158	-67%
Interbank borrowing	716	1,815	1,246	-61%
Other liabilities	3,389	1,388	1,467	144%
Equity	4,449	3,183	3,072	40%
Total liabilities and equity	30,844	26,848	25,577	15%
Key ratios				
Financing (including sukuk) to customers' deposits	86%	99%	99%	-13%
Tier 1 ratio	18.2%	13.9%	13.6%	4.3%
Capital Adequacy ratio	18.2%	17.4%	18.2%	0.8%
NPL including Bilateral Sukuk	11.1%	12.9%	13.9%	-1.8%
Impaired ratio	8.8%	9.8%	11.7%	-1.0%
Cash coverage ratio	64.0%	45.7%	43.4%	18.3%

Commentary

- Total assets up 15% at USD $ 30.8bn compared to USD $ 26.8bn at the end of 2012
- Customer deposits at USD 21.5 billion, up 18% compared with USD 18.2 billion at the end of 2012
- Diversified source of funding with 62% of the deposits coming from over 1.4 million retail customer base
- A large and stable low cost CASA book comprising 43% of total deposit base
- Funds deployed in earning assets USD $27.3 billion an increase of 19%.
- Focused growth in core assets while improving portfolio performance and quality.
- Robust capitalization boasting one of the highest Tier 1 CAR in the UAE.
- The bank remains a net lender to the market.

Summary Financial Highlights

Income Statement

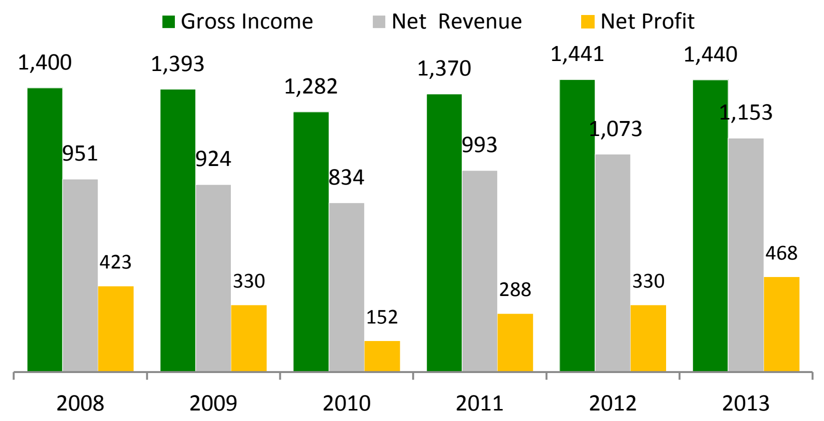
USD Million	2013	2012	2011	13 vs 12
Gross Revenue	1,440	1,441	1,371	-
Depository Share	(287)	(368)	378)	-22%
Net operating revenue	1,153	1,073	993	7%
Operating expenses	(460)	(441)	(407)	4%
Net operating profit	693	632	585	10%
Impairment losses	(224)	(298)	(296)	-25%
Income tax	(1)	(3)	(2)	-69%
Group net profit	468	330	288	42%
Non-controlling interest	(29)	(17)	(13)	69%
DIB shareholders' share of profit	439	313	275	40%
Key ratios				
Net Funded Income Margin	3.34%	3.27%	3.53%	0.07%
Cost to income ratio	39.9%	41.1%	41.0%	-1.2%
Return on average assets	1.62%	1.26%	1.15%	0.36%
Return on average equity	13.8%	13.0%	11.2%	0.8%
Earnings per share	0.103	0.082	0.071	27%

Commentary

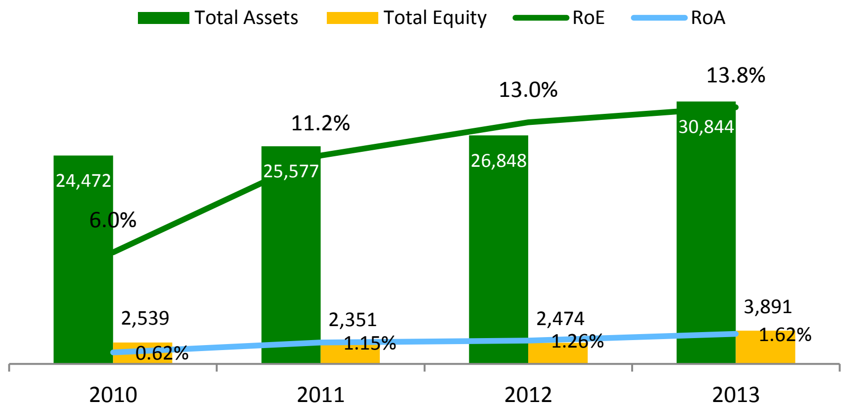
- Net operating revenue increased by 7% on account of
  - consistent increase in funded income from core activities
  - strong liability management
  - early repayment of high cost liabilities.
- Net operating profit up 10%.
- EPS improved by 27% in 2013.
- Total shareholders return of 167%.
- Strong result given a deliberate run-off the large ticket lagacy portfolio pf commercial real estate.
- Cost income ratio falls below 40%.

