



بنك دبي الإسلامي
Dubai Islamic Bank
#ReadyForTheNew

Corporate Governance Report 2021



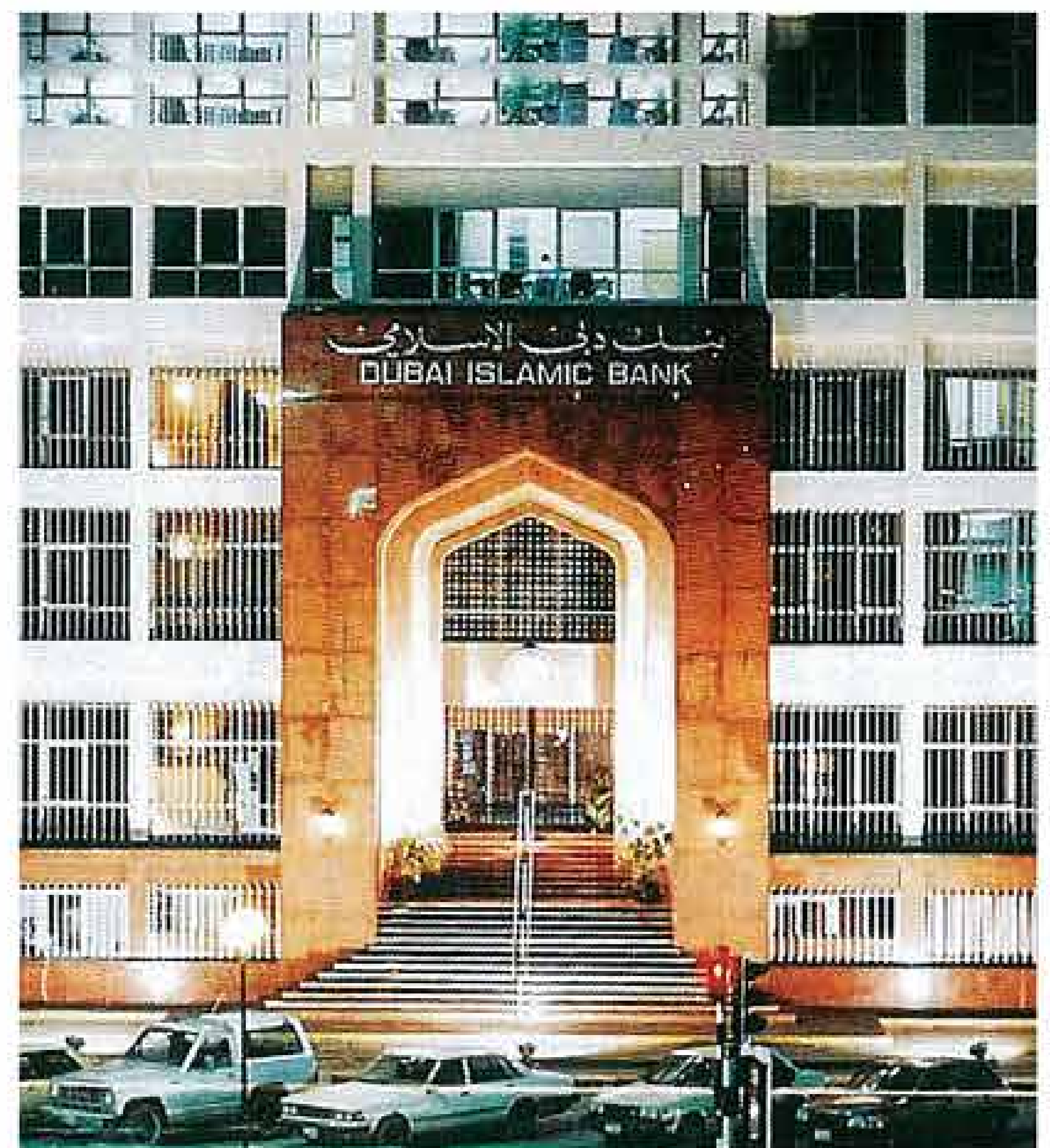
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Dubai Islamic Bank Public Joint Stock Company's ("DIB" or the "Bank") Board of Directors (the "Board") is pleased to present its inaugural Corporate Governance report in relation to the financial year ended on 31 December 2021.

DIB was inaugurated in 1975 by H.H. Sheikh Rashid bin Saeed Al Maktoum in Dubai in the United Arab Emirates ("UAE") and is the world's first full service Islamic bank.

Over the past 46 years DIB has established itself as the leading Islamic bank in the UAE and amongst the largest in the world. DIB is primarily engaged in corporate, retail, and investment banking activities. DIB is licensed and regulated by the Central Bank of the UAE ("CBUAE") and is listed on the Dubai Financial Market ("DFM").



**ESTABLISHED OVER
46 YEARS AGO**



**54 BRANCHES AND
600 SELF SERVICE BANKING
CHANNELS**



**SERVING OVER
5 MILLION CUSTOMERS
ACROSS THE GROUP**

Vision, Purpose and Values



Vision

To be the most progressive Islamic financial institution in the world.



Purpose

To instill simplicity and convenience in all our offerings through a personal and engaging experience closely aligned with global sustainable practices for a better future.



Values: ICARE



1 Inclusive

Accessible to all, and most importantly, without bias.



2 Collaborative

Connected together as a team to deliver banking with ease.



3 Agile

Deliver faster solutions and provide happy experiences.



4 Responsible

Fair, transparent, and accountable in making responsible decisions.



5 Engaged

Passionate and committed to deliver fulfilling journeys.

1. Corporate Governance Framework Overview



As a pioneer in the industry DIB is committed to strengthening customer confidence and trust in itself and consequently, the financial services industry as a whole. DIB and its group of companies recognise the importance of a strong corporate governance culture and robust practices in driving sustainable long-term value and delivering on commitments to Stakeholders. DIB is committed to continuous improvement of its governance framework, taking into account the overall group, regulatory expectations, the size and complexity of operations, evolving practices, and DIB's strategy and risk appetite.

