



بنك دبي الإسلامي  
Dubai Islamic Bank

# Dubai Islamic Bank

*"The Better Way to Bank"*

Investor Relations

YE 2011



## Disclaimer

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## About DIB



بنك دبي الإسلامي  
Dubai Islamic Bank

**The world's first Islamic Bank  
Established in 1975**

### **UAE**

- ▶ 74 Branches
- ▶ Reaching 1,400,000 customers

### **Pakistan**

- ▶ 60+ Branches in 30+ cities

### **Jordan**

- ▶ Jordan Dubai Islamic Bank

### **Turkey**

- ▶ DIB Representative office



## Formidable Name in Islamic Banking

**Significant government ownership –  
Government of Dubai 29.81% and  
Federal Pension Fund 4.29%**

**3rd largest Islamic bank in the world  
and largest in the UAE**

**Innovators and drivers of Islamic  
Banking trends**

**Strong geographical coverage within  
UAE (branches, ATMs,), internet and  
online, mobile banking**

**Choice employer for Islamic Banking  
Professionals**

**Strong in deposits and market leader  
in auto finance**

**Leader in home finance and cards  
among Islamic banks**

**Only bank offering Salam (Personal  
Finance) proposition to individuals  
and consumers**

**Huge cross-sell opportunity to one of  
the largest retail and corporate  
customer base**

**Strong liquidity compared to peers**

**Qualified and Experience Staff in all  
segments**

**Strong Islamic Bank with a large and  
loyal customer base**

## DIB Group Structure



بنك دبي الإسلامي  
Dubai Islamic Bank



100 % owned



Strategic Stakes

## DIB's Core Businesses

### Retail & Business Banking

- Largest business Group within DIB
- Full range of products and services
- Customer segments: Mass Affluent, HNWI, SMEs
- One of the largest Retail customer base in UAE
- Market leaders: Deposits products and Auto finance, Islamic mortgages, Islamic credit cards

### Investment Banking

- DIB Capital incorporated in Dubai International Financial Centre
- Investment banking activities such as project finance, loan syndication, capital markets, asset management and structured finance as well as Corporate Advisory Services
- Lead numerous key Islamic investment banking transaction since inception
- Global leaders in Sukuk issuance: #3 in the Bloomberg league table in 2006

### Real Estate, Contracting Finance

- Financing to contractors in the real estate, oil, gas, power and water sectors

### Corporate Banking

- Focus on Large & Middle Market
- Bankers to top corporate houses in UAE
- Financing for Trade and Manufacturing and Infrastructure
- Strong transactional banking capabilities including Cash Management, FI's corresponding bank, etc.

### Treasury

- Foreign exchange services
- Asset-liability management
- Islamic derivatives

# Mega Deals: Capital Market Transactions



AED 1.1 Billion Sukuk

Joint Lead Manager &  
Bookrunner  
2011



AED 1.1 Billion Sukuk

Joint Lead Manager &  
Bookrunner  
July 2008



AED 3.75 Billion Sukuk

Joint Lead Manager &  
Bookrunner  
June 2008



AED 3.20 Billion Sukuk

Joint Lead Manager &  
Bookrunner  
June 2008



AED 3.60 Billion Sukuk

Joint Lead Manager &  
Bookrunner  
May 2008



AED 7.50 Billion Sukuk

Joint Lead Manager &  
Bookrunner  
Nov 2007



\$ 1.5 billion Sukuk  
Joint Lead Manager  
& Joint Bookrunner  
June 2007



\$ 1.00 billion  
Sukuk

Joint Lead Manager  
& Book runner  
June 2007



\$3.52 Billion Sukuk

Joint Lead Manager &  
Bookrunner  
Nov 2006

Ports, Customs &  
Free Zone Corp.,  
UAE

\$3.5 billion Sukuk  
Lead Manager & Joint  
Bookrunner  
June 2006



Qatar Real Estate  
Investment Co.

\$270 million Sukuk  
Joint Lead Arranger  
and Bookrunner  
Aug 2006



\$550 million Sukuk  
Mandated Lead  
Manager & Joint  
Bookrunner  
June 2005



\$1 billion Debut Intl.  
Sukuk  
Mandated Lead  
Manager & Joint  
Bookrunner  
Nov 2004



Government of  
Pakistan

\$600 million Debut  
International Sukuk  
Co-Manager  
Jan 2005



Govt. of Malaysia

\$600 million Sukuk  
Co-Lead Manager  
2002



LMC - Bahrain

\$250 mn Sukuk  
Co-Lead Manager  
Jun 2004



Islamic  
Development Bank

\$500 million Sukuk  
Joint Lead Manager  
Jun 2005



\$1.25 billion  
Sukuk  
Co – Manager  
Jun 2007



## PF & Syndications Transactions



AED 3.6 billion  
Islamic and  
Conventional  
syndicated financing  
facility  
December 2011



\$ 2.2 billion equiv.  
Multi currency  
Multi Tranche Ijara &  
Conventional  
Facilities  
Joint Mandated Lead  
Arranger &  
Bookrunner



\$ 2.50 billion  
Dual currency  
Conventional &  
Islamic Facility  
Joint Mandated Lead  
Arranger &  
Bookrunner



**PFZW**  
\$ 1.25 billion  
Dual currency  
Conventional &  
Islamic Facility  
Joint Mandated Lead  
Arranger &  
Bookrunner



\$ 6 billion  
Dual Tranche  
Conventional  
& Islamic Murabaha  
Facility  
Joint Mandated Lead  
Arranger & Bookrunner  
Sep 2008



\$ 2.2 billion equiv.  
Dual currency Ijara  
Facility  
Joint Mandated  
Lead Arranger &  
Bookrunner  
April 2008



Al Jaber Group  
\$ 400 million equiv.  
Dual currency Ijara  
Facility  
Joint Mandated Lead  
Arranger &  
Bookrunner



\$ 2.1 billion  
Finance Facility  
Joint Lead Arranger  
and Bookrunner  
April 2008



\$ 1.85 billion  
Syndicated Ijarah  
Facility  
Arranger &  
Bookrunner  
Aug 2007



\$1 billion Istisna' &  
Ijara  
Mandated Lead  
Arranger & Joint  
Bookrunner  
Sep 2005



**Tabreed, Abu Dhabi**  
\$100 million Ijarah  
Sole Arranger  
April 2007



**BAPCO – Bahrain**  
\$330 million Ijara  
Mandated Lead  
Manager



**Aluminum  
Bahrain**  
\$150 million  
financing  
Co-Lead Arranger



\$2.35 billion  
financing  
Joint Lead Arranger  
Oct 2004



**Qatargas II**  
\$530 million  
financing  
Mandated Lead  
Arranger  
Dec 2004



**Pertamina**  
\$322 million financing  
Co-Lead Arranger  
Dec 2004



**Umm Al Nar, Abu  
Dhabi**  
\$ 250 million  
Facility  
Co-Arranger



**Dubai Ports  
Authority**  
\$150 million  
financing  
Sole Lead Arranger

## Key Awards

2006



**Best Islamic Bank in the Middle East**  
**Best Global Sukuk House**  
Euromoney Islamic Finance Award



**Best Debt House in UAE**  
Euromoney Award for Excellence



**Bank of the Year (UAE)**  
The Banker Awards

2007



**Best Islamic Bank in the Middle East**  
**and PCFC deal recognized as the Deal of the Year**  
Euromoney Islamic Finance Award