Profitability & Key Ratios

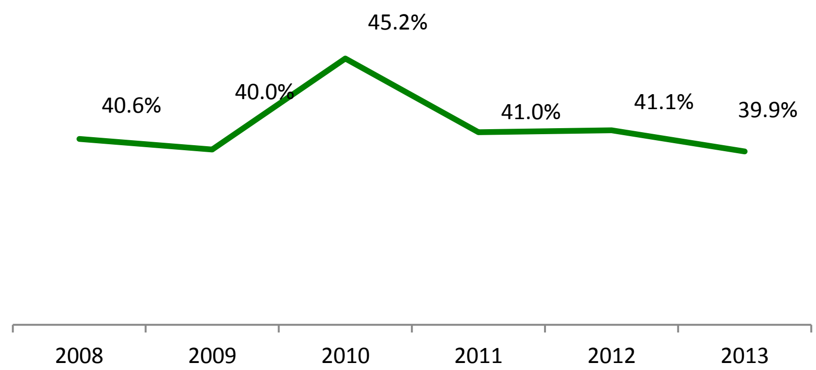
Resilient Profitability (USD mn)



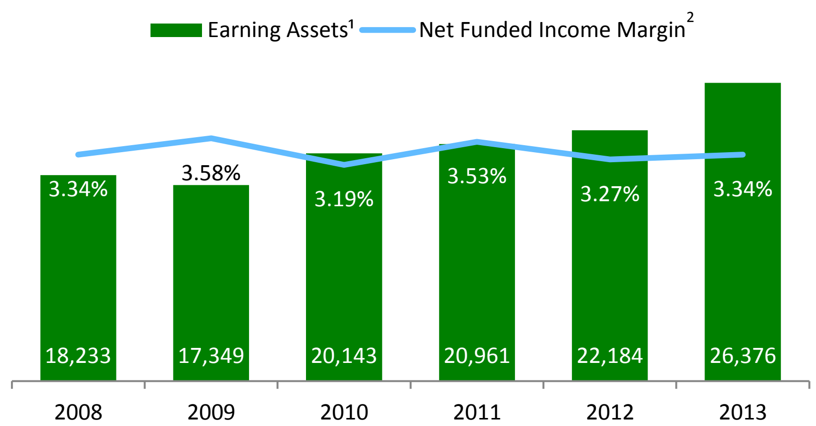
Return on Assets and Equity(%) / Total Assets and Equity (USD mn)



Cost to Income Ratio (%)



Earning Assets (USD mn) and NFIM %



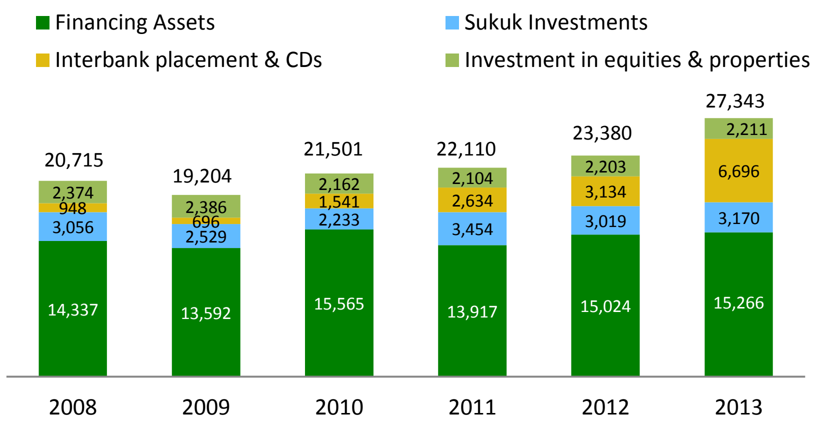
Note: USD/AED FX Rate = 3.673

[1]Earning Assets are calculated as the sum of International Murabahat with UAE CB, Investment in Islamic Sukuk , Gross Islamic Financing and Investing Assets & Due from Banks and Financial Institutions