DIB operates in compliance with the governing laws and applicable regulations and directives issued by the CBUAE, the Securities and Commodities Authority of the UAE (the "SCA") and the DFM. The Bank's Code of Corporate Governance (the "Code") is aligned with the relevant regulatory requirements (in particular the CBUAE Corporate Governance Regulation for Banks and accompanying standards issued in 2019 ("CBUAE CG Regulations")) and sets out an overview of the Bank's corporate governance system and its key corporate governance principles and practices. The revised Code was approved by the Board in 2021 and is publicly available on the Bank's website.

The Board, appointed by the Bank's shareholders, is ultimately accountable for the overall stewardship of DIB. The Board is responsible for setting the overall strategy and has oversight of senior management to ensure that the highest standards of corporate governance practices are followed. The Board is also ultimately responsible for DIB's compliance with the principles of Islamic Sharia and is supported by the Bank's Internal Sharia Supervision Committee (the "ISSC") in this regard. The ISSC is appointed by the Bank's shareholders and is the highest authority within DIB from a Sharia governance perspective.

Day-to-day operations are delegated to the senior management, led by the Group Chief Executive Officer. The senior management team is accountable for DIB's performance and is measured against a set of corporate objectives. The posts of the Chairman of the Board (the "Chairman") and Group Chief Executive Officer of the Bank are clearly distinguished between the Chairman's role to manage the Board, and the Group Chief Executive Officer's responsibility to manage senior management and supervise the Bank's operations.

To aid the Board in the prudent performance of its responsibilities, the Board has established four committees (the Board Audit Committee ("BAC"), the Board Nomination and Remuneration Committee ("BNRC"), the Board Credit and Investment Committee ("BCIC") and the Board Risk, Compliance and Governance Committee ("BRCGC"). The specific duties and authorities for each committee are defined within a dedicated terms of reference duly approved by the Board.

The Board conducts its activities in line with the Code and the Board's terms of reference which incorporate the relevant applicable regulations.

The Board has generally complied with the requirements of the Board's terms of reference with regard to various matters including, but not limited to, the size of the Board, the terms of membership and the responsibilities of the Chairman, the number of meetings to be held, the quorum required for meetings, the majority needed to make decisions and the conditions for decision-making, conflict of interest management and the self-assessment. During the year the Board completed a self-assessment facilitated by Hawkamah Corporate Governance Institute and attended dedicated training sessions related to anti-money laundering, combatting the financing of terrorism and ESG issues.

Board members are subject to the provisions of the Directors' Code of Conduct and special disclosure obligations, including, but not limited to, disclosure of positions they hold, any change to their independence status and any changes to the information they are required to submit annually as soon as such changes occur. Moreover, a Board member is required to provide full disclosure in respect of any matter being reviewed by the Board or any of its committees which may represent a conflict of interest. Where a conflict of interest arises the affected Board member is required to comply with the conflict of interest procedures set out in the terms of reference.

DIB's employees are subject to the provisions of the Board-approved Employee Code of Conduct which was updated in 2021 and outlines DIB's ethical standards, behavioral and conduct expectations and commitment towards compliance with all relevant laws and regulations. All employees submit an annual acknowledgement on the Employee Code of Conduct and are held accountable to abide by the rules set out therein in the performance of their duties. Furthermore, all employees have a responsibility to speak up and report suspected criminal or unethical behavior in accordance with the guidelines and through the channels identified in the Bank's whistleblowing policy.

Key governance focus areas in 2021 included the implementation of the Board-approved Subsidiary and Affiliates Corporate Governance Framework and Sharia Governance Framework. The Sharia Governance Framework is aligned with the Sharia Governance Standards for Islamic Financial Institutions issued by the CBUAE in 2020 (the "CBUAE Sharia CG Regulations"). As part of the implementation of the Sharia Governance Framework, dedicated Internal Sharia Control and Internal Sharia Audit functions were established and incorporated into the Bank's three lines of defense, supplementing the Bank's Compliance function and independent Risk Management and Internal Audit functions.

The Board introduced a number of new policies during the year to strengthen the governance framework, including but not limited to policies governing conflicts of interest and stakeholder engagement and disclosure.

The Board continues to monitor the efficiency of DIB's internal control and risk management systems to ensure that the processes in relation to control over financial affairs, operations and risk management are robust, that there is a sound application of corporate governance rules and other applicable laws and regulations and that internal procedures and policies that govern DIB's operations were being followed.



2. Board of Directors

2.1. Overview

The Board is responsible for the overall stewardship of DIB, fostering its long-term success, financial soundness and delivery of sustainable value to shareholders, while meeting legal and regulatory expectations and protecting the legitimate rights of stakeholders. It provides leadership, guidance and effective supervision within a framework of prudent and effective controls. The Board sets the tone from the top and is ultimately responsible for ensuring that DIB's business is conducted with due skill, care and diligence, integrity and in a fair, honest and professional manner. The Board operates in accordance with a terms of reference.

2.2. Board share ownership

The below table contains details of the shares held in DIB by the Board members as at the end of 2020 and 2021:

Name	31 December 2020	31 December 2021
H.E. Mohammad Al Shaibani	48,026,386	48,026,386
Mr. Abdulla Ali Obaid Al Hamli	18,335,000	23,111,449
Mr. Abdulla Hamad Rahma Al Shamsi	1,900,000	2,000,000
Mr. Abdulla Hamad Rahma Al Shamsi / Son	19,422	4,775
Mr. Hamad Abdulla Rashed Obaid Al Shamsi	500,000	500,000
Mr. Hamad Abdulla Rashed Obaid Al Shamsi / Son	18,000	18,000
Eng. Yahya Saeed Ahmad Nasser Lootah	58,868	58,868
Mr. Abdulaziz Ahmed Rahma Al Mheiri	-	-
Mr. Ahmad Mohammad Bin Humaidan	-	-
H.E. Hamad Mubarak Buamim	-	-
Mr. Javier Marin Romano	-	-

Other than the above the spouses and children of the Board members do not hold any shares in the Bank.

