

Press Release:

Dubai Islamic Bank, a leading financial institution in the UAE, enters Turkish digital banking and financial technology sector via an equity investment in T.O.M. Group of Companies

Dubai, September 28, 2023:

Dubai Islamic Bank PJSC (“DIB”), largest participation bank by asset size in the United Arab Emirates, will become a shareholder in T.O.M. Group of Companies (“T.O.M. Group”), which was established by Aydın Group shareholders.

DIB, one of the largest banking groups in the United Arab Emirates, will become a significant minority shareholder in T.O.M. Group which includes T.O.M. Katılım Bankası A.Ş. (Türkiye's First Licensed Digital Retail Bank), T.O.M. Pay Elektronik Para ve Ödeme Hizmetleri A.Ş. (Licensed e-money company with a fast-growing customer base in Türkiye), and T.O.M. Finansman A.Ş. (Licensed financing company specialized in developing innovative digital products) and their subsidiaries.

DIB's entry strategy revolves around the acquisition of a significant minority stake into the T.O.M. Group which is an integrated, comprehensive financial services group established in the digital space. DIB will acquire 20% shareholding across T.O.M. Group with an option to increase shareholding to 25% within 12 months.

Aydın Group, T.O.M. Group's founding shareholder with its new partner DIB, aims to make T.O.M. Group a national leader with an aspiration to grow regionally in the digital banking and financial technology sector. The shareholders core mandate is to promote financial inclusion by facilitating, easing and enhancing access to digital financial services in Türkiye.

This agreement is a clear demonstration of DIB's increased commitment and trust into Türkiye's financial system and represents a compelling opportunity to tap into fast scaling digital banking and financial technology sector in Türkiye. DIB has long held the view that Türkiye was an attractive investment destination for a financial services institution, particularly for an Islamic bank over the medium to long term. This belief was largely premised on the attractive and robust long-term macroeconomic fundamentals of the market which fueled the country's continued ability to attract FDI, despite short term market fluctuations. However, the key challenge for DIB had always remained the selection of the most appropriate entry strategy that would permit generation and aggregation of maximum value for the bank and its shareholders. In addition to the strong macro-economic fundamentals of Türkiye, the banking sector has also generated impressive growth post COVID, another factor in motivating DIB to positively consider this investment at this time.

DIB Group CEO Dr. Adnan Chilwan made the following remarks regarding the partnership, “Central to our growth ambitions has been the bank's ability to effectively formulate winning strategies amidst shifting industry dynamics. Our entry into the Turkish banking sector through the investment in a digital financial group represents this dynamic approach to an ever-evolving market environment. DIB is of the view that digital banking propositions in Türkiye and other markets will enhance our efforts to provide financial services to mass population segments, including

the underbanked and non-banked segments. We believe this deal in Türkiye will lay the groundwork for further initiatives in other key strategic markets for DIB.

We have been operating in Türkiye for more than 15 years as one of the largest lenders from the GCC. This investment in T.O.M. Group reiterates our commitment to the country and more so to the consumer banking sector. Türkiye holds a pivotal position in our growth strategy, considering the sizable market dynamics and the opportunities we foresee in digital banking and financial technology sector. We are confident that this partnership with T.O.M. Group will not just be mutually beneficial for our combined institutions but will also help unlock new opportunities, whilst deepening the economic ties between both UAE and Türkiye.”

T.O.M. Group CEO Onur Özkan said, "The partnership we have established with DIB in the early stages of T.O.M. Group's journey is highly encouraging and shows that T.O.M. Group is on track with its mission to provide affordable financial services to its customers. We hope to make T.O.M. Group, which has been established under the Aydın Group's umbrella, a regional and a global leader in digital participation banking, aiming to provide access to financial services and promote inclusivity by encompassing segments beyond the traditional banking system. We are proud that DIB has shown interest in our early endeavors in digital banking, recognizing the potential of Türkiye and the great team that has been scaling T.O.M. Group. We are committed to further investments in this field, aligned with our vision of becoming a leading and innovative digital finance company on a global scale.”

Aydın Group operates one of the largest retail ecosystems in Türkiye through their four flagship businesses. Customer acquisition is the key driver of returns and valuations of digital banks. Ability to leverage Aydın Group's customer footprint has significant implications on the success of T.O.M. Group.

The transaction has been approved by the Banking Regulation and Supervision Agency (BDDK), the Central Bank of the Republic of Türkiye (CBRT) and the regulatory authorities in the UAE, and will be formalized after the clearance of the Turkish Competition Authority (Competition Authority).

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About Dubai Islamic Bank PJSC

Established in 1975, Dubai Islamic Bank is the largest Islamic bank in the UAE by assets and a public joint-stock company listed on the Dubai Financial Market. Spearheading the evolution of the global Islamic finance industry, DIB is also the world's first full-service Islamic bank and the second-largest Islamic bank in the world. With Group assets over USD 80bln and a market capitalization of more than USD 10bln, the group operates with a workforce of more than 10,000 employees and around 500 branches in its vast global network across the Middle East, Asia and Africa. Serving over 5 million customers across the Group, DIB offers an increasing range of innovative Shariah-compliant products and services to retail, corporate and institutional clients. DIB has a significant international presence as a torchbearer in promoting Shariah-compliant financial services across several markets worldwide. In 2021, DIB increased its foreign ownership limit to 40% reflecting the increasing confidence of global investors towards the bank. The Bank's ultimate goal is to make Islamic finance the norm, rather than an alternative to conventional banking worldwide. DIB has won a range of accolades that are testament to these efforts across diversified areas, including retail, corporate and investment banking, as well as CSR and consultancy services.

About T.O.M. Group of Companies

T.O.M. (Technology of Money) Group is a digital banking and financial technology group of companies established by Aydın Group with the aim of enhancing access to digital financial services. The group is comprised of three main companies: T.O.M.

Katılım Bankası A.Ş., TOM Pay Elektronik Para ve Ödeme Hizmetleri A.Ş., T.O.M. Finansman A.Ş., and its subsidiaries. Committed to facilitating access to financial resources in Türkiye, the group strives to cater to every member of society in our country through an exceptional customer experience, characterized by a fast, dynamic, and proactive approach, driven by innovative advancements in the realm of digital services.

About Aydın Group

Aydın Group, one of the largest employers in Türkiye with over 80,000 employees, is amongst the country's largest multi-brand retail footprints, encompassing more than 13,000 retail stores, including A101 in grocery retail, English Home in home textile and furnishings and Eve in the beauty and cosmetics sector. In the healthcare services sector with Memorial Healthcare Group, Aydın Group operates a total of 12 hospitals and 2 medical centers across 5 cities in Türkiye and Romania. Continuing its growth with these brands, Aydın Group aims to expand, both domestically and internationally, by providing value to its customers in all its sectors including in the financial technology sector through T.O.M Group.

For more information, please visit us at www.dib.ae

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