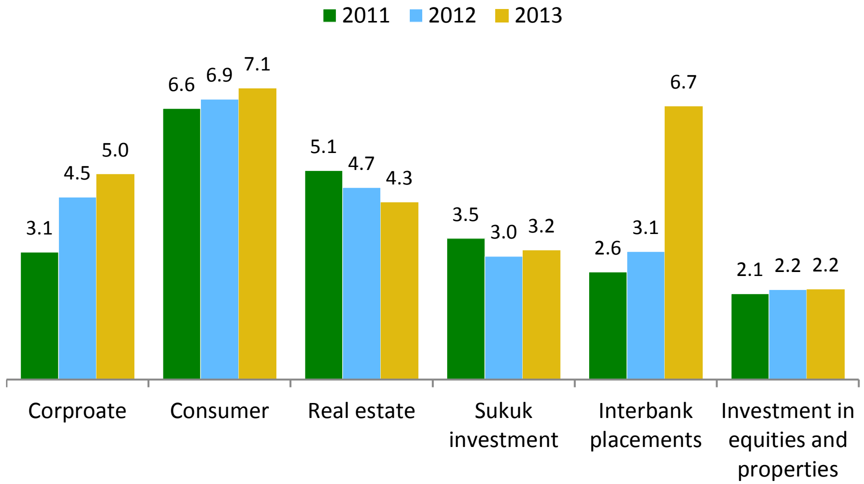
[2]NFIM is calculated as Depositors' share of profits subtracted from income from Islamic Financing and Investing Assets, income from International Murabahat and Wakala and income from Investments in Islamic Sukuk divided by Average Earning Assets

Deployment of Funds

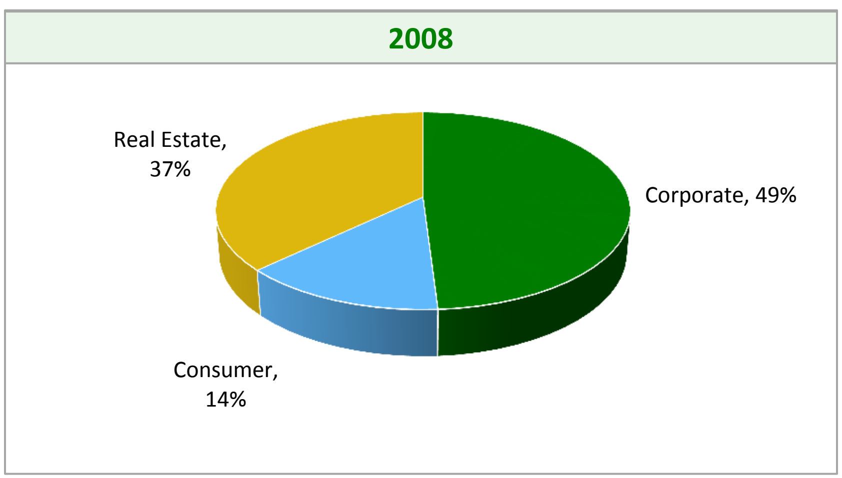
Deployed Funds Composition (USD mn)

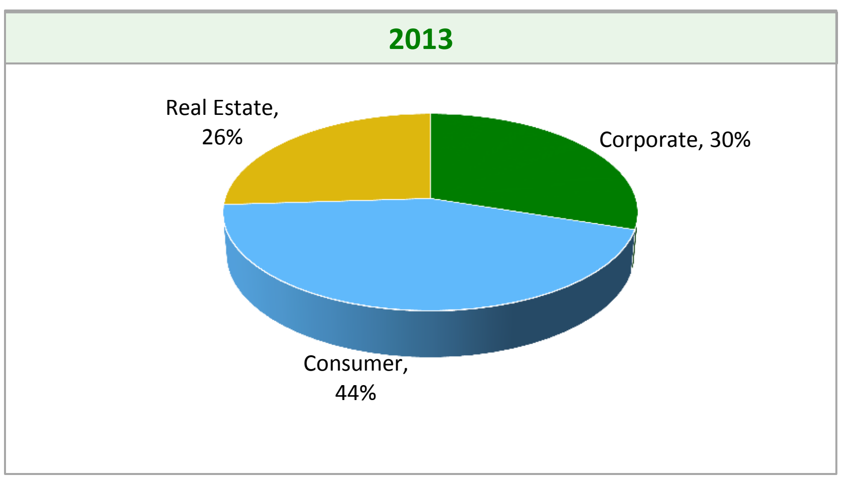


Deployment by Sector (USD bn)