2.3. Board composition

Pursuant to DIB's Articles of Association the Board is comprised of nine (9) members elected by the shareholders at a general meeting for a term of three (3) years. Members may be re-elected upon the expiry of the term.

The current Board is comprised of eight (8) UAE nationals, five (5) independent directors and eight (8) non-executive directors ("NED"). The Board is sufficiently diverse in its outlook and collectively has the appropriate balance of skills, experience, independence and knowledge to enable it to discharge its responsibilities effectively, taking into consideration DIB's size, complexity and risk profile. The ultimate determination of independence of a Board member is made by the Board in accordance with DIB's Code which reflects the regulatory requirements stipulated by the CBUAE.

The details of the current Board members are set out below.



H.E. Mohammad Al Shaibani

Chairman, Non-Independent NED

Period since first election: **13 years**

H.E. Mohammed Al Shaibani serves as the Chairman of DIB's Board. He is the Director General of H.H. the Dubai Ruler's Court, a prime government body of the Emirate. He is also the CEO and Executive Director of the Investment Corporation of Dubai, the principal investment arm of the Government of Dubai.

H.E. Al Shaibani serves as Vice Chairman of the Supreme Fiscal Committee of Dubai, which oversees Dubai's fiscal policies. He is a member of Dubai's Executive Council, an entity charged with supervising and supporting Dubai's government bodies. H.E. Al Shaibani is also Deputy Chairman of the Higher Committee of World Expo 2020, and Chairman of the Supreme Committee for the Supervision of International Humanitarian City (IHC) founded in 2003 in Dubai by H.H. the Ruler of Dubai as a global centre for humanitarian emergency preparedness and response.

H.E. Al Shaibani serves as Chairman of the Board of Directors at Nakheel Properties, the world-leading property developer with innovative landmark projects in Dubai, including the award-winning iconic "Palm Jumeirah" and "The World Jumeirah Islands". He is also a member of the board at several government-related organisations including Dubai World and Dubai Aerospace Enterprise Limited.

Since 1998, H.E. Al Shaibani has held the position of President at the Dubai Office, a Private Management office for the Royal Family of Dubai. In this capacity he was based in London for eight years and he now oversees the functioning of this office from Dubai.

H.E. Al Shaibani started his professional career with the Dubai Ports Authority and Jebel Ali Free Zone where he worked for seven years. After this he moved to Singapore for four years, as Managing Director of Al Khaleej Investments. H.E. Al Shaibani graduated in 1988 from the United States and holds a Bachelor's Degree in Computer Science.



Eng. Yahya Saeed Ahmad Nasser Lootah

Vice Chairman, Independent NED

Period since first election: **10 years**

Eng. Yahya Lootah serves as a Vice-Chairman of DIB's Board. Eng. Lootah has over 20 years' experience with S.S. Lootah Group, a leading diversified business based in Dubai which is active across key business sectors ranging from construction, real estate, energy and financial services, applied research, ICT, education, hospitality, media and healthcare. He currently serves as the Vice Chairman of the S.S. Lootah Group. Under his leadership, S.S. Lootah Group has received, amongst others, the Mohammed Bin Rashid Business Award and the Dubai Award for Sustainable Transport. In addition, Eng. Lootah is a member of the Board of Directors of the Dubai Chamber of Commerce and Industry, as well as a member of the Board of Trustees of Dubai Medical College and the Advisory Board of the Faculty of Engineering at the American University in Dubai.

Eng. Lootah holds a degree in Civil Architectural Engineering as well as a Master's of Science degree in Engineering from the University of Bridgeport, Connecticut.



Mr. Abdulla Ali Obaid Al Hamli

Managing Director, Non-Independent Executive Director

Period since first election: **10 years**

Mr. Abdulla Ali Obaid Al Hamli served as CEO of DIB from 2008 till 2013, and has been the Managing Director of DIB since 2013. Mr. Al Hamli joined DIB in 1999. Before assuming the role of CEO, he served as DIB's Chief Information Officer where he directed the IT and Operations team and oversaw the upgrade of DIB's IT infrastructure.

Mr. Al Hamli is currently Chairman of Tamweel following his appointment to this position in November 2010. Mr. Al Hamli serves as Chairman of the property developer, Deyaar Development.

He also serves as Chairman Board of Directors of Emirates REIT the UAE largest listed Sharia compliant Real Estate Investment Trust, and the first DFSA licensed Real Estate Investment Trust which was listed on Nasdaq Dubai in DIFC in April 2014 and has successfully raised USD 400 million through Sukuk and has over USD 878 million of assets under management in its portfolio.

Mr. Al Hamli holds a degree in Economics and Mathematics from Al Ain University, UAE.



Mr. Hamad Abdulla Rashed Obaid Al Shamsi

Board Member, Independent NED

Period since first election: **10 years**

Mr. Hamad Abdulla Al Shamsi serves as the Chief Executive Officer of International Capital Trading LLC, an Abu Dhabi headquartered private investment company.

With a wealth of experience spanning several decades, he has run businesses across multiple disciplines, and has particular expertise in the area of financial services and investments. He served in the Abu Dhabi Investment Authority before moving to the Private Department of His Highness the late Sheikh Zayed Bin Sultan Al Nahyan.

Mr. Al Shamsi is currently serving on several leading private and government institutions engaged in commercial, financial, and service-based activities in the UAE. He currently serves as the Chairman of Amanat Holding PJSC. His former Board appointments include Etihad Airways, Abu Dhabi Securities Exchange, Media Zone Authority, Abu Dhabi Council for Economic Development, Al Qudra Holding, Finance House, Al Hilal Bank, Abu Dhabi Aviation and Abu Dhabi Airports Company.