**Banker Middle East Award**  
**Best Islamic Bank (3<sup>rd</sup> consecutive time)**

2008



**Best Islamic Retail Bank**  
**Best Islamic Bank in the UAE**  
Global Finance inaugural World's Best Islamic Financial Institutions Awards



**Best Islamic Credit Card**  
Banker Middle East Product Awards



**Best Islamic Bank**  
**(4th consecutive time)**  
Banker Middle East Award

2009



**Best Sukuk Bank**  
**Best Islamic Bank in the UAE (2<sup>nd</sup> year in a row)**  
Global Finance Award



**Best Wealth Management Firm**  
**Best Globalization Effort,**  
**Best Sukuk Structuring (for JAFZA Sukuk)**  
**Lifetime Achievement Award for Dr. Hussain**  
Islamic Business & Finance Award

2010



The Banker's Top 500 Islamic Financial Institutions ranks **DIB as No.1 in the UAE and 7<sup>th</sup> in the World** (By Shaira compliant assets)



**Best Islamic Finance Bank in the UAE**  
Global Finance

## Key Awards - Recent



**Mudaraba Deal of The Year - ENOC**  
**AED 1.1 billion**  
Islamic Finance News Award



Forbes Middle East's Credit Cards Ranking: Dubai Islamic  
Bank ranked No. 1 in Gold and Classic Cards Tiers and  
No. 2 in the Platinum Cards Tier in the UAE

2011

## Contents

About DIB

v

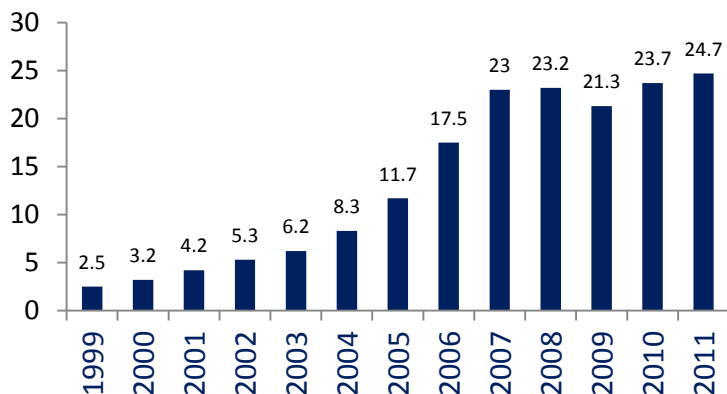
DIB Financials

Bank Business Strategy

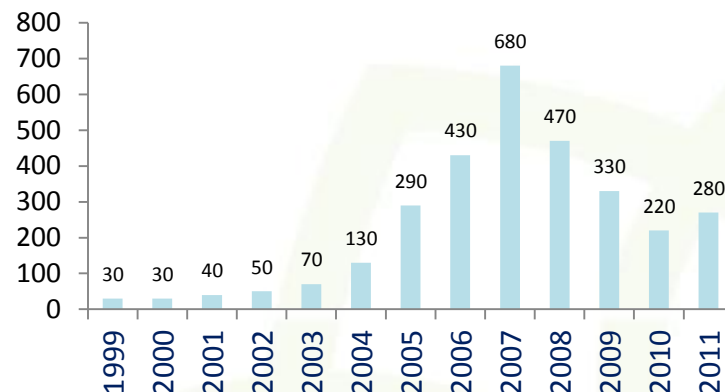
Stock Information

## Key Financials Year End 2011

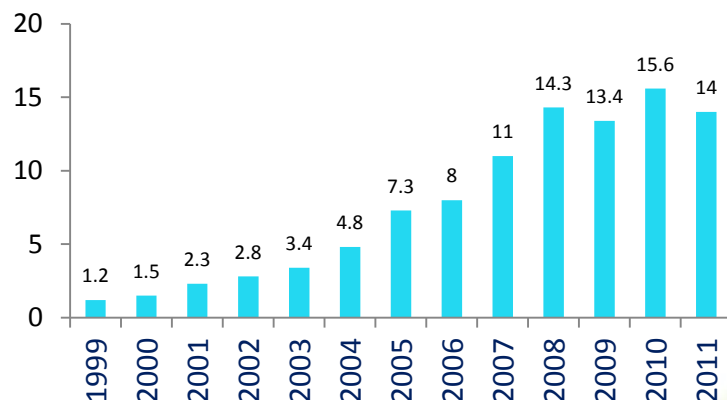
### Assets (USD Bln)



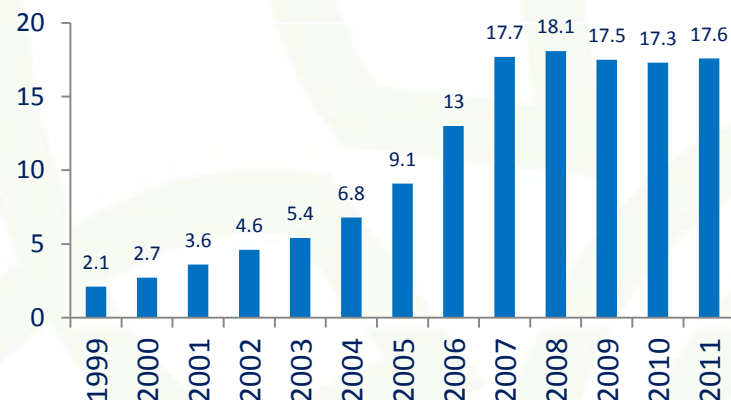
### Net Profit (USD Mil)