Financing Portfolio by Sector (%)





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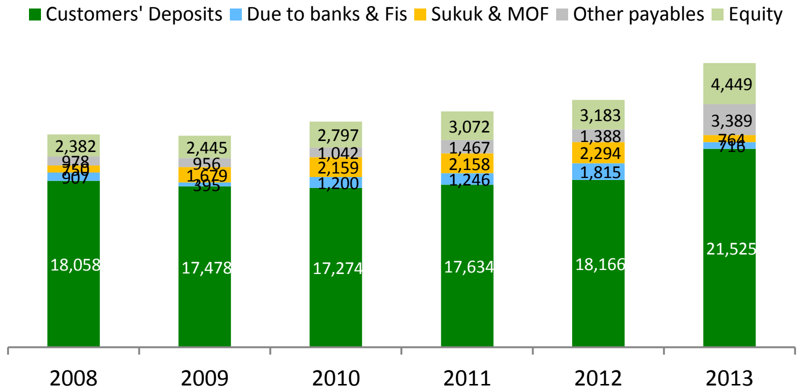
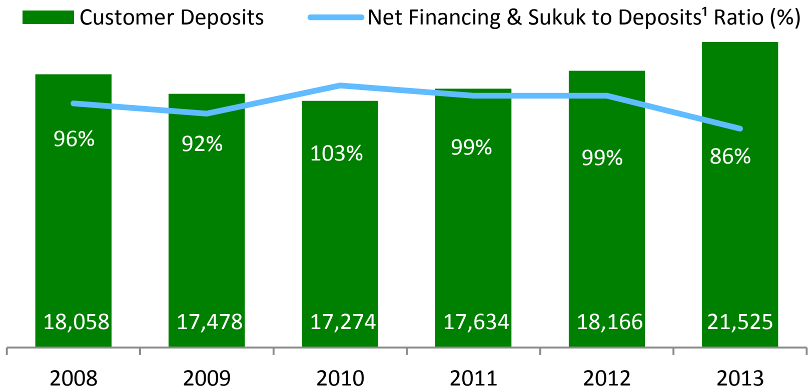
Sources of Funds

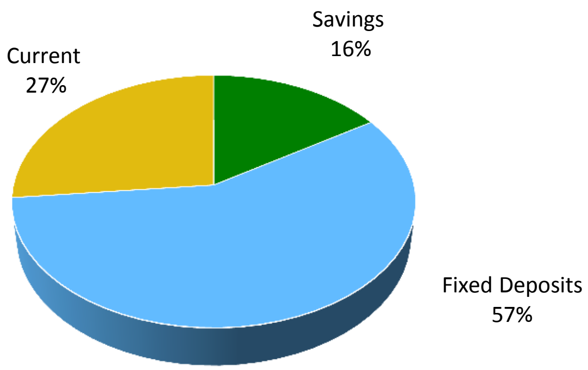
Funding Sources (USD mn)



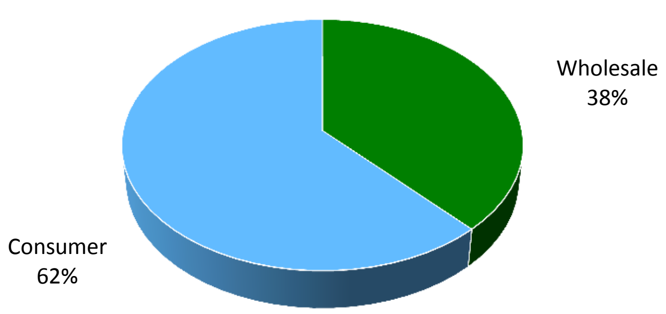
Customers' Deposits (USD mn)