Mr. Al Shamsi holds a Bachelor's degree in Business Administration from UAE University and an MBA majoring in Finance and Banking from USA.



Mr. Ahmad Mohammad Bin Humaidan

Board Member, Non-Independent NED

Period since first election: **13 years**

Mr. Ahmad Mohammad Bin Humaidan has over 28 years' experience in strategic thinking, strategic planning, projects management, leading improvements programmes and change management and also serves as Deputy Director General of H.H. The Ruler's Court, Government of Dubai. He has also previously served as Vice Chairman of the Board of Smart Dubai and as its Director General. He also served as the Director of Projects for The Executive Office of His Highness Sheikh Mohammad Bin Rashid Al Maktoum, Vice President and Prime Minister of UAE and Ruler of Dubai. Mr. Bin Humaidan started his career with Emirates/Dnata Group of companies where he worked for five years.

Mr. Bin Humaidan holds a degree in Electrical Engineering from UAE University as well as a Business Administration diploma from Sheffield Hallam University, United Kingdom.



Mr. Abdulaziz Ahmed Rahma Al Mheiri

Board Member, Independent NED

Period since first election: **10 years**

Mr. Abdulaziz Al Mheiri serves as a member of the Board of Directors of Bourse Dubai, Vice Chairman of the Support Fund and Chairman of the Supervisory Board of Bosna Bank International. He previously served as the Managing Director of the Investment Corporation of Dubai and as a member of the Board and Chief Executive Officer for Dubai Bank. Mr. Al Mheiri holds a Science degree, specialising in Accounting and Finance, from the American College of Switzerland.



H.E. Hamad Mubarak Buamim

Board Member, Independent NED

Period since first election: **7 years**

H.E. Hamad Buamim is the President and CEO of Dubai Chamber of Commerce and Industry. He is also the Chairman of the Paris-based World Chambers Federation - International Chamber of Commerce (ICC). In addition to his role on the DIB Board, H.E. Buamim also serves as the Chairman of the National General Insurance PJSC and Board Member of Amanat PJSC.

In previous roles, H.E. Buamim served as Chairman of Emirates Financial Services and Chairman of Emirates NBD Capital. H.E. Buamim served as a Board Member of a number of entities including CBUAE, Dubai International Financial Center (DIFC), Emirates NBD, Network International, Kerzner International Holding and Union Properties.

H.E. Buamim holds a Master of Business Administration (MBA) with honours in Finance from the University of Missouri, Kansas City, United States. He also holds a Bachelor of Science in Electrical Engineering from the University of Southern California, Los Angeles.



Mr. Abdulla Hamad Rahma Al Shamsi

Board Member - Non-Independent NED

Period since first election: **7 years**

Mr. Al Shamsi has previously served as the Chairman of Dubai Properties and has also served as a Board Member of Emirates Integrated Telecommunications Co. He was also previously the General Manager for United Arab Shipping Agencies Co. In addition, Mr. Al Shamsi has served as the Chairman for Middle East Container Repair and was a founding member and treasurer for the UAE Tennis Association.

Mr. Al Shamsi holds a Bachelor of Science degree, Business and Public Administration with a major in Finance and Economics from New York University.



Mr. Javier Marin Romano

Board Member - Independent NED

Period since first election: **5 years**

Mr. Javier Marin is the Chief Executive Officer of Singular Bank in Spain as well as being an entrepreneur and investor in technology companies linked to financial services. He also serves as a director in each of the UCV (Spanish University), Instituto per le Opere di Religione (IOR) and Frontier Economics. Prior to this Mr. Marin served as Chief Executive Officer of Banco Santander, senior executive vice-president of Banco Santander and head of private banking, asset management and insurance.

He has also been a member of the European Banking Association and the European Financial Services Association and of the board in different banks, insurance companies and asset managers in several countries in Europe (affiliates of Banco Santander).

Mr. Marin holds a degree in Law and a diploma in Business Administration from the Universidad Pontificia de Comillas in Madrid (Spain). He also obtained his masters in European law in Luxembourg, in banking administration from the Institute International d'Études Bancaires (La Jolla, California), taxes from the Universidad Pontificia de Comillas (Madrid) and the advanced program of Singularity University (California).

Please refer to the appendix for information relating to other positions held by the board members.

2.4. Female representation on the Board

The shareholders appointed the current Board in the annual general meeting held on 16 March 2020 which did not include any female candidates.

DIB acknowledges the importance of diversity (in the widest sense) as a driver of Board effectiveness and is committed to supporting equal opportunities. To this end and to encourage gender diversity at the Board level, the Board shall ensure that at least 20% of candidates for consideration in future elections are female.

This commitment also reflects the expectations of the CBUAE as set out in the CBUAE CG Regulations. The BNRC will play a leading role in supporting the achievement of the Board's gender diversity aspirations through, amongst others, promoting a culture and environment of inclusivity and mutual respect and periodically assessing the Board's gender diversity aspirations and reporting recommendations to the Board.

2.5. Board Remuneration

Board remuneration is comprised of a fixed payment in relation to membership on the Board ("Board Retainer"), a fixed payment in relation to membership on committees and attendance fees in relation to committee meetings. The aggregate amount of these components for each fiscal year is tabled for shareholder approval at the annual general meeting in the following year.

The amounts set out in this section are excluding any value added taxes.

The Board Retainer for 2020 was AED 21 million and was approved by the shareholders in the annual general meeting held on 16 March 2021 (as part of the aggregate Board remuneration). The proposed Board Retainer for 2021 is AED 21 million and shall be tabled for shareholder approval at the 2022 annual general meeting as part of the aggregate Board remuneration.