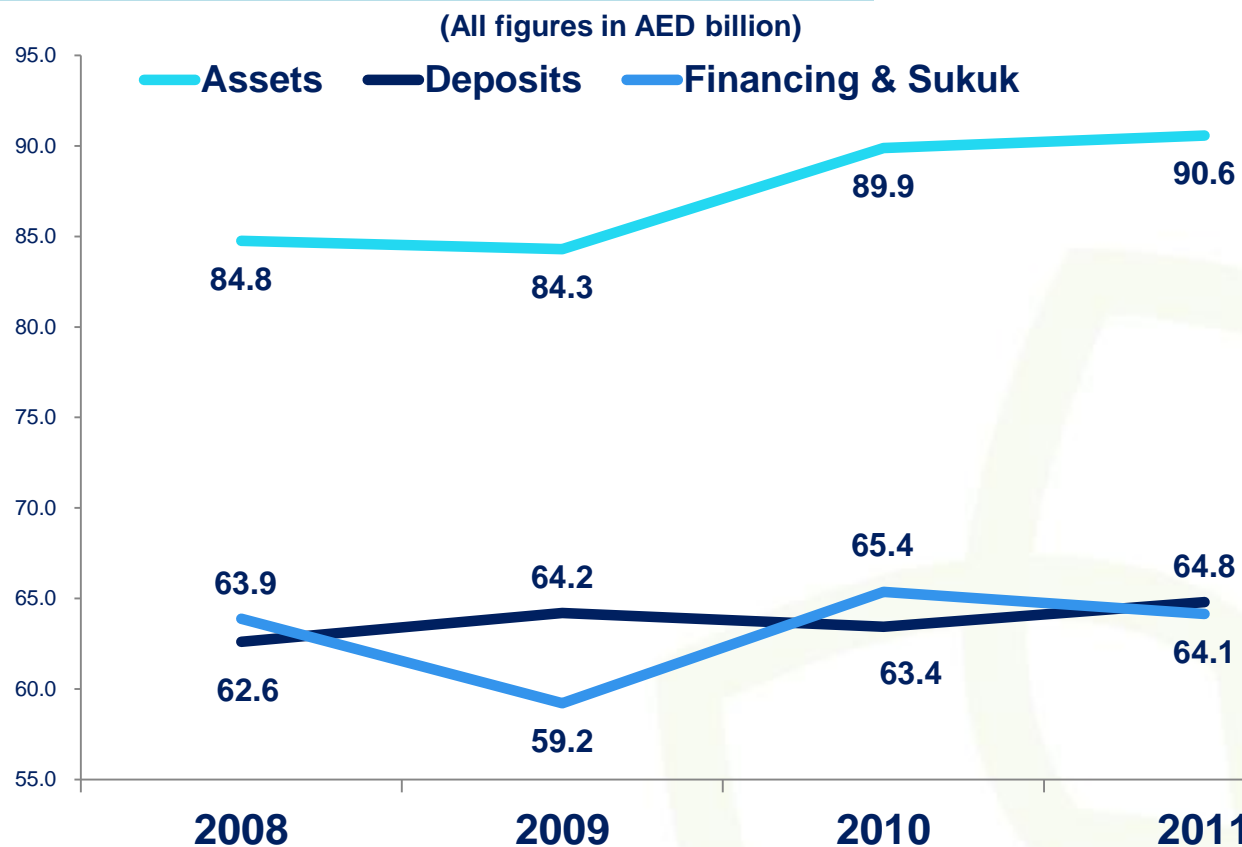
### Financing (USD Bln)



### Deposits (USD Bln)



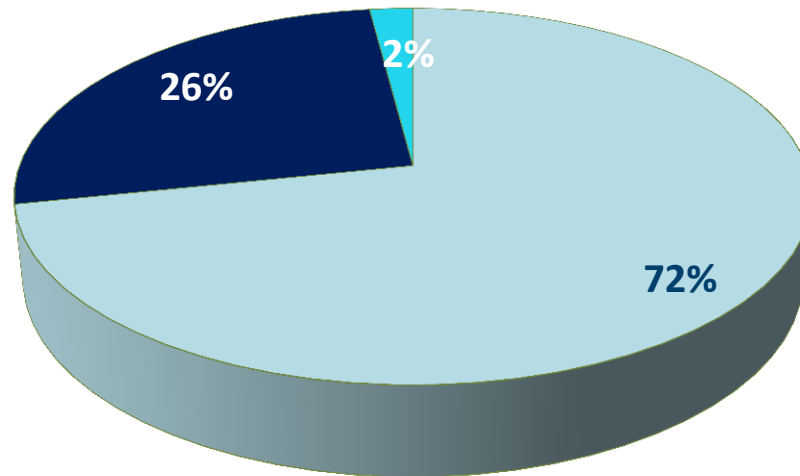
## Balance Sheet Summary



- Total assets grew by 7% from 2008 to 2011
- Deposits increased by 9% from 2008 to 2011
- Financing & Sukuk remained flat due to lack of demand for credit and strategy to de-risking balance sheet

## Portfolio Snapshot Year End 2011

### Deposit Breakdown



- Retail Banking
- Corporate Banking
- Real Estate & Contracting Finance

A large and stable deposit base providing core funding for the bank

Banking generation of UAE Nationals

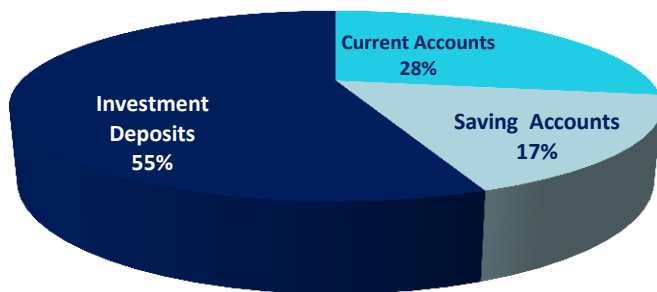
Primary funding coming from Retail deposits and hence well diversified

Branch expansion strategy and franchise value have been instrumental deposit growth

The most liquid bank in the country

## Portfolio Snapshot Year End 2011

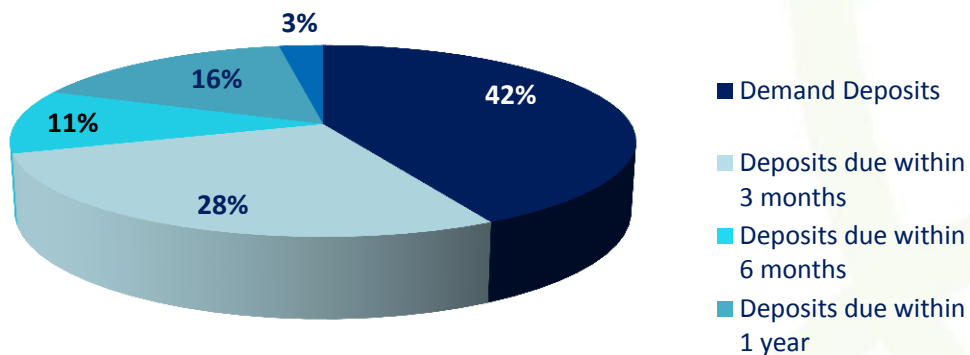
Deposit by Type



Large Chunk of low cost deposits (45%)