Customer Deposits by Type 31 Dec 2013 – USD 21.5bn



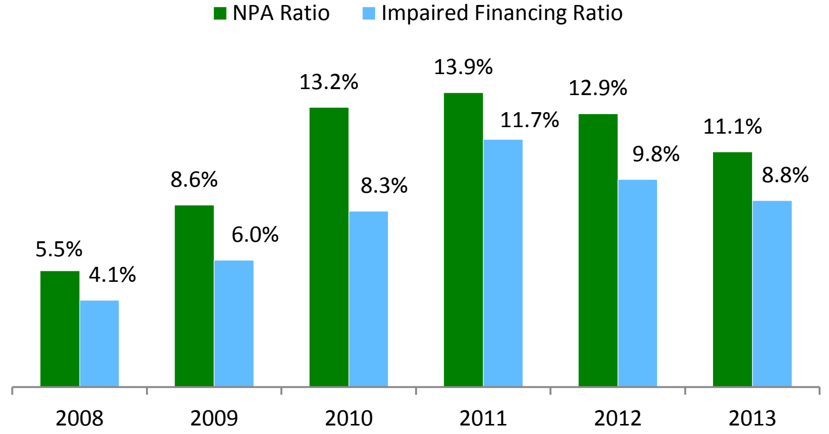
Customer Deposits by Business 31 Dec 2013 – USD 21.5bn



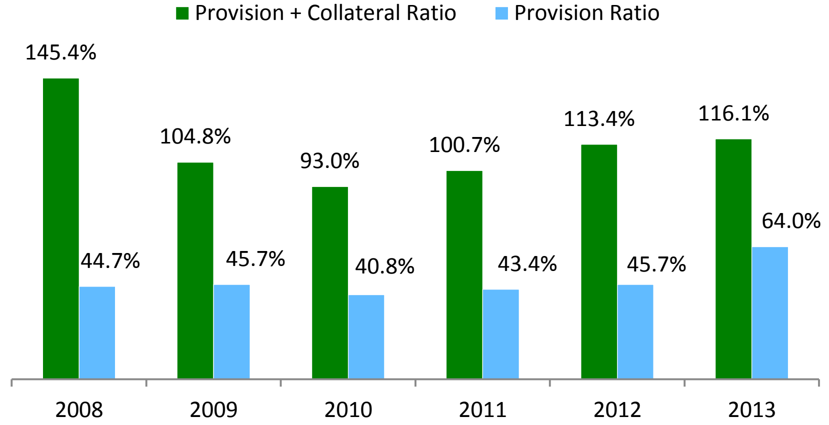
Note: USD/AED FX Rate = 3.673
[1]Ratio calculated as sum of Net Financing and Investing Assets and Investments in Sukuk divided by Customer Deposits
[2]Liquid Assets calculated as the sum of Cash and Balances with Central banks, due from Banks and Financial Institutions and Other Investments

Asset Quality

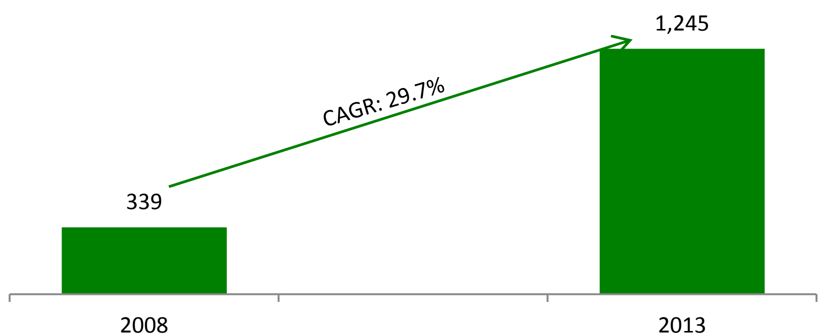
Non-Performing Assets (NPA)



Financing Provisions and Coverage Ratios



Cumulative Provisioning (USD mn)