The table below sets out the proposed remuneration in relation to service on the committees of the Board during 2021 which shall be tabled for shareholder approval at the next annual general meeting as part of the aggregate Board remuneration:

No.	Name	Committee	Role	Membership Fee	Attendance Fee	Meetings Attended
1	Eng. Yahya Saeed Ahmad Nasser Lootah	BNRC	Chair	150,000	50,000	5
		BCIC	Member	100,000	160,000	16
2	Mr. Abdulla Ali Obaid Al Hamli	BNRC	Member	100,000	50,000	5
3	Mr. Hamad Abdulla Rashed Obaid Al Shamsi	BCIC	Member	100,000	140,000	14
4	Mr. Ahmad Mohammad Bin Humaidan	BAC	Member	100,000	70,000	7
		BRCGC	Member	100,000	40,000	4
5	Mr. Abdulaziz Ahmed Rahma Al Mheiri	BCIC	Chair	150,000	130,000	13
		BNRC	Member	100,000	30,000	3
6	H.E. Hamad Mubarak Buamim	BNRC	Member	100,000	40,000	4
		BCIC	Member	100,000	160,000	16
7	Mr. Abdulla Hamad Rahma Al Shamsi	BRCGC	Chair	150,000	40,000	4
		BAC	Member	100,000	80,000	8
8	Mr. Javier Marin Romano	BAC	Chair	150,000	80,000	8
		BRCGC	Member	100,000	40,000	4
9	Mr. Saeed Mohamed Al Sharid (Specialist)	BAC	Member	100,000	80,000	8
		BRCGC	Member	100,000	30,000	3

In addition to the above, the Bank's Managing Director received an aggregate amount of AED 7,114,612 in relation to the additional executive role performed for the Bank.

2.6. Board meetings

A total of six (6) Board meetings were held during 2021 which were attended by all members. The invitation and the agenda for meetings are sent to the members in advance, and details of issues and decisions made during the meeting are recorded as minutes, taking into account any member's opinions or dissenting views that are expressed during the meeting.

A standing agenda item at the beginning of every meeting is the declaration of conflicts of interest, which are recorded in the minutes of the meeting and approved by the members present, ensuring appropriate safeguards are applied as relevant (including where the connected member abstains from discussions and voting).

The table below sets out the dates of the Board meetings and attendance details:

No.	Date of Meeting	Present	By Proxy	Absent
1	16 February 2021	9	None	None
2	27 April 2021	9	None	None
3	4 July 2021	9	None	None
4	27 July 2021	9	None	None
5	26 October 2021	9	None	None
6	14 December 2021	9	None	None

2.7. Resolutions by passing during 2021



In accordance with, and subject to, its terms of reference and the relevant provisions within the Chairman of SCA's Board of Directors' Decision No. (3/Chairman) of 2020 concerning approval of joint stock companies' governance guide, the Board may issue resolutions by passing. The Board issued a number of resolutions by passing during 2021 which concerned operational matters arising in the normal course of business that do not require disclosure as per the relevant disclosure and transparency regulation issued by the SCA. These resolutions were ratified in the minutes of the subsequent meeting of the Board.

2.8. Delegation of authority

The Board may, with the exception of matters reserved for the Board and its committees set out in the Board terms of reference (“Reserved Matters”), delegate some of its authority to one or more committees, or specific roles on a standing or ad-hoc basis. The Board did not delegate any of its Reserved Matters to the management during 2021. The Board has delegated to senior management powers relating to the implementation of the Board-approved strategy and operational matters within established limits. All delegations are set out in writing and reviewed periodically.