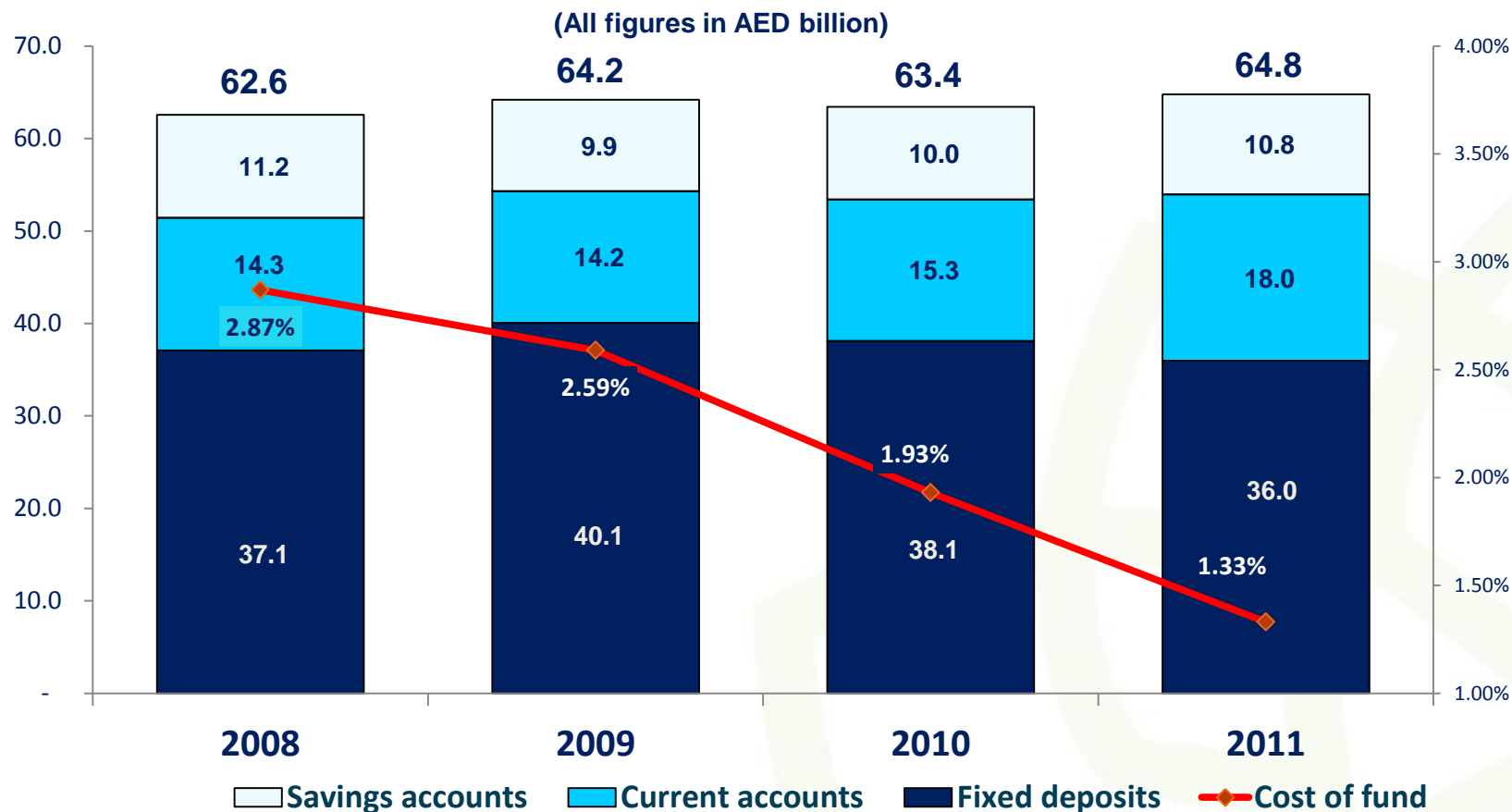
Stable deposit base

Customer loyalty reflects franchise value





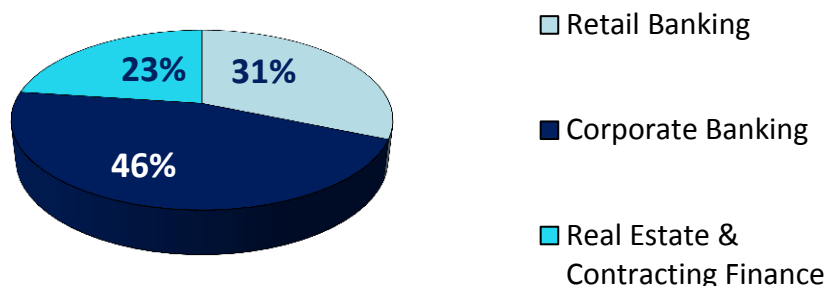
## Deposit Profile



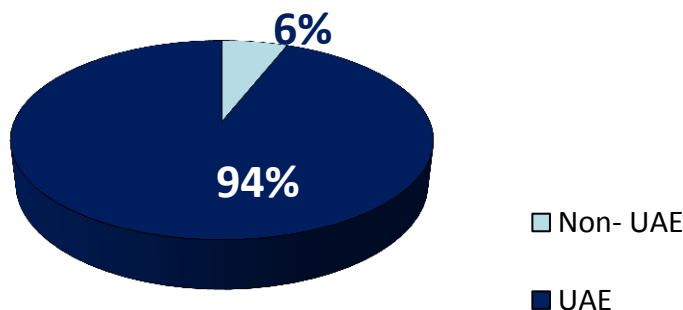
- Current accounts increased by 26% from 2008 to 2011
- One of the best deposit mix in the market with 44% of deposits in savings & current (low cost deposits) improved from 41% in 2008.
- One of the highest Savings account portfolio in the banking industry

## Portfolio Snapshot Year End 2011

### Financing Breakdown



### Financing Breakdown



The retail financing base has grown to more than a quarter of total bank financing on its own and more than a third with Tamweel mortgages consolidated

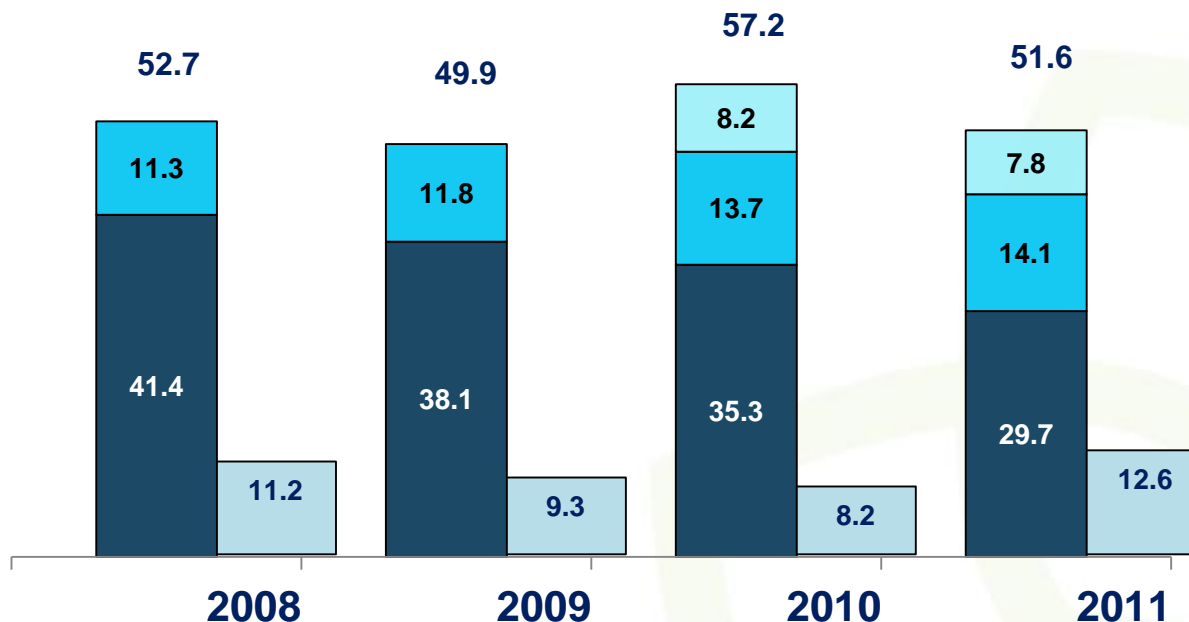
Still significant growth opportunity in Retail through cross selling of existing and new finance products to a base of 1.4 million customers and constantly growing

Commercial real estate financing book continues to be in a run-off mode

## Financing & Sukuk Investment Portfolio

All figures in AED billion

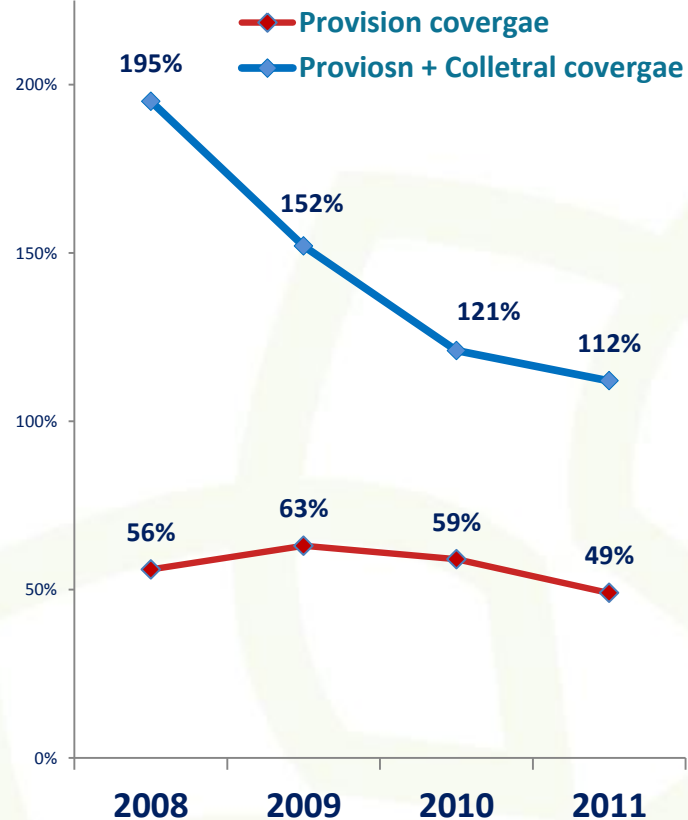
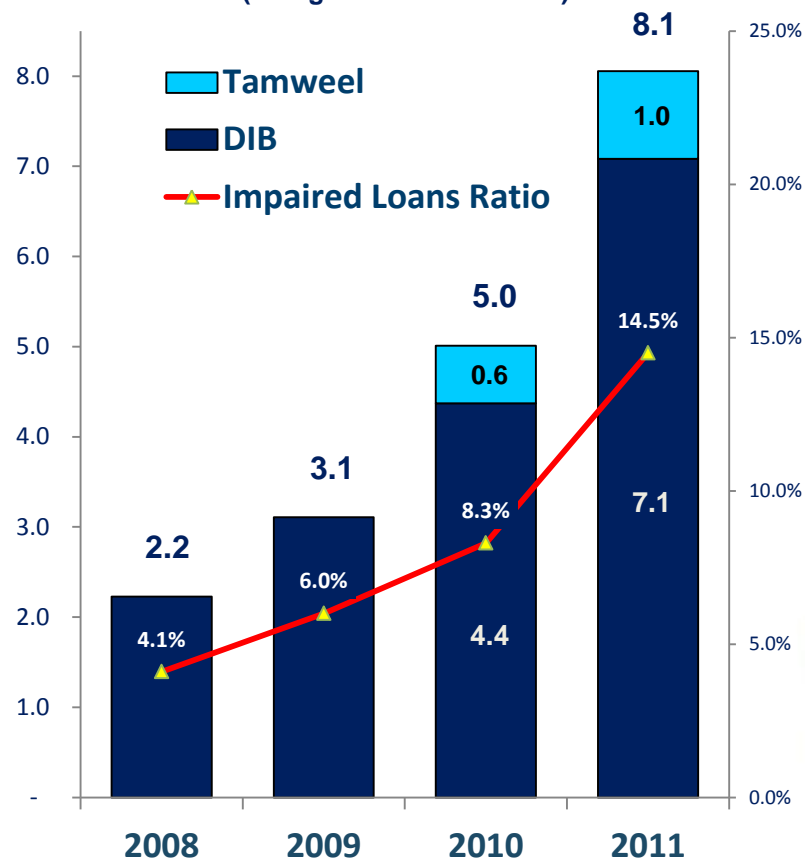
■ Tamweel ■ Consumer ■ Corporate & Real Estate ■ Sukuk



- Consumer financing increased by 25% from 2008 to 2011
- Sukuk investment increased by 12% from 2008 to 2011
- Corporate and real estate financing reduced by 28% in line with de-risking strategy and lack of credit demand from corporate sector

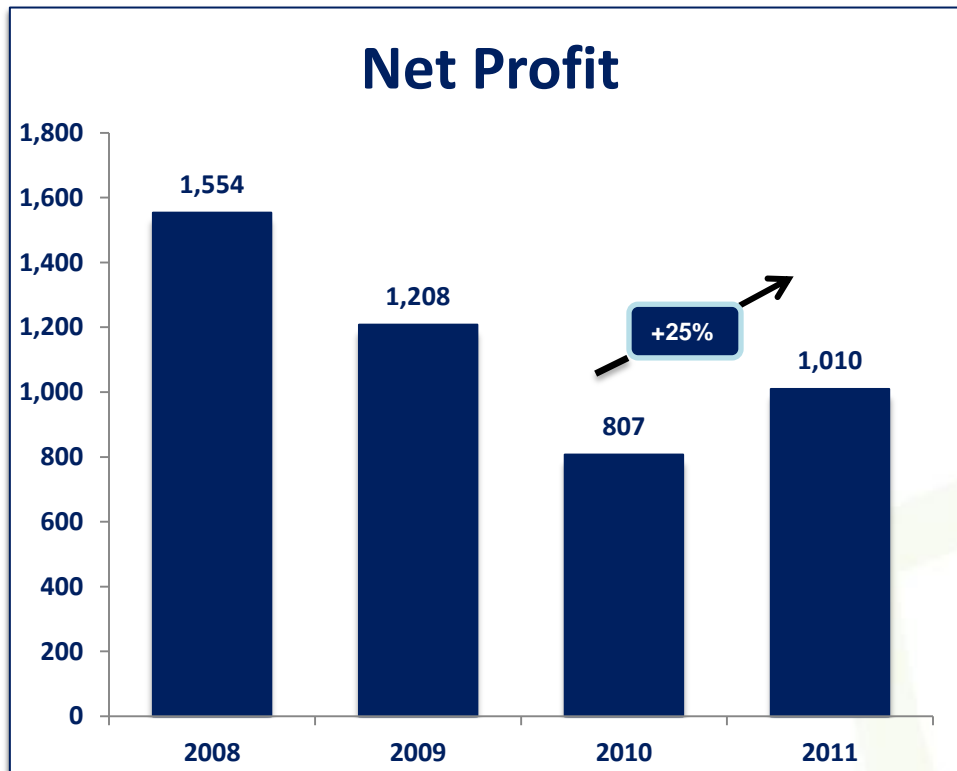
# Impaired Financing Portfolio

(All figures in AED billion)



- Increase in impaired loans is mainly due to:
  - Real Estate Financing portfolio
  - Consolidation of Tamweel

## Portfolio Snapshot Year End 2011



#### ➤ Net Profit declined from 2008 to 2010

due to:

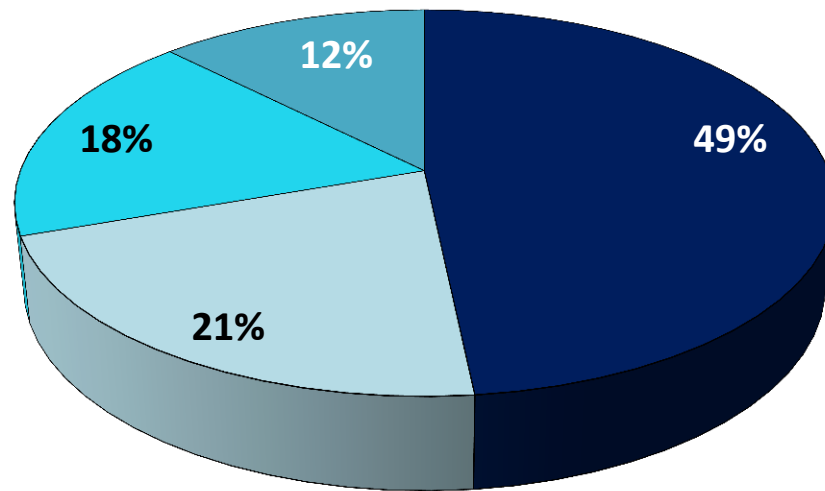
- Increase in provision for impairment
- Decline in profits and losses from associates and other investments

#### ➤ Core profit increased from 2009 to 2011 by 32% due to:

- Growth in core revenue
- Better cost management

## Portfolio Snapshot Year End 2011

### Revenue Breakdown



- \*Retail Banking
- °Corporate Banking
- Commercial Real Estate & Contracting Finance
- Treasury

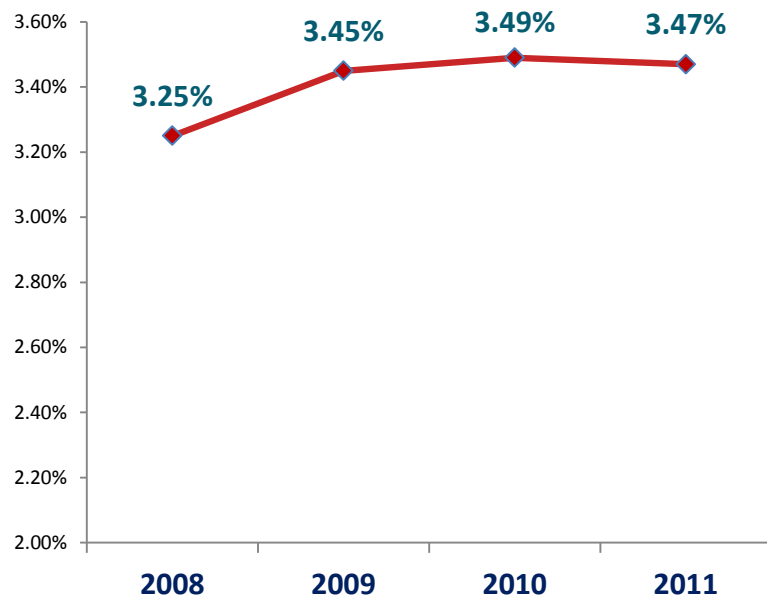
Retail focused strategy paying rich dividends

Retail focus is real visible as retail revenues has grown to almost half of the overall financing portfolio including Tamweel.

Corporate finance and corporate banking activity expected to take a more positive turn going into 2012

## Key Performance Ratios

### Net Spread



### Cost vs Income



#### Spread improved due to:

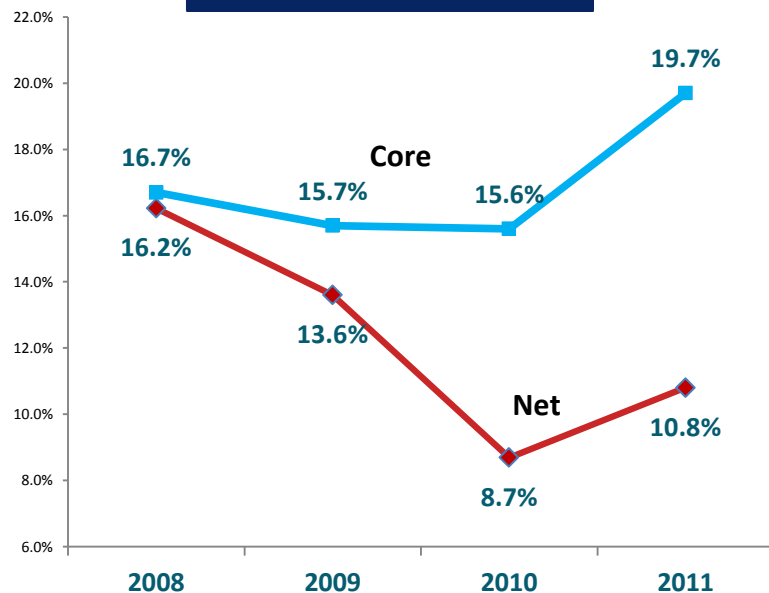
- **Reduction in COF as a result of:**
  - Reduction in rates on deposits
  - Change in mix of deposits – Current & Savings increased
- **Yield on financing assets maintained despite reduction in EIBOR**
  - Change in mix of assets – Growth in Consumer financing
  - Reduction in market rates withheld from Corporate

#### Cost to income ratio improved due to:

- Cost rationalization through
  - Tamweel synergy & spare capacity redeployed in other growth areas within DIB
  - Cost reduction through natural attritions
  - Cutting non strategic / unproductive costs
  - Effective cost controls HR/Admin. etc.
- **Core revenue improved at faster pace than cost**

## Portfolio Snapshot Year End 2011

### Return on Equity



### Return on Asset



**ROE and ROA declined sharply from 2008 to 2010 due to:**

- Increase in provision for bad debt
- Losses on equity investments

**Excluding non core net losses ROE and ROA improved due to:**

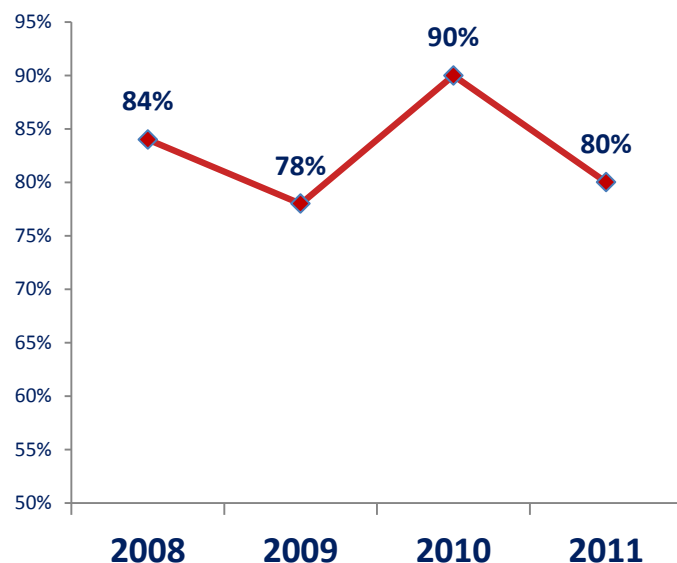
- Growth in core revenues due to efficient balance sheet management with improvement in margins
- Better cost management



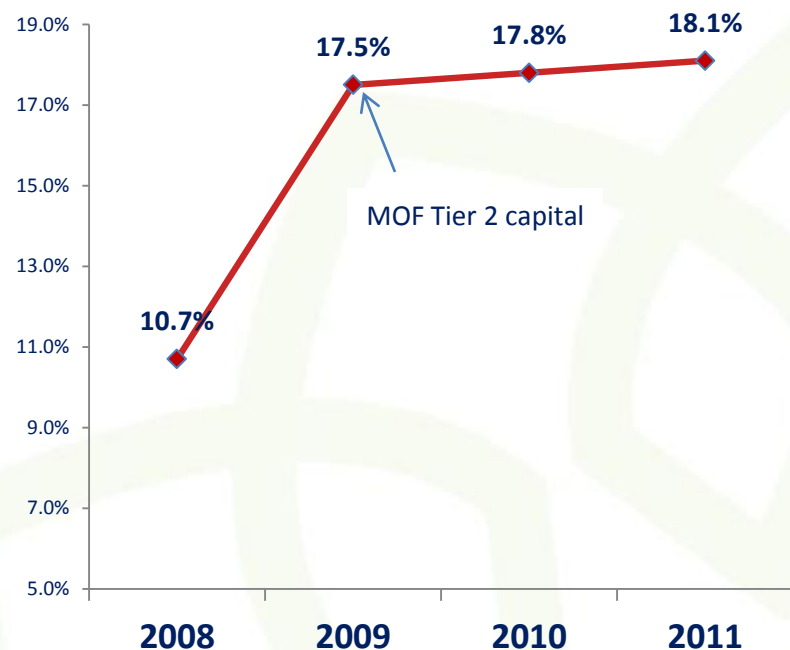
## Key Balance Sheet Ratios

### Finance to Deposit Ratio

#### DIB



### Capital Adequacy Ratio



#### Strong liquidity position with healthiest FDR ratio in the market:

- FRD ratio improved in 2011 due to:
  - Growth in deposits
  - Financing portfolio declined as a result of further de-risking
  - FDR ratio increased in 2010 due to consolidation of Tamweel

Capital adequacy ratio remained healthy at 18% compared to a minimum of 12% required by CB:

## Contents

**About DIB** **✓**

**DIB Financials** **✓**

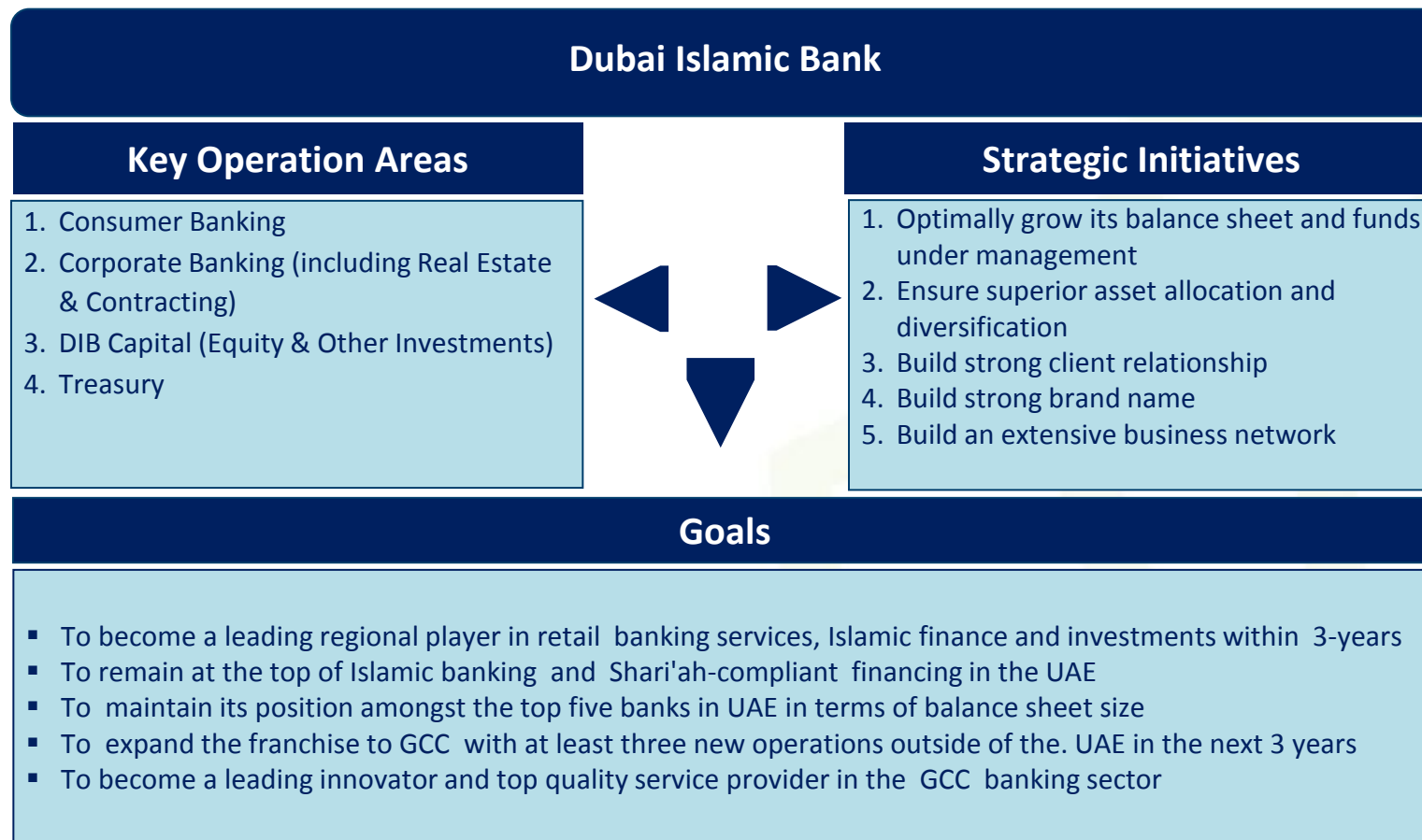
**Bank Business Strategy**

**Stock Information**

## Bank Business Strategy

| Client Focus  | Employee Engagement  | Brand & Product Development  | Business Growth   |
|---|--|--|---|
| <p>To get close to our customers by understanding their needs, meeting their demands and delivering <b>exceptional levels of customer service</b> in order to exceed their expectations.</p> <p><b>Customer Service</b> improvement : Focus on tangible initiatives and assign accountability</p> | <p><b>To ensure our people</b> are fully engaged and committed. Introduce appropriate reward, recognition and benefit packages in order to attract and retain the very best people.</p> <p>Up-tiering/Up-skilling &amp; Recruitment of quality personnel</p> | <p>To develop <b>innovative Islamic financial products</b> and services by conducting relevant market, customer and competitor research analysis</p> <p>Branch network expansion</p> <p>Increasing cross – sell, target ratio of +10% for each of the next three years</p> | <p>Strategy for existing non-UAE franchise (Egypt, Lebanon, Sudan, Turkey, Bosnia &amp; Pakistan)</p> <p>Partner with regional and international banks to benefit from the increasing <b>opportunities in Shariah compliant</b> corporate finance deals</p> <p><b>Organic growth</b> forecast limited – Do we go beyond borders</p> |

# Bank Business Strategy



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**About DIB** ✓

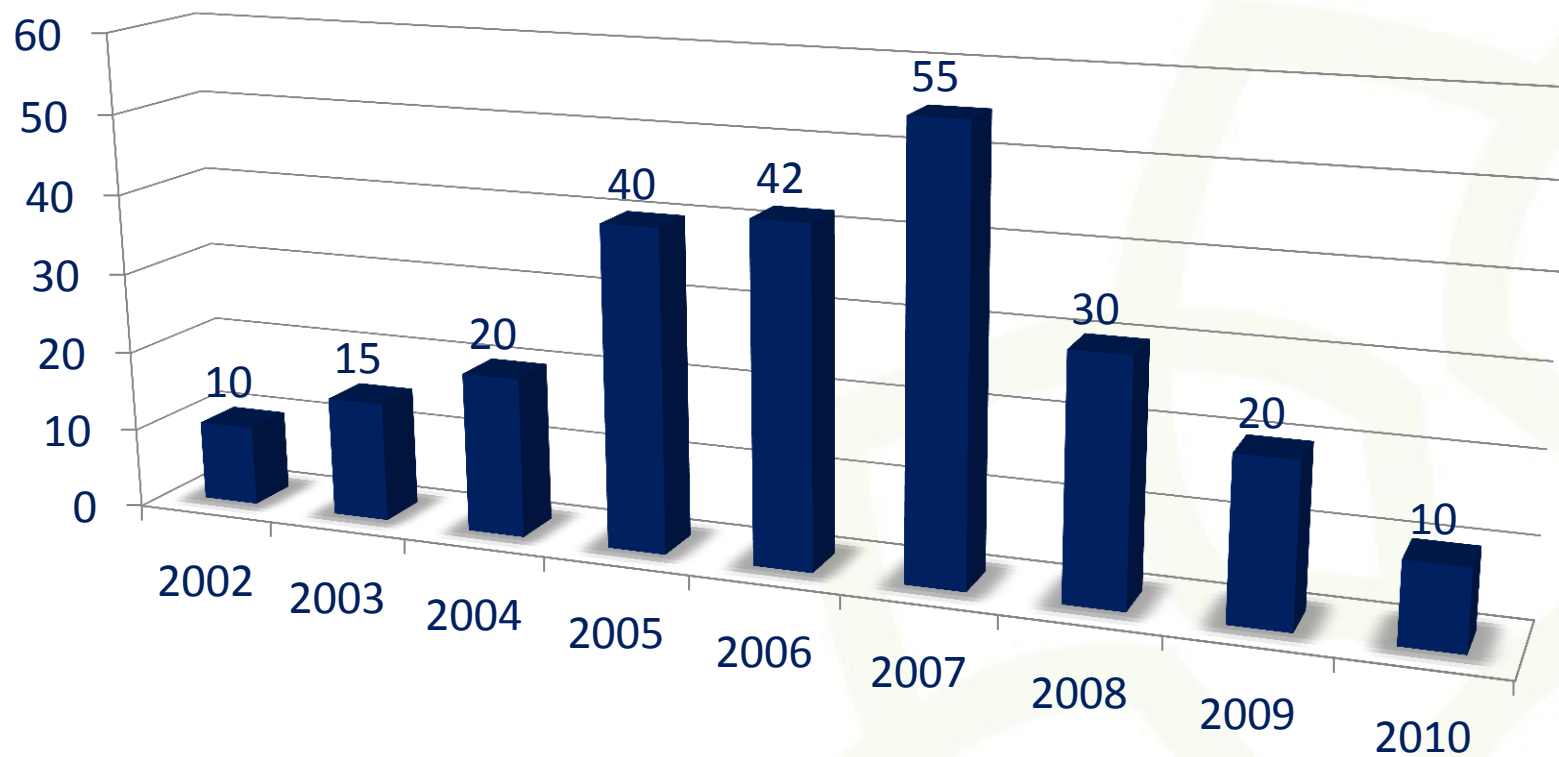
**DIB Financials** ✓

**Bank Business Strategy** ✓

**Stock Information**

## Dividend payments

Dividend Payment History (%)



Proposed dividend of 10% for 2011



بنك دبي الإسلامي  
Dubai Islamic Bank

# Dubai Islamic Bank

*"The Better Way to Bank"*

## THANK YOU