Highlights

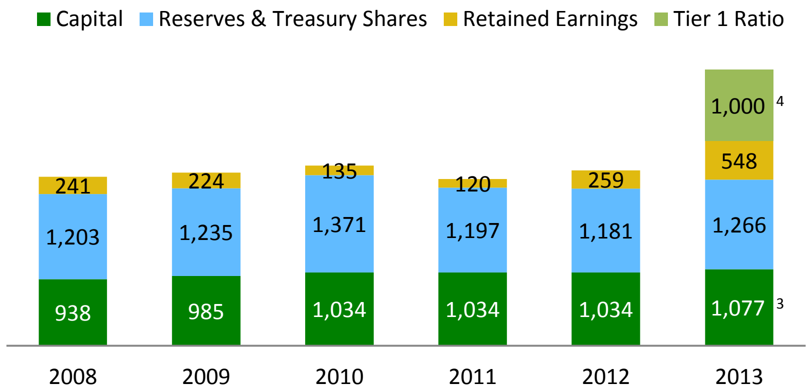
- Significant improvement in asset quality and portfolio vilsibilty.
- NPA on a consistent decline with NPA ratio improving to 11.1% in 2013 compared to 12.9% in 2012.
- Impaired financing ratio also improved to 8.8% in 2013 from 9.8% in 2012.
- Provision coverage improved to nearly 64% in 2013 compared to 46% in 2012.
- Cost of risk on the decline at 1.4% as asset quality continues to improve.

Note: USD/AED FX Rate = 3.673

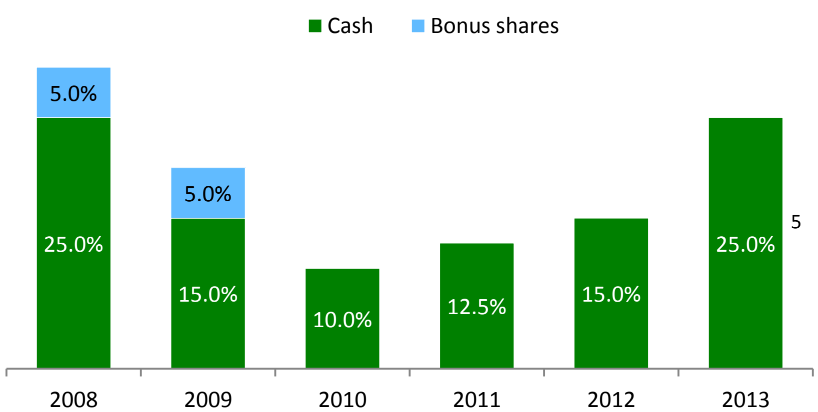
[1]Non-Performing Assets are calculated as the sum of Individually impaired and 90-day overdue Financing and Investing Assets.

Capitalization & Dividend Overview

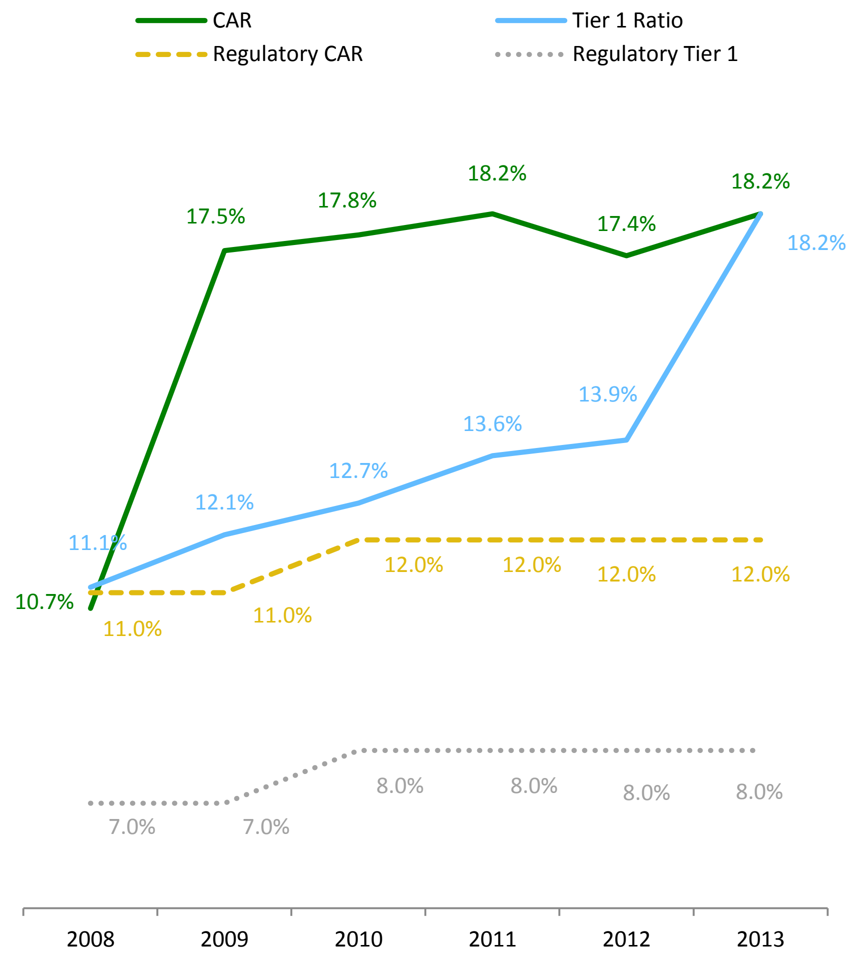
Total Equity[1] Breakdown (USD mn)



Dividend Payout History[2]



Capital Ratios vs. Regulatory Capital Requirements (%)



Note: USD/AED FX Rate = 3.673

[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

[3] As part of Tamweel's acquisition transaction, DIB issued 157 million shares to non-controlling shareholders of Tamweel amounting to USD 43 million

[4] In March 2013, DIB through a Shari'a compliant Sukuk arrangement issued Tier 1 Sukuk amounting to USD 1 billion with no fixed redemption date

[5] Proposed dividends subject to general assembly approval

Significant Subsidiaries and Associates

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100%	DIB Capital Limited was established in 2006 and is the investment banking arm for DIB.
86.5%	Tamweel is a provider of regional real estate financing firm established in 2004. In 2013, DIB acquired additional 28% of Tamweel to increase its ownership percentage to 87% from 58%. With this acquisition, DIB is now positioned to play its due role in the resurgence of the real estate market in the UAE.
80.0%	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.

28.4%	DIB has held a strategic stake in Bank of Khartoum, one of the largest banks in Sudan by branches and ATMs.
20.8%	Jordan Dubai Islamic Bank provides banking services in Jordan.
44.9%	Deyaar Development is a real estate development company established in 2002.
27.3%	Bosna Bank International was established in 2000 as the first bank in Europe to operate on the principles of Islamic banking.

Business Overview

Consumer Banking

- The largest business group and revenue contributor in the bank, offers retail and business banking services through a network of 85 branches and 520 ATMs as well as very robust online, mobile and phone banking services.
- Caters to diverse segments both cultural and need-based such as Johara (Ladies Banking Service) as well as Wajaha (Private Banking).

Best Islamic Retail Bank
Banker Middle East Industry Awards 2013

Best Islamic Credit Card
Banker Middle East Product Awards 2013

Best Private Bank
Islamic Business & Finance Awards 2012

Best Distance Banking Service
Banker Middle East Product Awards 2012

Wholesale Banking

- Comprises of Corporate Banking, Real Estate & Contract Finance, Treasury.
- Provides Sharia-compliant products, services and strategic solution-driven capabilities to corporate clients in order to fulfill their overall business requirements.

NAKHEEL	USD 617 Million Profit Rate Swap
Jafza Jebel Ali Free Zone	AED 150 Million Profit Rate Swap
DP WORLD	USD 115 Million Profit Rate Swap
DIFC Dubai International Financial Centre	USD 90 Million Profit Rate Swap

Investment Banking

- Leading player in the financial markets with an unmatched experience of assisting sovereign / quasi-sovereign, institutional and corporate clients with their financing & advisory requirements.

Emirates	USD 1BN Amortizing Sukuk Joint Lead Manager & Bookrunner March 2013
GOVERNMENT OF DUBAI	USD 750 MN Sukuk Joint Lead Manager & Bookrunner January 2013
Jafza Jebel Ali Free Zone	USD 650 MN Sukuk Joint Lead Manager & Bookrunner June 2012
dewa	USD 1 BN Sukuk Joint Lead Manager & Bookrunner February 2013

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2014 - 2016

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Establish low cost funding base

- Grew retail franchise of DIB (85+ branches).
- Reduced commercial real estate exposure.
- Boosted Tier 1 Ratios.
- Maintained Credit Ratings.
- Synergies through acquisitions and integration.
- Asset quality improvement.
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GROWTH 2014 - 2016

- Grow Balance Sheet
- Enhance Core Franchise
- Maintain market share
- Build cost efficiencies and performance culture
- Enhance proficiency and profitability
- Enhance geographic footprint
- Establish a high quality asset portfolio
- Establish best in class service standards
- Deepen and Enhance Customer Relationships
- Revive and renew stakeholder confidence
- Promote Strong Transparency and Disclosure

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