3. Board Committees

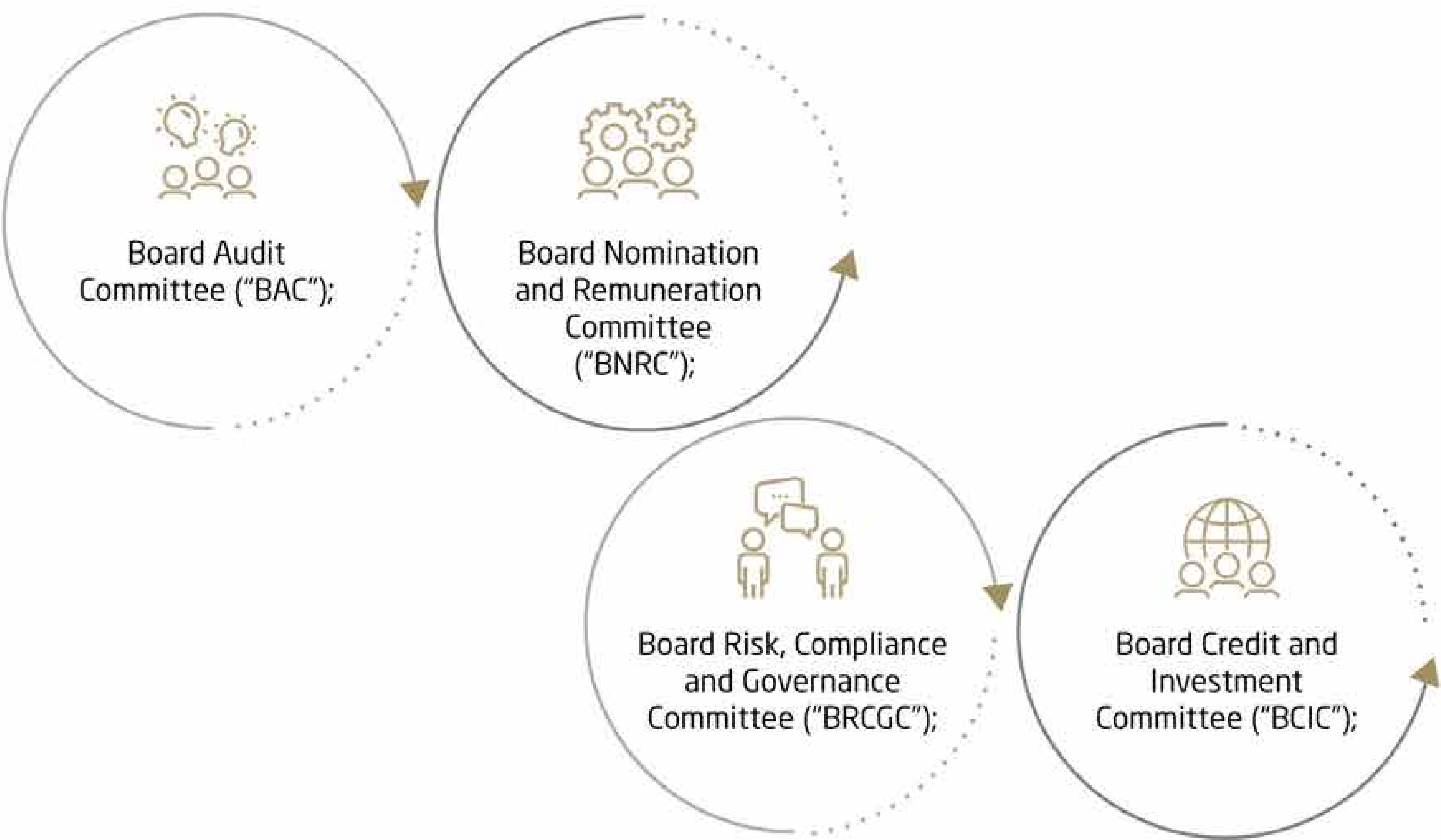
3.1. Overview

To aid the Board in the prudent and effective performance of its responsibilities, the Board may establish committees and assign such committees a mandate and authorities as set out in a terms of reference approved by the Board. Notwithstanding any delegation by the Board to a committee, the Board retains responsibility for the decisions and actions taken by such committee.

DIB’s stand on accountability stems from the tone from the top, and in its implementation of such high accountability standard, the Chairman of each Board committee has individually acknowledged their responsibility for the committee’s framework at DIB, review of its applied operations, and for ensuring its effectiveness for the year 2021.

3.2. Board Committees

The Board has established the following standing committees:



Each of these committees remain an integral part of the Board, where membership includes members of the Board and, in the case of the BAC and the BRCGC a specialist who contributes his expertise for the benefit of these committees (such specialist is subject to the same obligations as the Board members). The responsibility of these committees is to consider matters within their assigned mandate in greater detail, to provide recommendations to the Board, to manage conflicts of interest, satisfy regulatory requirements, and provide management oversight to ensure the proper governance of the Bank.

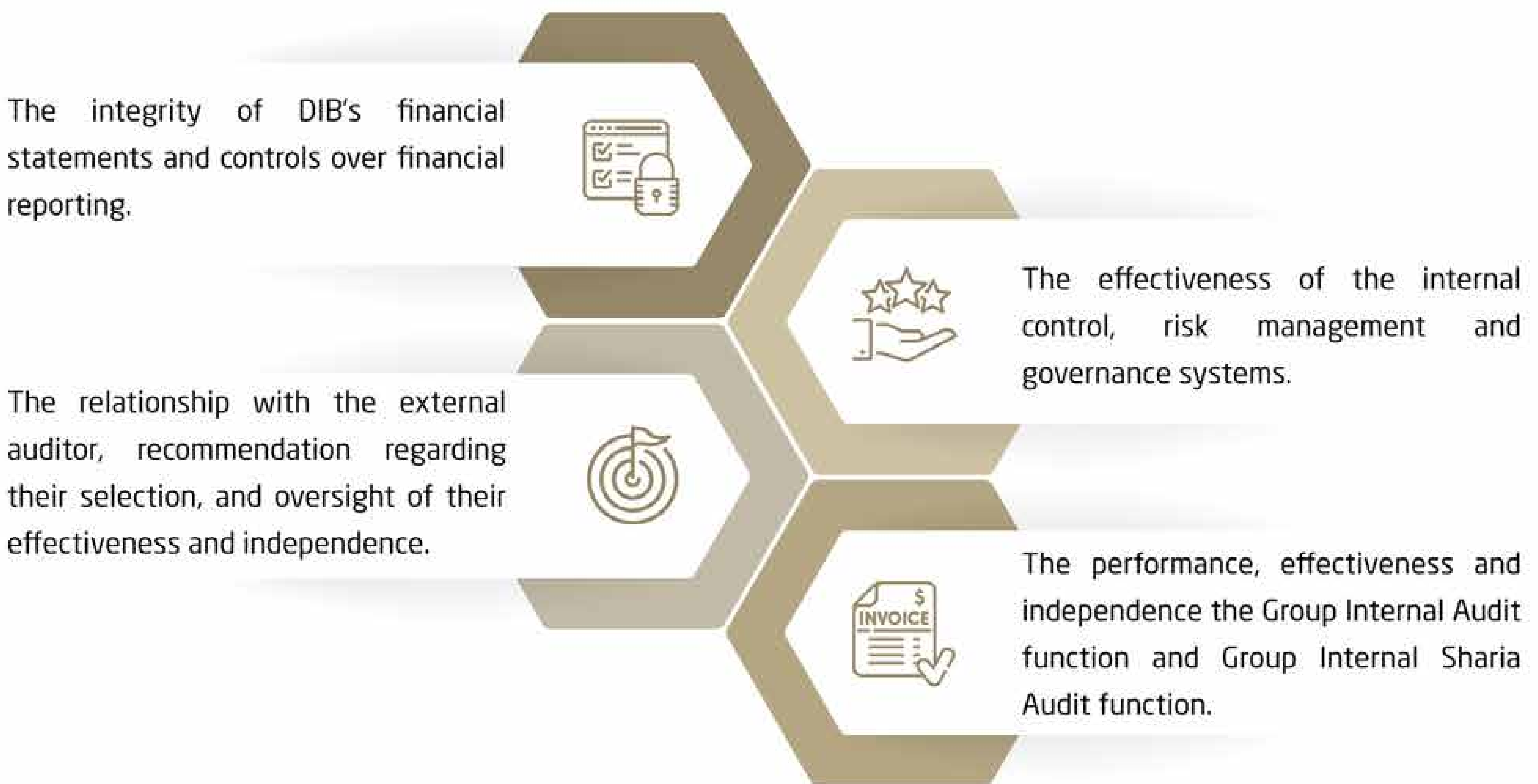
Each committee submits an annual report to the Board and periodically apprises the Board, through its respective chair, in respect of its activities and recommendations during the year. The terms of reference and work plan for each committee are reviewed on an annual basis.

3.2.1. The Board Audit Committee

The composition of the BAC and attendance of members at meetings during the year 2021 was as follows:

Member	Attendance
Mr. Javier Marin Romano (Chair)	8
Mr. Ahmad Mohammad Bin Humaidan	7
Mr. Abdulla Hamad Rahma Al Shamsi	8
Mr. Saeed Mohamed Al Sharid (Specialist)	8

The BAC’s role is to assist the Board in the consideration of several matters, including but not limited to:



The BAC held its meetings during 2021 to discuss matters relating to financial statements and other matters within its remit as follows:

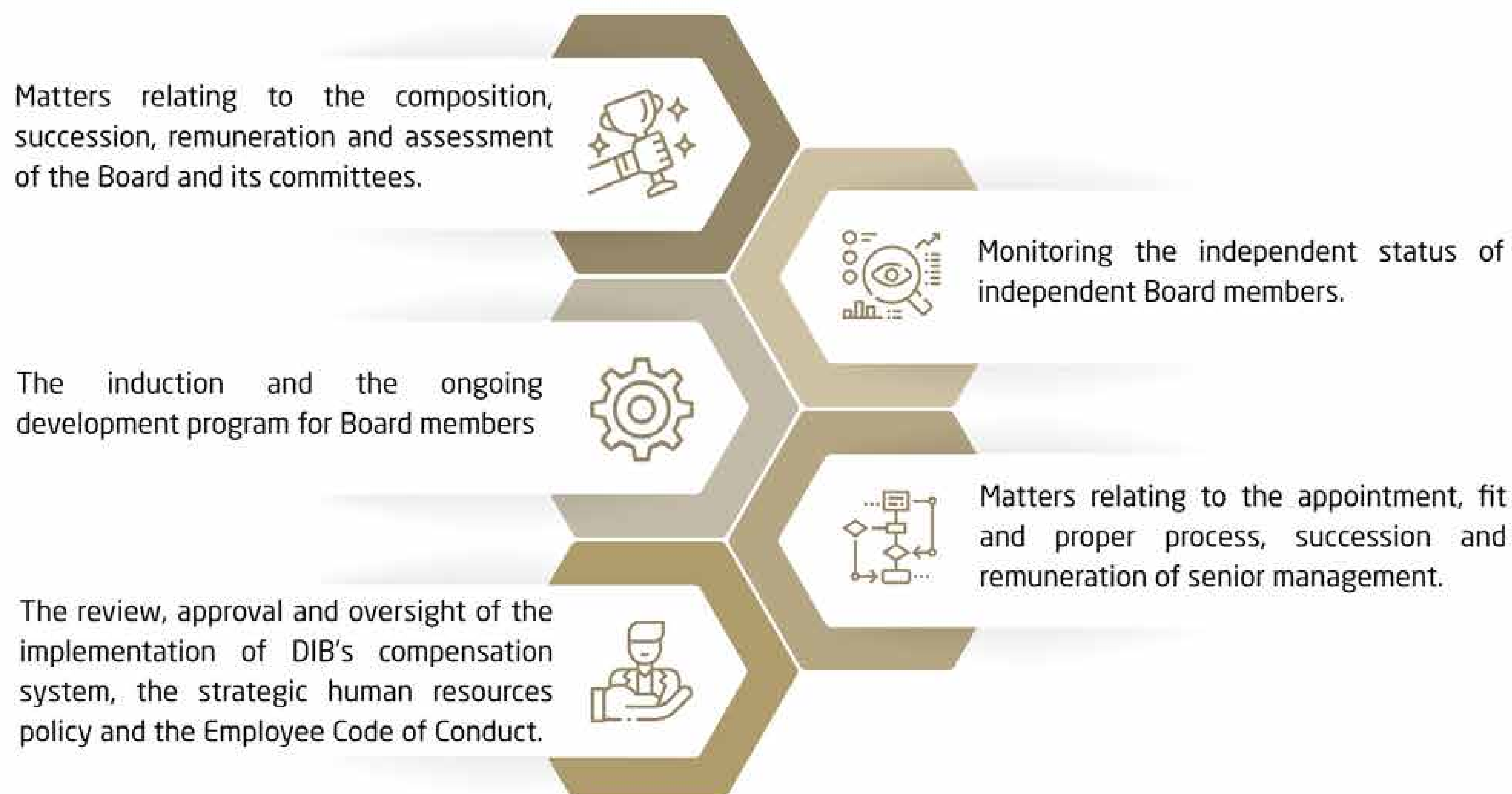
No.	Date of Meeting	No.	Date of Meeting
1	5 January 2021	5	25 April 2021
2	15 February 2021	6	27 July 2021
3	23 February 2021	7	26 October 2021
4	16 March 2021	8	24 November 2021

3.2.2. Board Nomination and Remuneration Committee

The composition of the BNRC and attendance of members at meetings during the year 2021 was as follows:

Member	Attendance
Eng. Yahya Saeed Ahmad Nasser Lootah (Chair)	5
Mr. Abdulla Ali Obaid Al Hamli	5
Mr. Abdulaziz Ahmed Rahma Al Mheiri	3
H.E. Hamad Mubarak Buamim	4

The BNRC's role is to assist the Board in the consideration of several matters, including but not limited to:



The BNRC held its meetings during 2021 to discuss matters relating to its remit as follows:

No.	Date of Meeting
1	11 March 2021
2	10 June 2021
3	15 July 2021
4	14 October 2021
5	7 December 2021

3.2.3. Board Risk, Compliance and Governance Committee

The composition of the BRCGC and attendance of members at meetings during the year 2021 was as follows:

Date of Meeting	Attendance
Mr. Abdulla Hamad Rahma Al Shamsi (Chair)	4
Mr. Ahmad Mohammad Bin Humaidan	4
Mr. Javier Marin Romano	4
Mr. Saeed Al Sharid (Specialist)	3

The BRCGC's role is to assist the Board in the consideration of several matters, including but not limited to:

Overseeing the Bank's governance, risk management, compliance and control frameworks and their related operation.



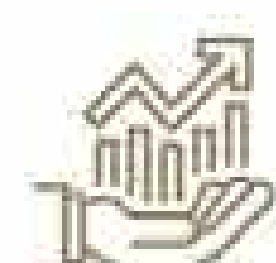
Monitoring compliance with legal and regulatory obligations.



Enabling a group-wide view of the Bank's current and future risk position relative to its risk appetite and capital strength.



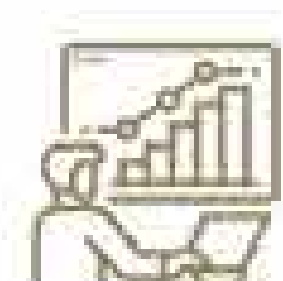
Review of the Bank's material policies.



Monitoring risk exposures and providing strategic direction to ensure risks remain at an acceptable level.



Overseeing all risk models in use at the Bank.



Approval of the Bank's ICAAP report and regulatory mandated stress tests.



Review whistleblowing reports, and the status of the subsequent investigation.

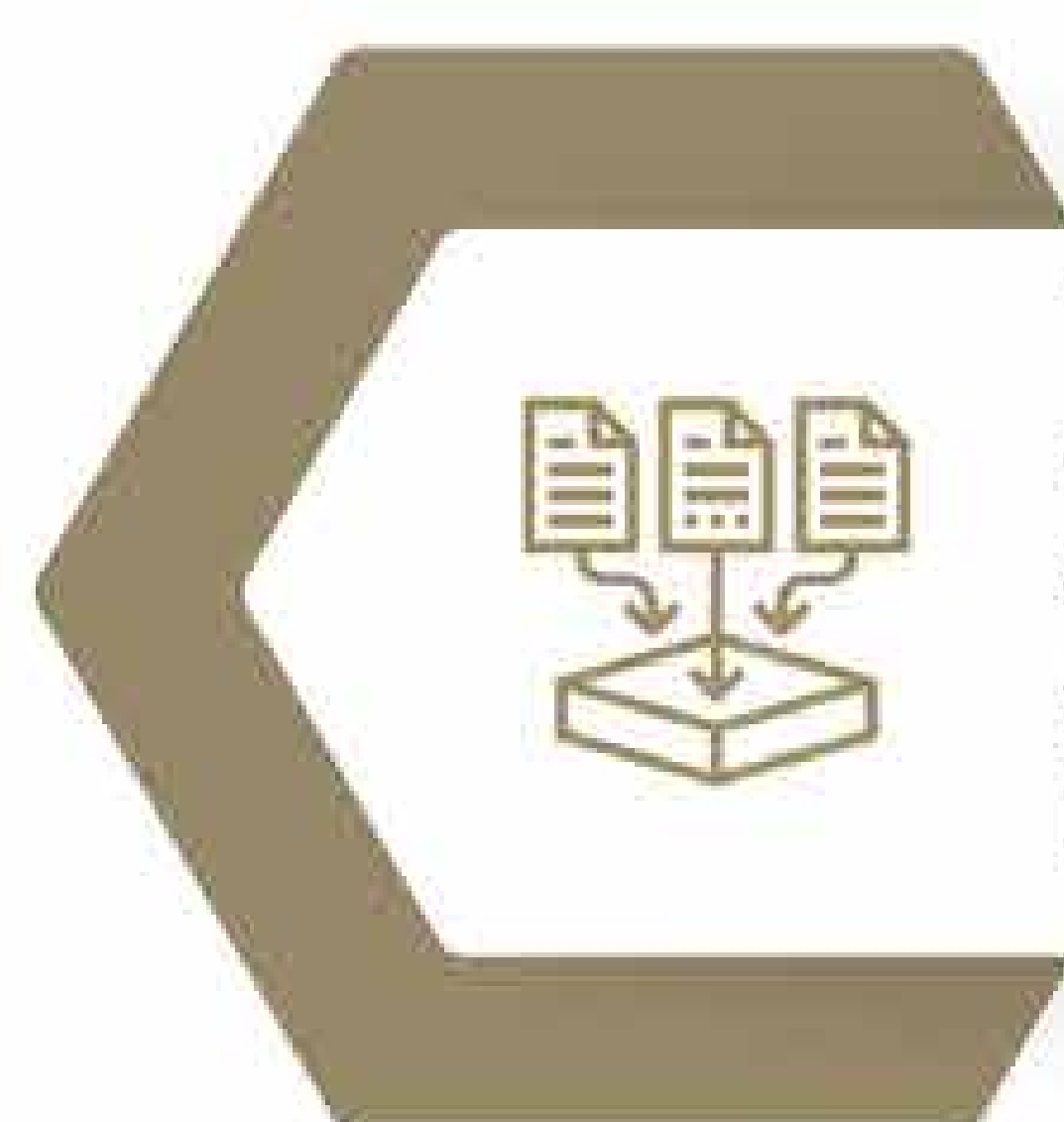
The BRCGC held its meetings during 2021 to discuss matters relating to its remit

No.	Date of Meeting
1	10 February 2021
2	10 May 2021
3	8 September 2021
4	22 November 2021

3.2.4. The Board Credit and Investment Committee

The composition of the BCIC and attendance of members at meetings during the year 2021 was as follows:

Date of Meeting	Attendance
Mr. Abdulaziz Ahmed Rahma Al Mheiri (Chair)	13
Mr. Hamad Bin Abdulla Al Shamsi	14
Eng. