Dubai Islamic Bank بنك دبي الإسلامي

Investor Presentation

For the period ending
31 December 2024

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Contents

Stable growth in world economy with global inflationary pressures decreasing

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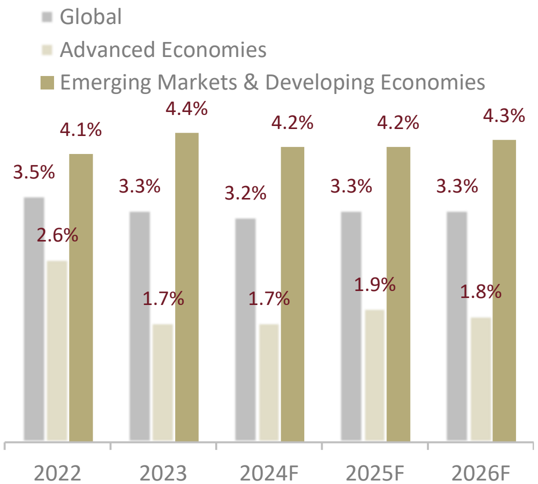
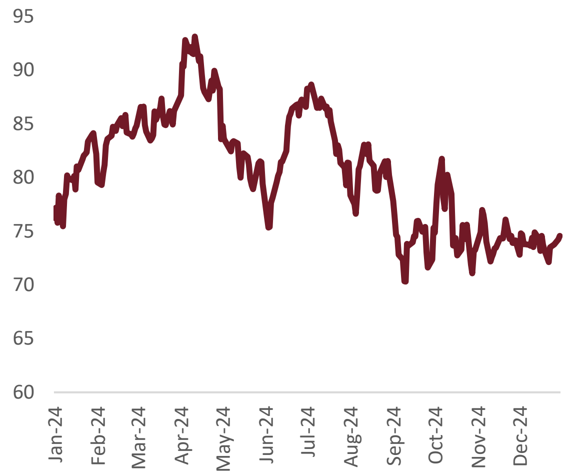
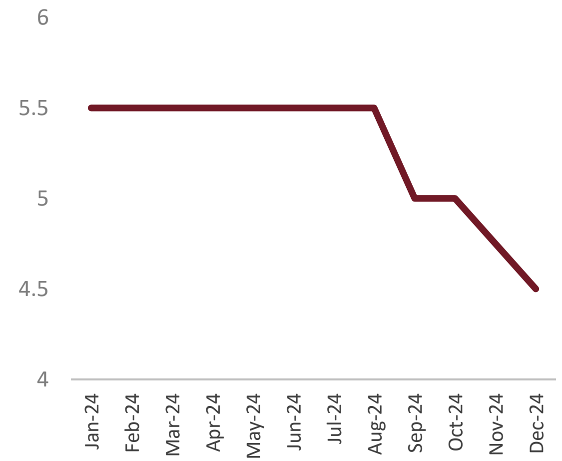
Global Real GDP Growth (%)



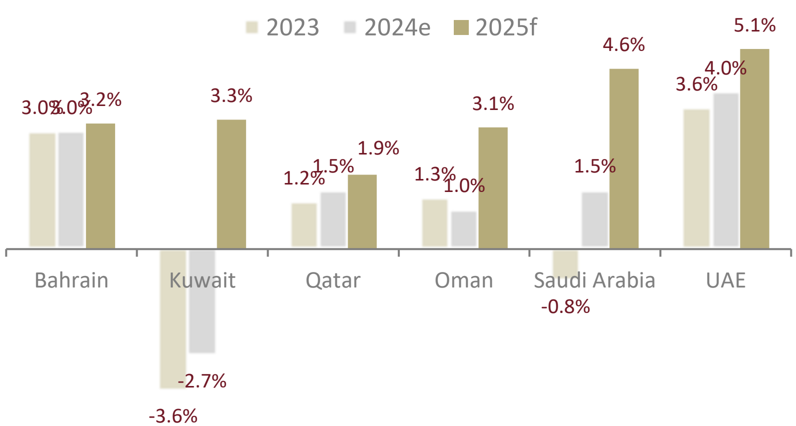
Brent Oil (USD/barrel)



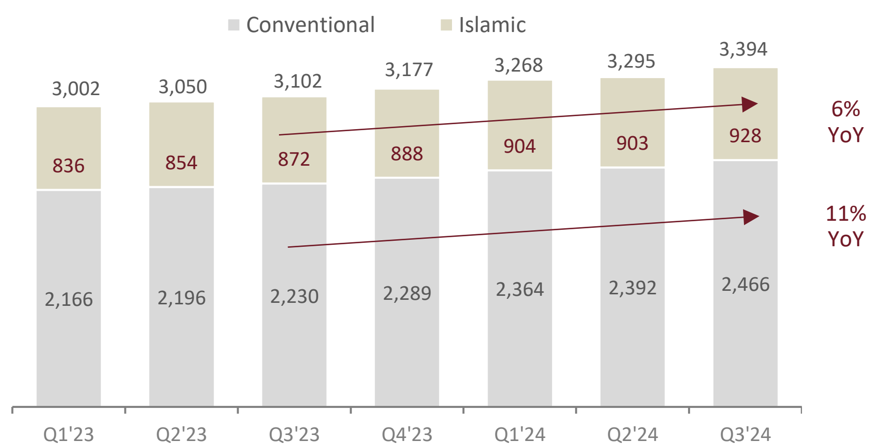
Fed Fund Rates (% upper bound)



GCC Real GDP Growth (%)



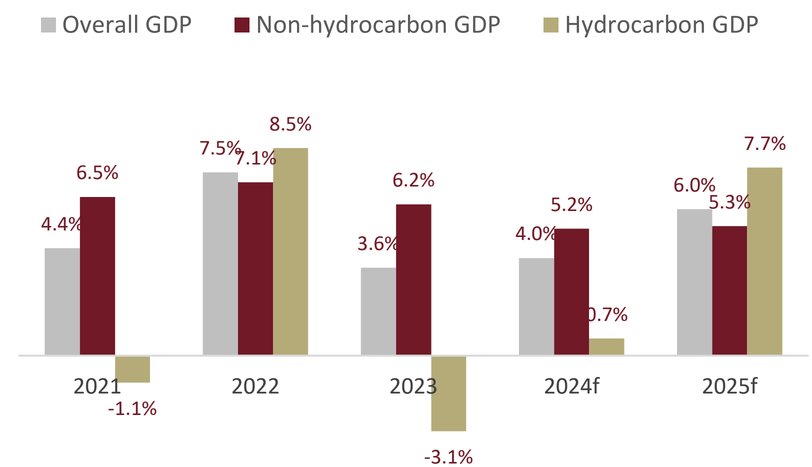
GCC Banking Sector Total Assets (USD bn)



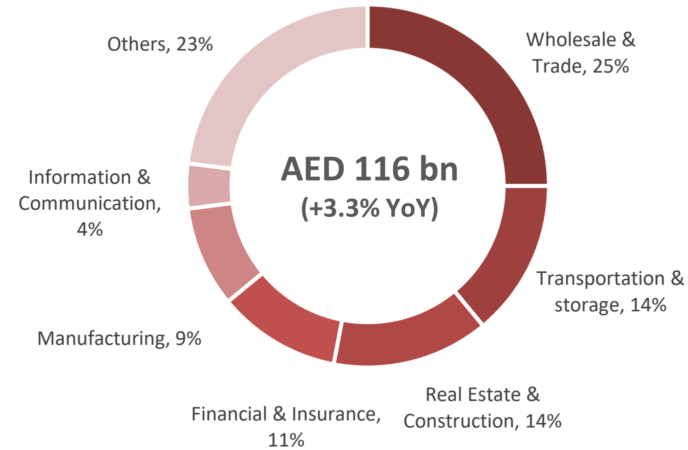
Sources: IMF, KAMCO, UAE CB

UAE fiscal conditions remain strong

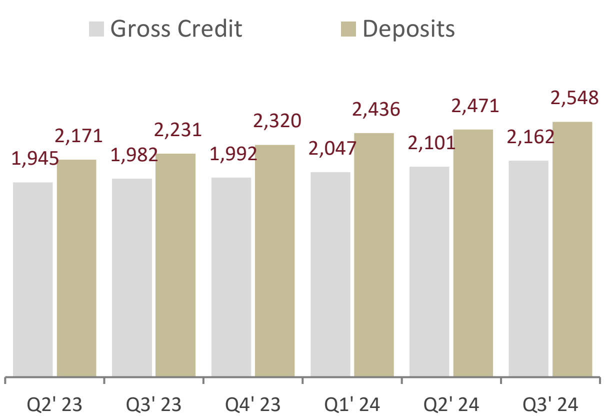
UAE GDP (%)



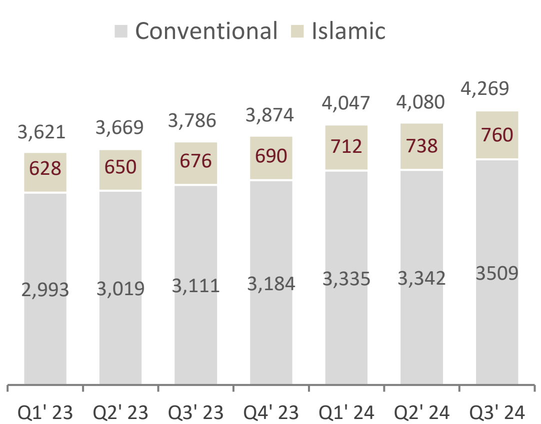
Dubai Q2 2024 GDP Breakdown (%)



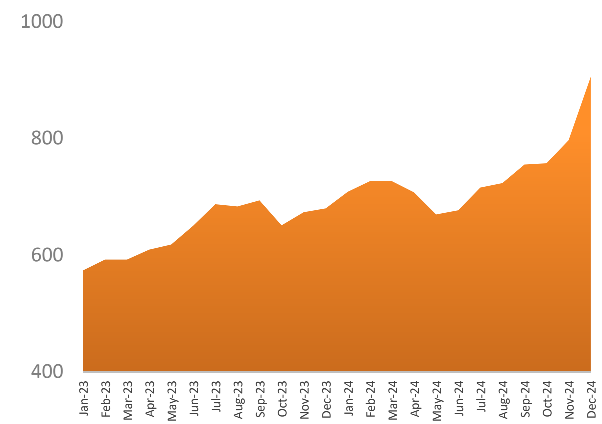
UAE Banking System (AED bn)



UAE Banking System (AED bn)



DFM Market Cap (AED bn)



Sources: CB UAE, DFM, Dubai Statistics Center

Contents

Key Highlights – FY 2024

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- **MENA economy continues to be robust** and is projected to grow at 3.5% in 2025 based on IMF forecast.
- **Economic growth in UAE remains strong** driven by robust domestic activities.
- **Record year from DIB** underpinning the bank's strategic growth agenda.
    - **Balance sheet** growth of 9.7% YoY to AED 345 billion.
    - **Net financing and sukuk investments** grew by 10% YoY to AED 295 billion, exceeding guidance.
    - **Net Profit** (pre-tax) of AED 9.0 billion, up 27% YoY.
    - **Customer deposits up by** 12% to AED 249 billion.

Net Financing & Sukuk	Net Profit (pre-tax)	Deposits
AED	AED	AED
295 bn	9.0 bn	249 bn
10% YoY	27% YoY	12% YoY

Balance Sheet

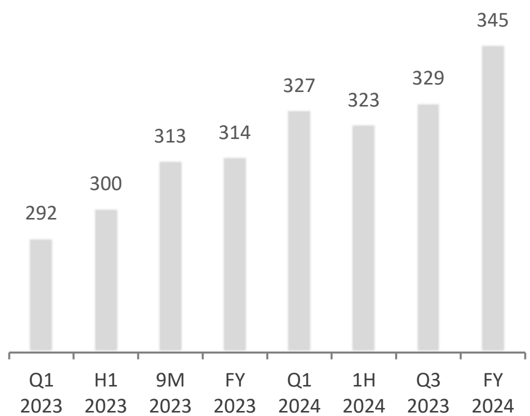
AED million	Dec 2024	Dec 2023	YoY Change	Sep 2024	QoQ Change
Net financing assets & sukuk investments	294,588	267,626	*10.1%*	285,783	*3.1%*
Total Assets	**344,687**	**314,292**	*9.7%*	**329,169**	*4.7%*
Customer Deposits	248,546	222,054	*11.9%*	236,868	*4.9%*
Sukuk financing instruments	24,154	20,481	*17.9%*	24,158	-
Equity	52,853	47,434	*11.4%*	48,965	*7.9%*
Total liabilities & Equity	**344,687**	**314,292**	*9.7%*	**329,169**	*4.7%*

NPF	**4.00%**	5.40%	*(140 bps)*	**4.27%**	*(27 bps)*
RoTE (pre-tax)	**24%**	20%	*400 bps*	**22%**	*200 bps*
RoTE	**22%**	20%	*200 bps*	**20%**	*200 bps*
RoA (pre-tax)	**2.8%**	2.3%	*50 bps*	**2.5%**	*30 bps*
RoA	**2.5%**	2.3%	*20 bps*	**2.3%**	*20 bps*
CET1	**13.2%**	12.8%	*40 bps*	**13.9%**	*(70 bps)*
CAR	**18.3%**	17.3%	*100 bps*	**18.3%**	-

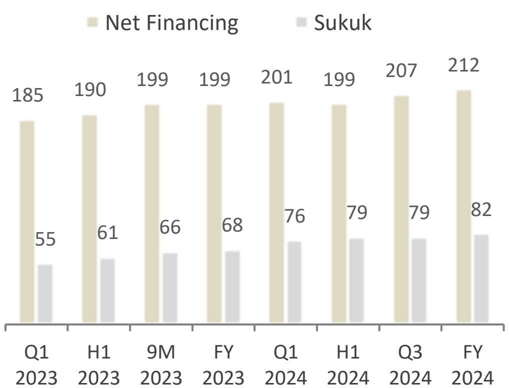
FY 2024 Highlights

- Robust **balance sheet** growth exceeding 10% YoY and nearly 5% QoQ to reach to AED 345 billion.
- **Net financing & sukuk investments** up over 10% YoY and 3% QoQ to reach to AED 295 billion.
- Strong balance sheet growth supported by **new gross underwriting** of AED 102 billion up 16% YoY.
- Robust growth in **deposits** of 12% YoY and 5% QoQ to reach at AED 249 billion.
- Significant improvement in asset quality with **NPF ratio** now at 4%, lower by 140 bps YoY.

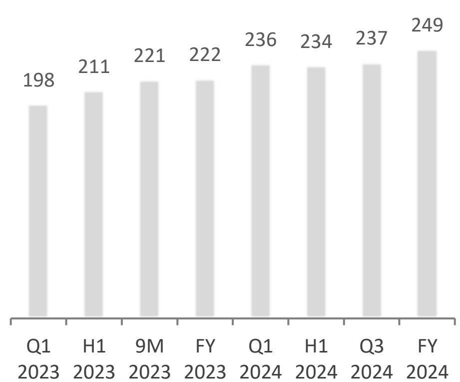
Asset Growth (AED bn)



Net Financing & Sukuk (AED bn)



Deposits (AED bn)



RoTE - Being the ratio of annualized net profit attributable to shareholders to average shareholders' equity adjusted for the estimated proportionate dividend and excluding Tier 1 issuances.
RoA - Being the ratio of annualized net profit (excluding one off / exceptional items) for the group to average total assets.

Income Statement

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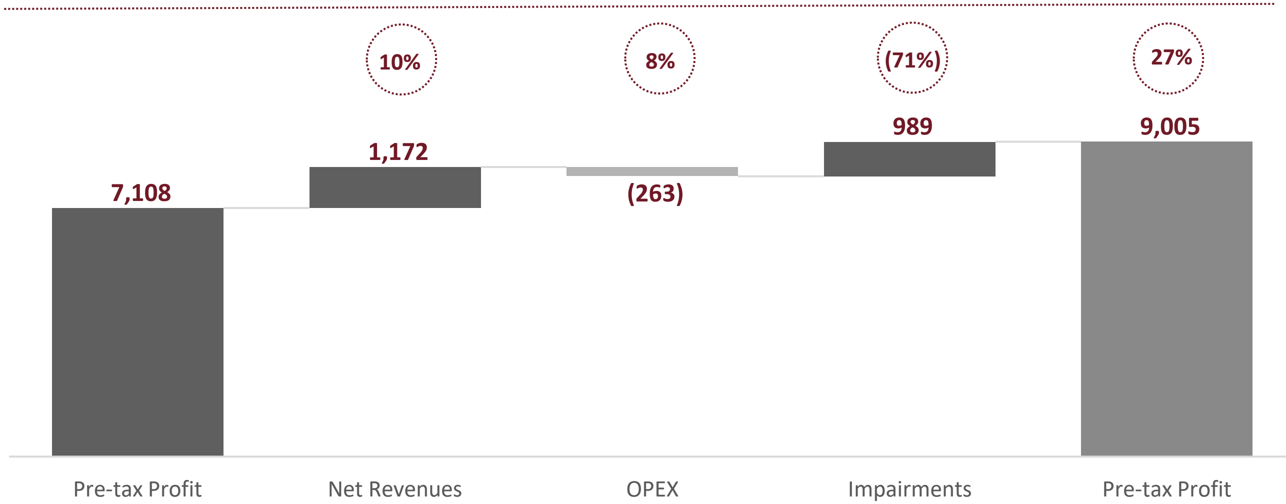
AED million	FY 2024	FY 2023	YOY % Change	4Q 2024	4Q 2023	YoY % Change	3Q 2024	QoQ % Change
Total Income	23,341	20,142	*15.9%*	6,346	5,594	*13.4%*	5,703	*11.3%*
Net Operating Revenue	12,837	11,665	*10.0%*	3,751	3,118	*20.3%*	3,027	*23.9%*
Operating Expenses	(3,425)	(3,162)	*8.3%*	(871)	(900)	*(3.2%)*	(869)	*0.2%*
Profit before Impairment and Tax Charges	**9,412**	**8,503**	***10.7%***	**2,881**	**2,218**	*29.9%*	**2,158**	*33.5%*
Impairments	(407)	(1,396)	*(70.9%)*	123	13	*(846.2%)*	123	-
Pre-tax profit	**9,005**	**7,108**	***26.7%***	**3,003**	**2,231**	*34.6%*	**2,281**	*31.7%*
Income Tax	(840)	(98)	*760.0%*	(287)	(44)	*552.3%*	(210)	*36.7%*
Group Net Profit	**8,165**	**7,010**	***16.5%***	**2,717**	**2,186**	*24.3%*	**2,071**	*31.2%*
C/I Ratio	26.7%	27.1%	*(40 bps)*	23.2%	28.9%	*(570 bps)*	28.7%	*(550 bps)*
NPM	3.0%	3.1%	*(10 bps)*	2.88%	3.1%	*22 bps*	2.87%	*1 bps*

FY 2024 Pre-tax Profit Movement (AED million)



Key Highlights

- **Total income** recorded a strong growth of 16% YoY to reach to AED 23.3 billion.
- **Operating Expenses** up by 8% YoY to AED 3.4 billion following continued investments in technology and resources.
- **Impairments** significantly lower by 71% YoY to AED 407 million following the successful recovery of legacy NPLs during the year
- Strong growth in **pre-tax profit** of 27% YoY to reach to AED 9.0 billion. **Group Net Profit (post tax)** at AED 8.2 billion, up by more than 16% YoY.

Profitability & Cost Structure

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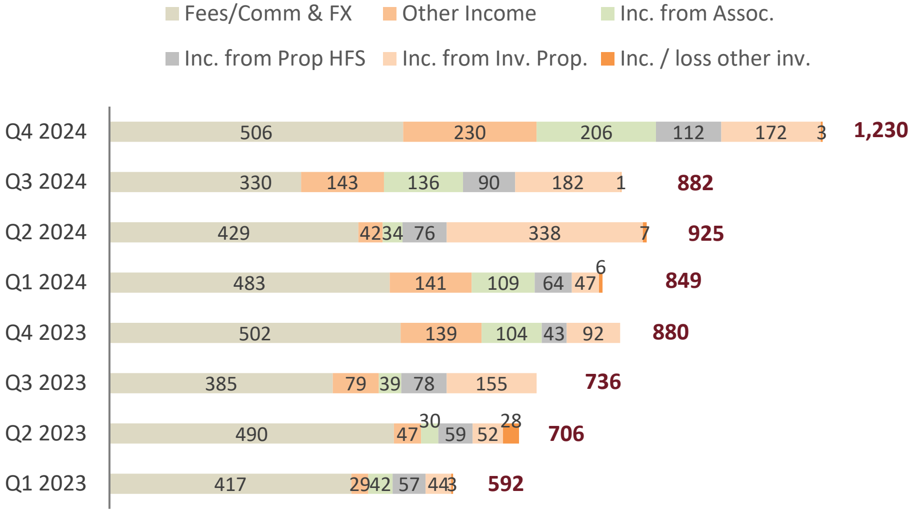
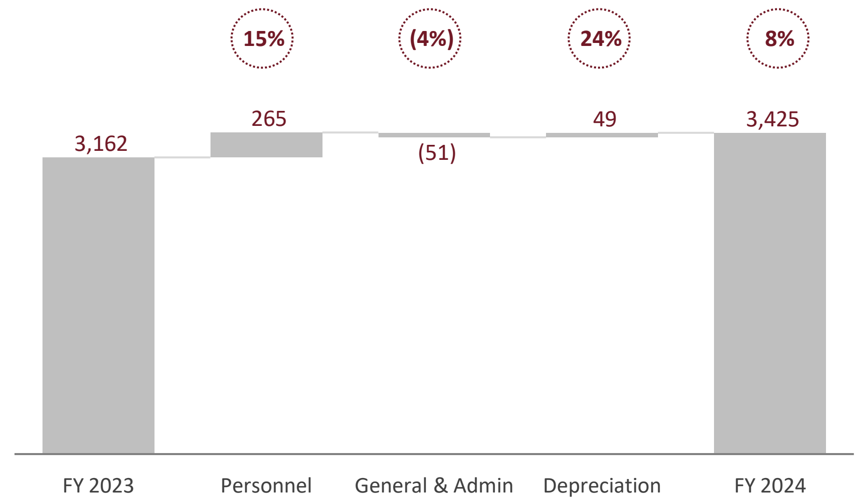
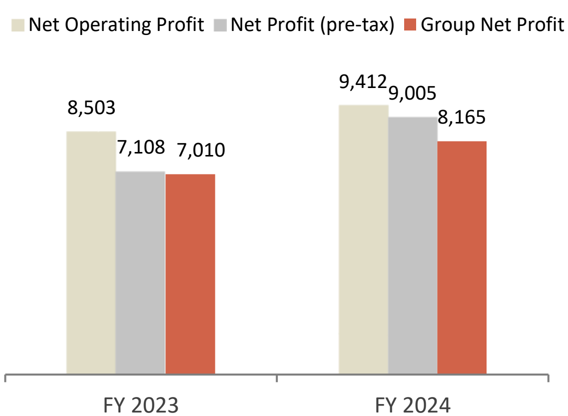
Non-Funded Income Composition (AED million)



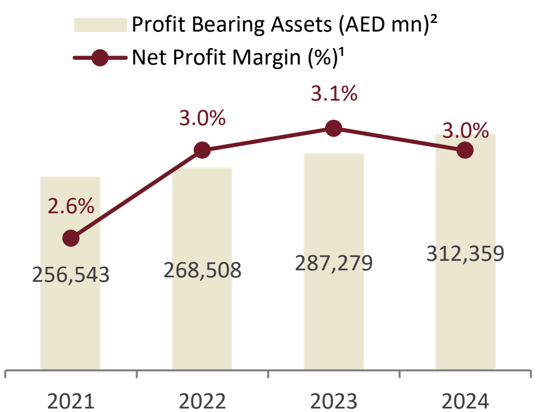
OPEX trends (AED million)



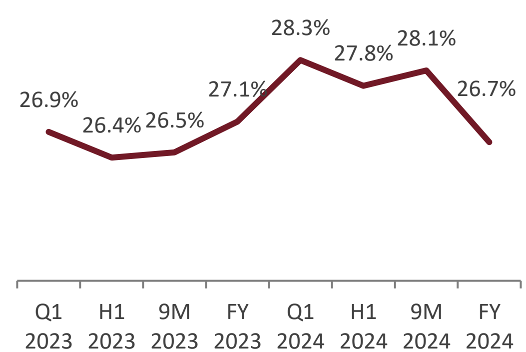
Profitability (AED mn)



Net Profit Margin (%)



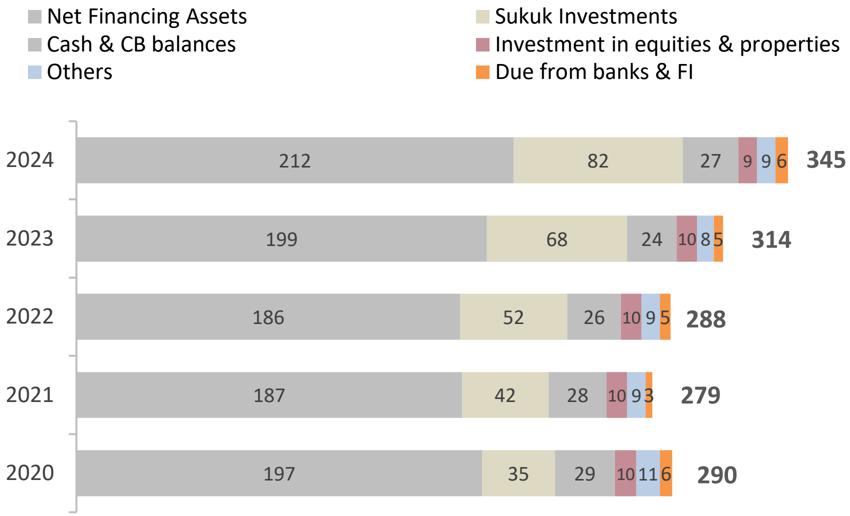
Cost to Income (%)



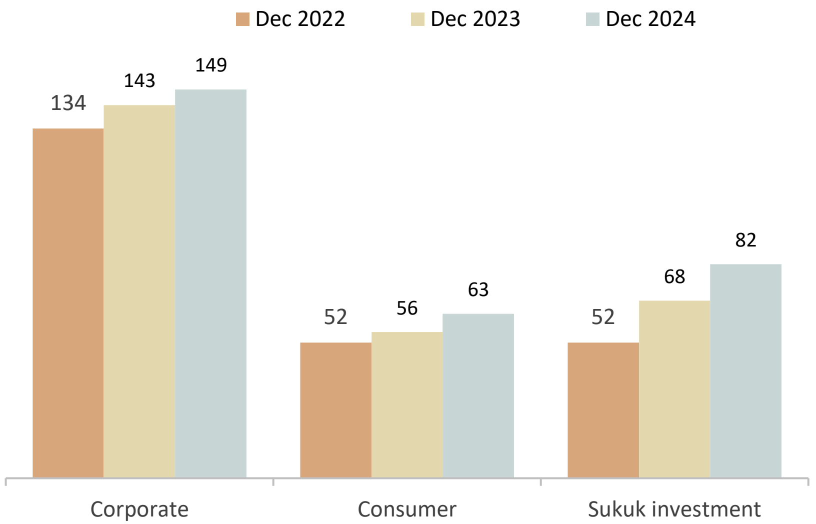
[1]Net Profit Margin is calculated as Depositors' share of profits subtracted from income from Islamic Financing and Investing Assets transactions divided by Average Profit Bearing Assets.
[2]Profit Bearing Assets are calculated as the sum of Islamic placements with UAE Central Bank and banks, Islamic financing and investing assets and investment in Islamic Sukuk.

Overview of Deployment of Funds/Financing

Deployed Funds Composition (AED bn)

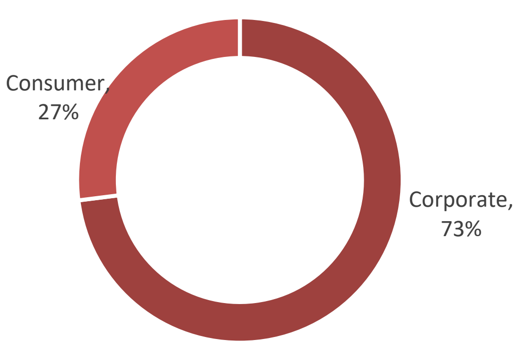


Net Deployed by Segment (AED bn)

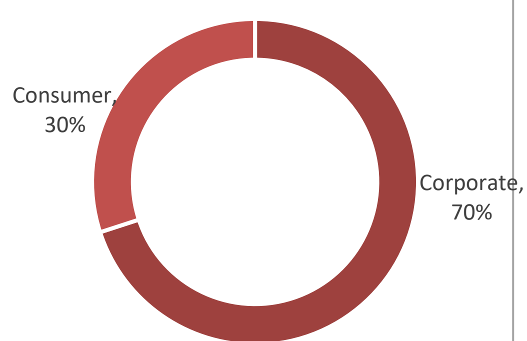


Breakdown of Financing Portfolio by Sector (%)

Dec 2023



Dec 2024



Highlights

- Strong **net financing** growth of 6.5% YoY across key businesses with net Islamic financing and investing assets now standing at AED 212 billion.
- **Sukuk investments** momentum continues with over 20% YoY growth to reach AED 82 billion compared to AED 68 billion in 2023.
- Both **Consumer** and **Corporate** continue to show healthy growth of 4% YoY and 13% YoY respectively.

Segmental Overview – Consumer

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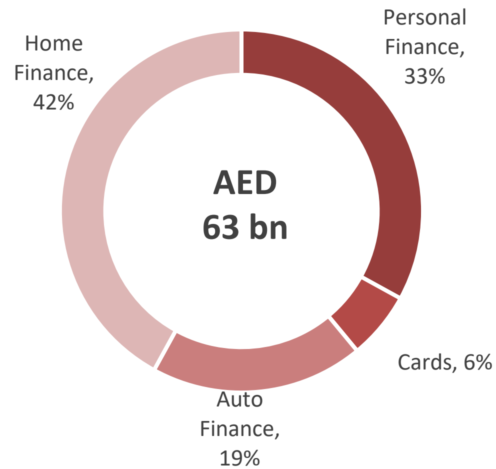
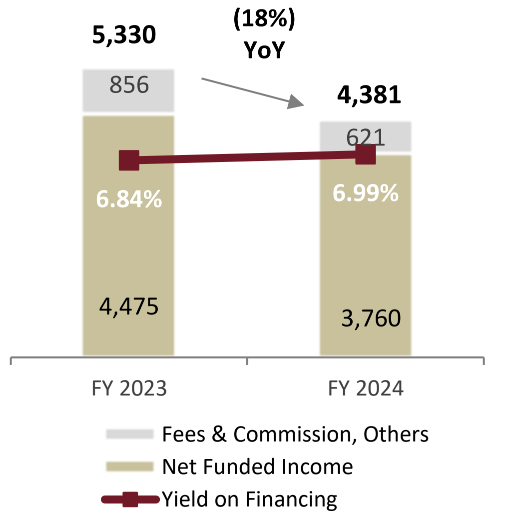
Management Commentary

- **Consumer portfolio** up by 13% YoY to reach at AED 63 billion compared to AED 56 billion in 2023.
- **Home finance** portfolio rose by 11% YoY to AED 27.4 billion and contributing by 42% to the portfolio.
- **Personal finance** portfolio grew by 9% YoY to AED 21.3 billion and contributing 33% to the consumer portfolio.
- **Cards** portfolio grew by 29% YoY as focus on growing this high yield product continues.
- Continued recalibration and enhancements on branches to drive superior customer service and customer experience.

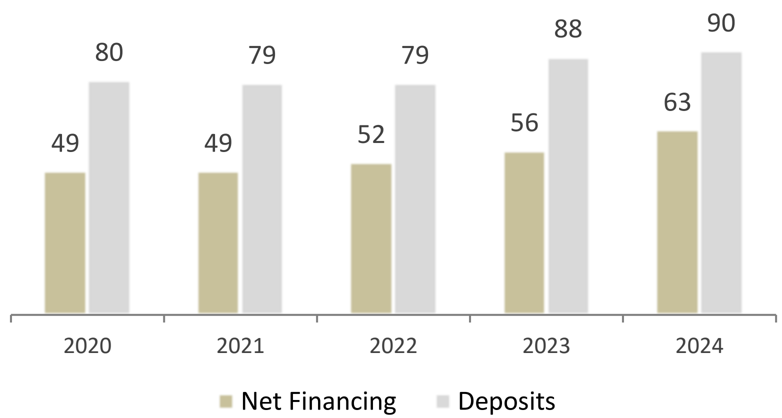
Breakdown by Portfolio – Dec 2024



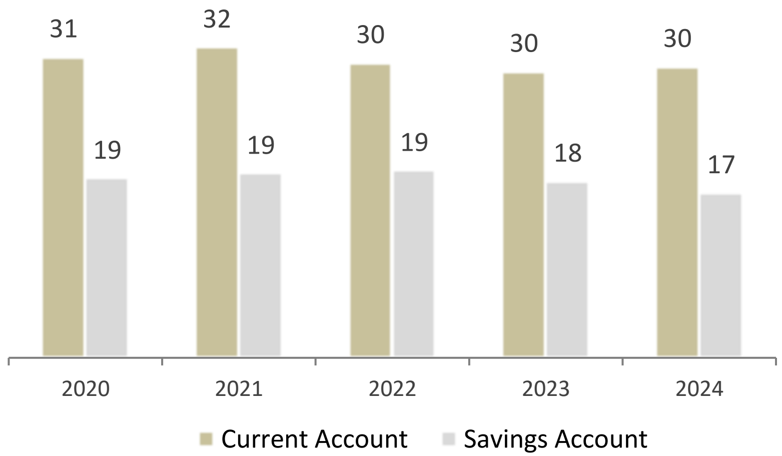
Revenue Trends (AED mn)*



Segment Net Financing / Deposits (AED bn)



CASA (AED bn)



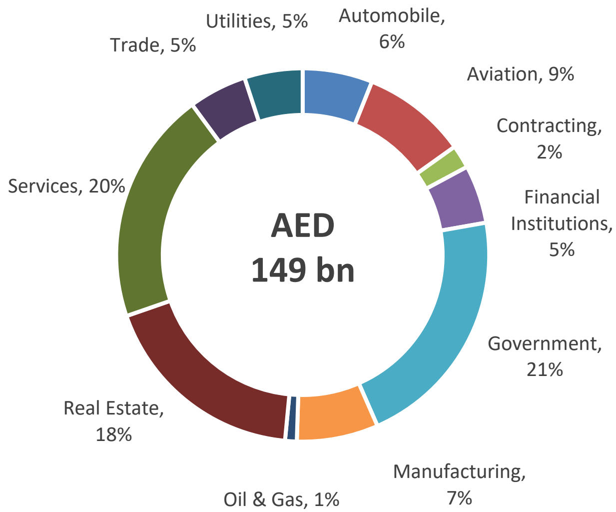
* Segmental results for current and prior years reflect results in accordance with enhanced management account policies for cost allocation and transfer pricing.

Segmental Overview – Corporate

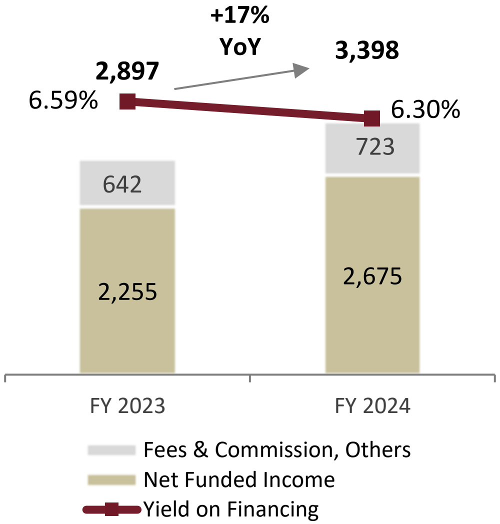
Management Commentary

- **Portfolio** stands at AED 149 billion up 4% YoY focusing around diversified economic segments both in the public and private sectors.
- Strong rise in **revenues** to reach to AED 3.4 billion, up 17% YoY, supported by rising fees and commissions.
- Strong growth in **corporate deposits** to reach to AED 157 billion, up 19% YoY.
- Government sector saw a **strong increase** of 38% YoY which represent more than 20% of the Corporate portfolio.

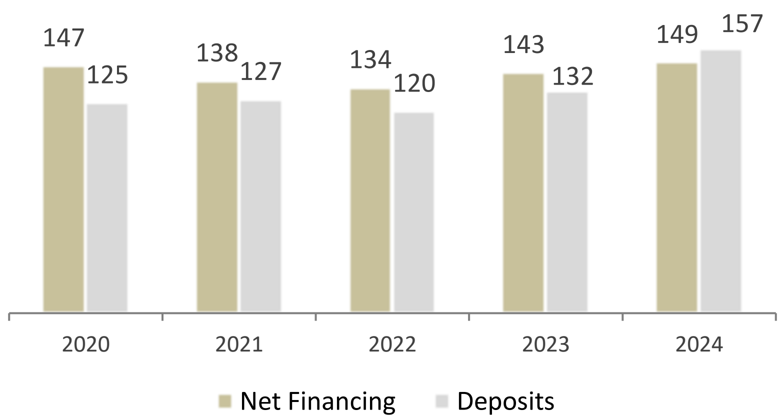
Breakdown by Portfolio – Dec 2024



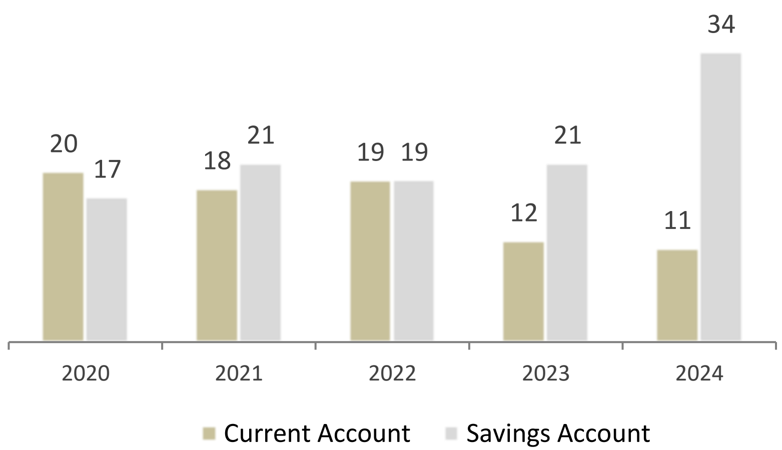
Revenue Trends (AED mn)*



Segment Net Financing / Deposits (AED bn)



CASA (AED bn)



Corporate banking charts reflect corporate and real estate, excluding treasury

* Segmental results for current and prior years reflect results in accordance with enhanced management account policies for cost allocation and transfer pricing.

Segmental Overview – Treasury

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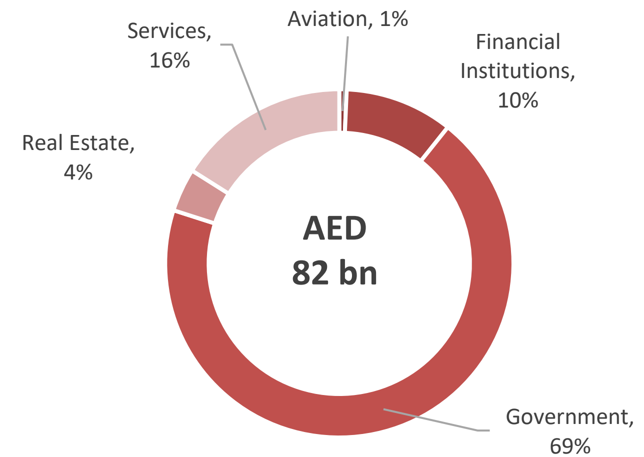
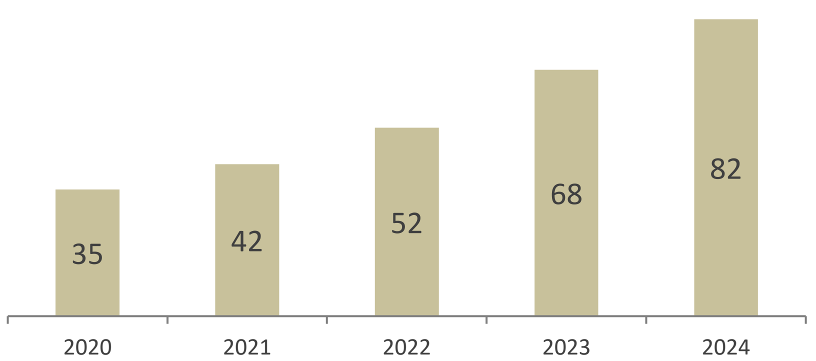
Management Commentary

- **Portfolio** now stands at AED 82 billion, a strong rise of 21% YoY.
- **Sovereign** continue to be the largest contributor at 69% with a portfolio of more than AED 57 billion.
- Strong rise in **revenues** by 24% YoY to AED 2.5 billion, supported by fees & commissions as well as net funded income.

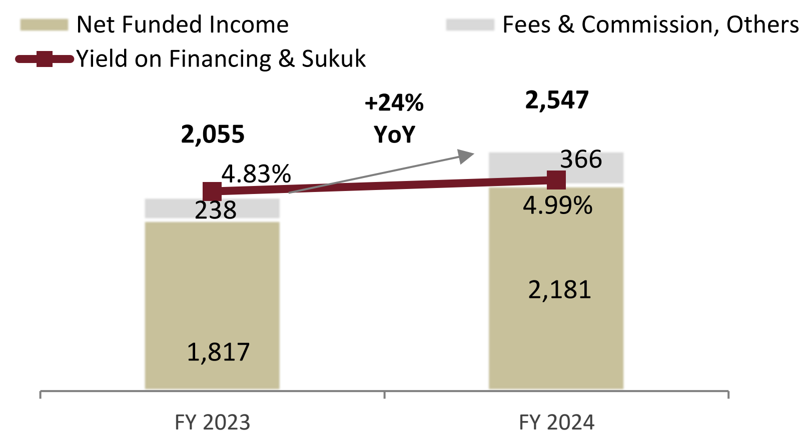
Breakdown by Portfolio – Dec 2024



Segment Net Sukuk (AED bn)



Revenue Trends (AED mn)*



* Segmental results for current and prior years reflect results in accordance with enhanced management account policies for cost allocation and transfer pricing.

Asset Quality

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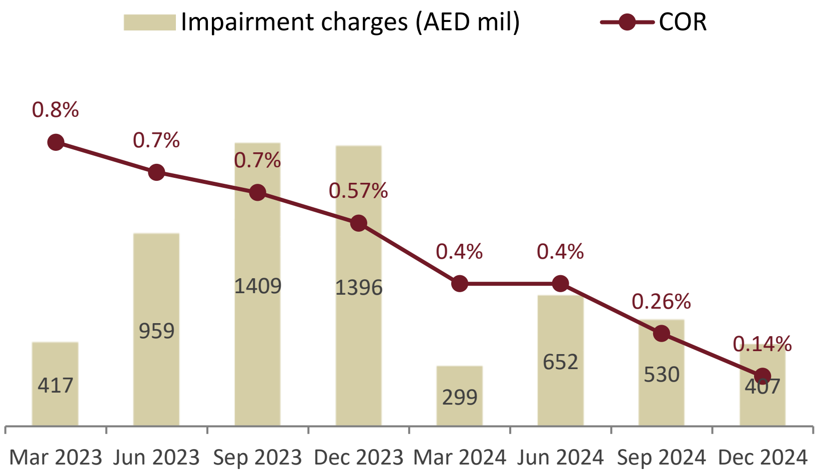
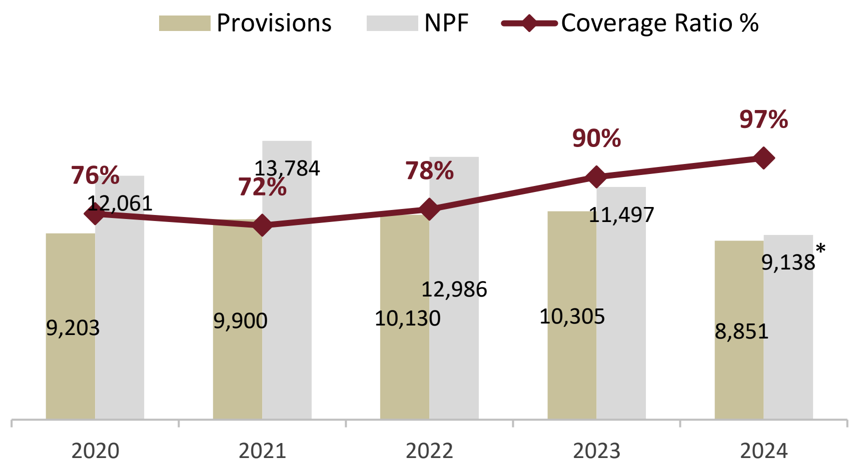
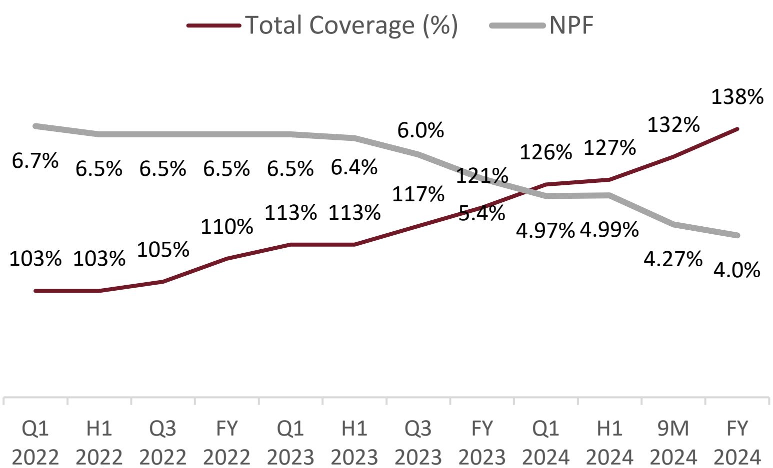
Impairment charges (AED mil) and cost of risk (COR %)



Provisioning (AED mil), NPF[1] (AED mil) and Cash Coverage Ratio (%)



NPF[1] and Total Coverage[2] (%)



Highlights

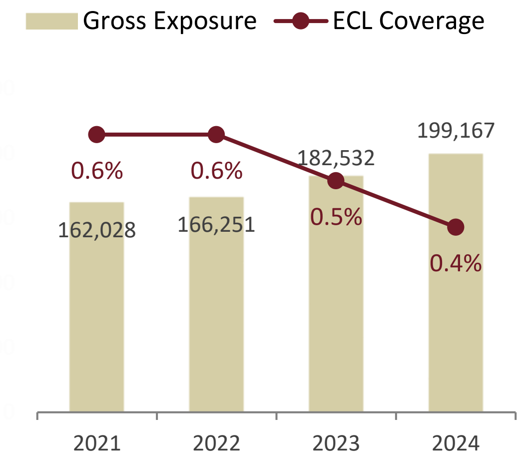
- **Non Performing Financing (NPF)** declined by more than AED 2.3 billion to AED 9.1 billion in 2024 from AED 11.5 billion in 2023, a reduction of more than 20% YoY.
- The drop in NPF has led to the NPF ratio **improving by 140 bps YoY to 4.00%,** beating guidance and the lowest since the global pandemic.
- **Cash coverage** continues to rise YoY now at 97%, up 700 bps.
- **Total coverage** now at 138%, up 1,700 bps YoY.

[1]**NPF ratio** includes Bilateral Sukuk and is calculated as the sum of individually impaired Financing Assets; [2]**Overall Coverage Ratio** is calculated as the sum of provisions held including regulatory credit risk reserve (if any) and collateral held relating to facilities individually determined to be impaired divided by non-performing financing.
*Includes Purchased or Originated Credit Impaired (POCI) through Noor Bank acquisition
Cost of Risk – Being ratio of net impairment charge on financing assets, sukuk and overdraft charge to the aggregate gross outstanding balances of financing assets, sukuk investments and overdrawn accounts.

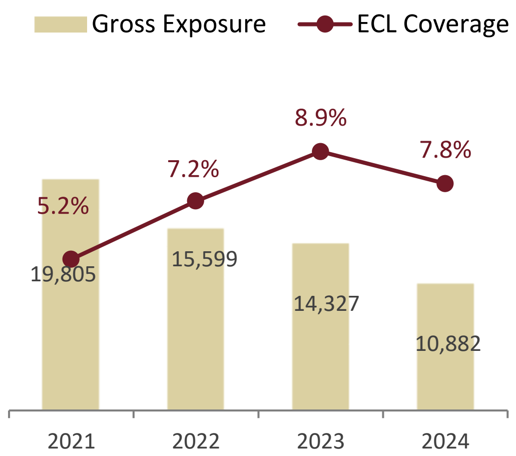
Asset Quality (contd.)

Islamic financing and investing assets (Gross Exposure by stages)

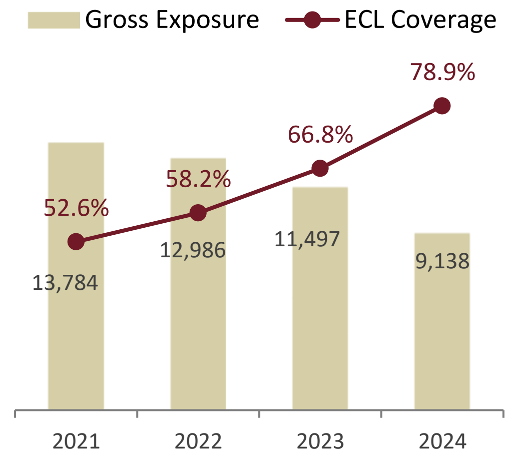
Stage 1 (AED million)



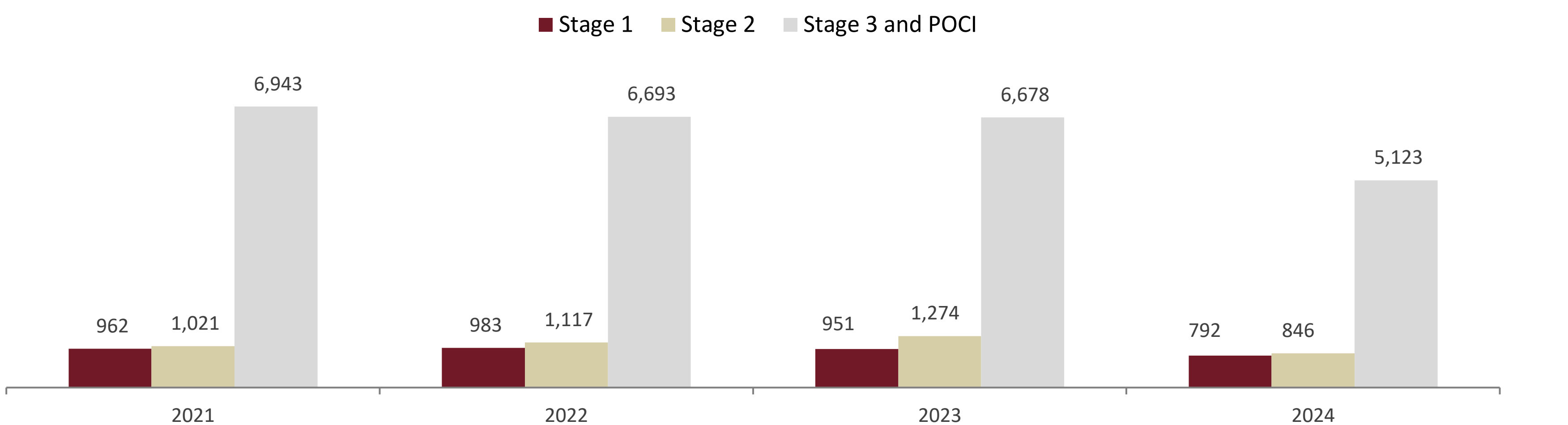
Stage 2 (AED million)



Stage 3 (AED million)

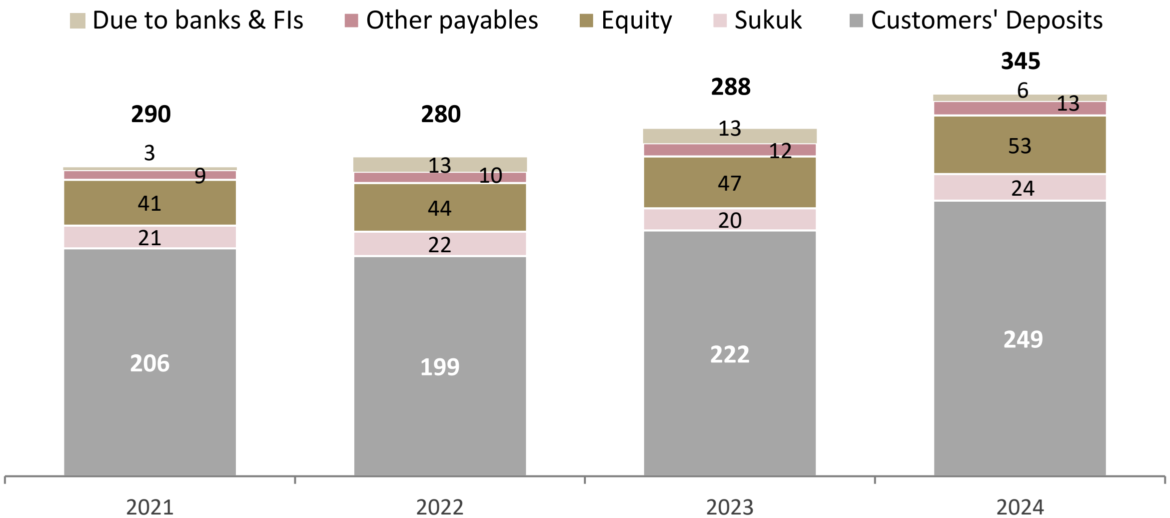


Expected Credit Loss Provision Balance (AED million)

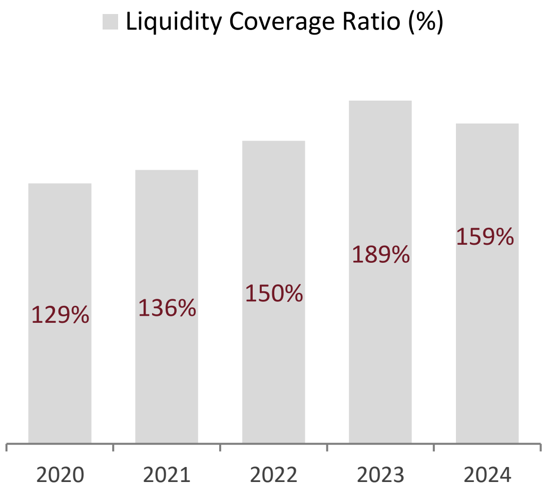


Funding Sources and Liquidity

Funding Sources (AED bn)

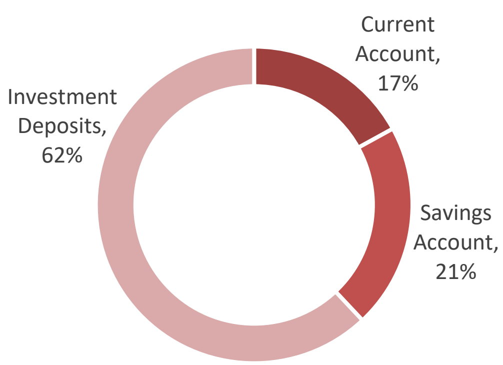


Liquidity Coverage Ratio (LCR)

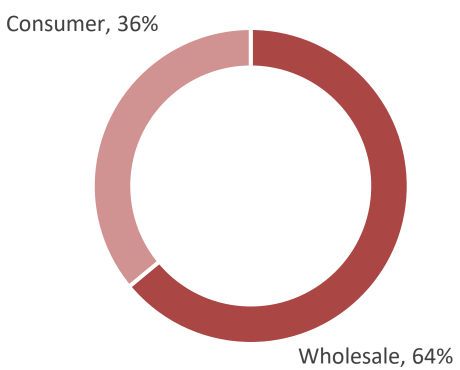


Customer Deposits (AED 249 bn)

By Type



By Business



Highlights

- Strong growth in customer deposits to reach AED 249 billion, up by 12% YoY.
- CASA now stands at 38% of customer deposits at AED 94 billion, an increase of 15% YoY from AED 81 billion in 2023.
- Investment deposits also saw a healthy rise of nearly 10% YoY to AED 154 billion.

Capitalization Overview

Dubai Islamic Bank

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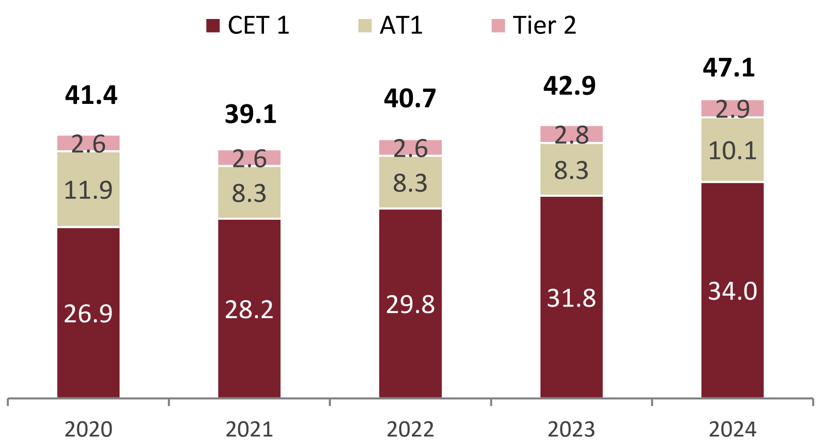
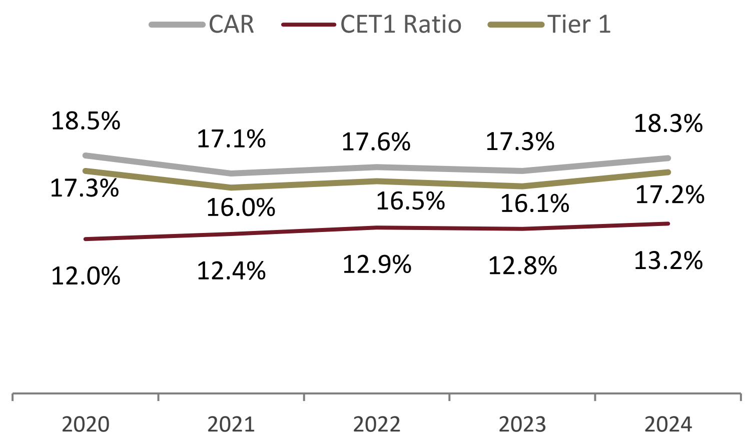
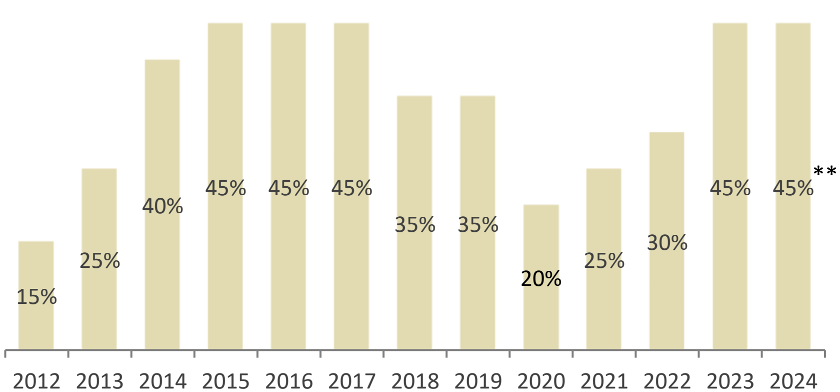
Regulatory Capital[1] (AED billion)



Capital Ratios



Dividend History*



Highlights

- Capital ratios remain strong with total capital base now standing at AED 47.1 billion rising by 10% YoY.
  - **Capital Adequacy Ratio** stands at 18.3% up 100 bps YoY.
  - **CET 1** ratio stands at 13.2%, up 40 bps YoY.

Dividend proposed at 45% is subject to shareholder approval during AGM and represents nearly 50% of distributable profits.

[1] Refers to Regulatory Capital under Basel III;

* Dividend is calculated as dividend per share divided by par value of a share .

** Proposed and subject to AGM and regulatory approvals.

Digital drive continue to support overall growth of DIB

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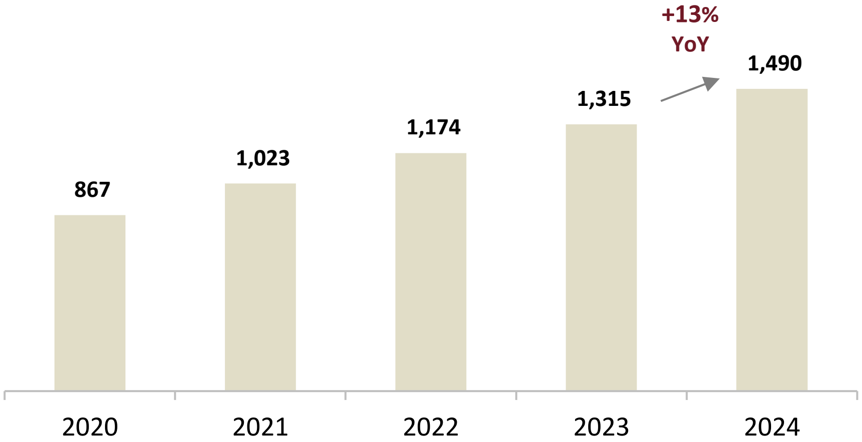
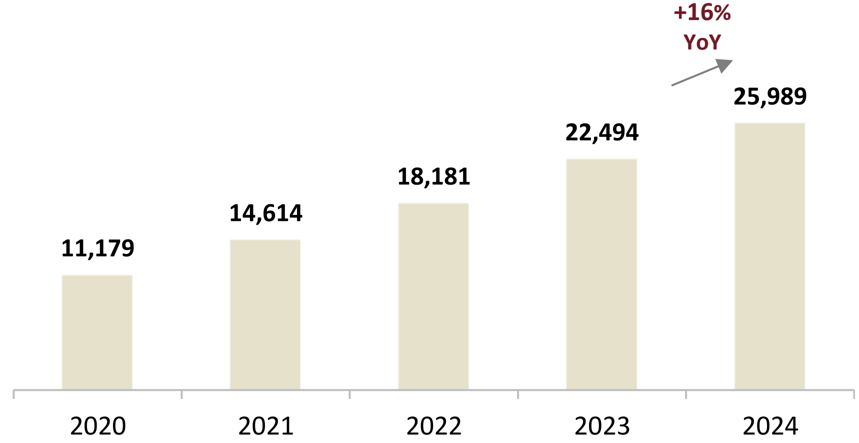
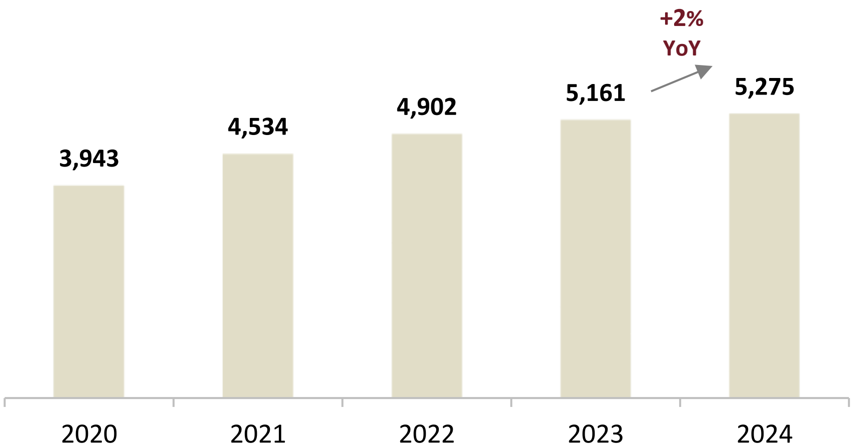
Digital Registered User Base* ('000)



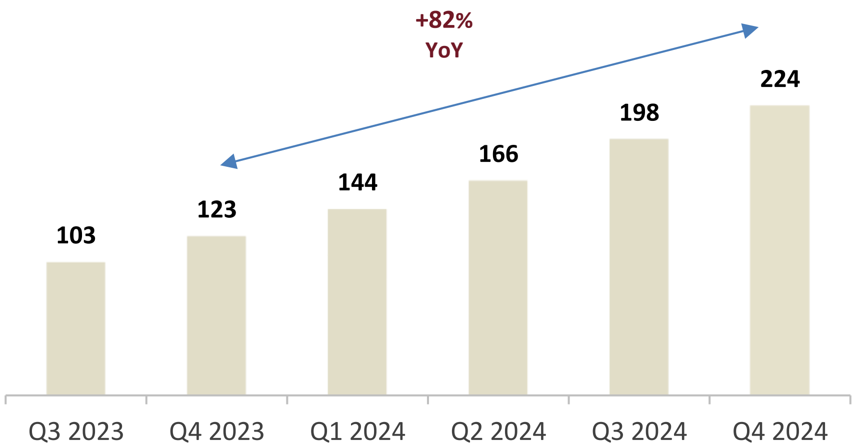
Mobile Banking Transactions ('000)



Internet Banking Transactions ('000)



WhatsApp Subscribers ('000)



- Digital Registered User Base (Business to Date) : overall registered internet banking / mobile banking app users

Driving Sustainability at DIB and 2030 ESG Strategy

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Dubai Islamic Bank
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Sustainability Highlights from FY2024

Highlight	Description	Strategic Area	SDGs
Sustainable Finance Issuance and Facilitation	One of the key achievements of 2024 was the successful pricing of another USD 1 billion Sustainable Sukuk in February. This issuance, the largest by a Middle Eastern financial institution in nearly a year, attracted strong global interest from Europe, Asia, and the Middle East, reaffirming DIB's leadership in Islamic Sustainable Finance. This deal also brings DIB's total Sustainable Sukuk issuances to USD 2.75 billion, a clear reflection of our continued commitment to financing a sustainable future. Additionally, DIB participated in USD 6.2 billion in Sustainable Sukuks in 2024 (38% increase YoY) bringing total Sustainable Sukuk participation to USD 20 billion since 2018.	**Propel Sustainable Finance:** Significantly step up the share of our funding activities towards sustainable projects **Embed ESG in Decision Making:** Fully integrate ESG considerations into all of our financing decisions	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
Inaugural Sustainability-Linked Facility	DIB successfully facilitated a landmark USD 3.25 billion sustainability-linked financing for GEMS Education. This financing underscores DIB's commitment to UAE's growth and sustainability agenda, particularly within the education sector, vital for nation's socio-economic development. Under this facility, financial incentives are linked to sustainability performance in the areas of renewable energy and affordable, quality education underscored by an understanding of climate principles .		
ESG rating improvement	This part year, DIB has earned significant increases in its external ESG ratings. Rating agencies indicated that DIB's progress against its Sustainability strategy, enhanced disclosures, and strong governance framework contrinuted to this substantial improvement. **Sustainalytics:** New Score: 24.9 ⬆ 19% **S&P Global:** New Score: 27 ⬆ 13% **MSCI:** New Score: A ⬆ 1 level upgrade **Refinitiv:** New Score: 61 ⬆ 91%	**Drive Transparency & Disclosure:** Disclose our financial and non-financial performance in line with best-in-class standards	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
United Nations Global Compact (UNGC)	This year DIB deepened our commitment to the UN Sustainable Development Goals by becoming a signatory of the UNGC. This membership will grant us access to unprecedented global frameworks, and best practices to guide us on our Sustainability journey.		
Net Zero commitments	In Q4 2024 we launched our comprehensive Sustainability Policy, accompanied by enhanced disclosures of key policy statements which impact our ESG positioning in the market. This strategic initiative represents our unwavering commitment to responsible business practices. At the heart of our policy is an ambitious goal: achieving net-zero Scope 1 and 2 emissions by 2030. This bold target demonstrates our dedication to combating climate change and leading by example in our industry.	**Reduce Operational Footprint:** Achieve Net Zero within operations and significantly reduce our footprint across water, waste, and energy	3 GOOD HEALTH AND WELL-BEING 13 CLIMATE ACTION

Contents

Summary Highlights

- **Strategy** remains strong and intact delivering another exceptional year of business and performance results.

- **Robust financial results:**
  - **Robust balance sheet growth** of nearly 10% YoY to reach AED 345 billion.
  - **Net Financing and Sukuk investments** grew by 10.1% YoY beating full year guidance.
  - **Net financing assets** growth of 6.5% YoY depict strong and record new underwriting for the year.
  - Significant improvements in **asset quality** with **NPF ratio** at 4.0% (-140 bps YoY) surpassing guidance.

- Aggressively investing on **modernization of core technology** infrastructure and banking systems.

- **Accelerated execution of sustainability agenda** leading into upgrades in several ESG ratings.

- On-going rapid building of **workforce** capabilities and capacities across the organization.

- Strengthened **risk management** across all key areas.

Target Metrics	FY 2024 Guidance	FY2024 Actual	FY 2025 Guidance
Net financing & Sukuk growth	10.0%	**10.1%**	**15.0%**
NPF	5.0%	**4.0%**	**3.5%**
Return on Assets	2.0%	**2.5%**	**2.4%**
Net Profit Margin	3.0%	**3.0%**	**2.8 - 3.0%**
Total Coverage*	130%	**138%**	**140%**
Cost to Income Ratio	27%	**26.7%**	**26%**
Return on Tangible Equity	18%	**22%**	**21%**

* Including collateral

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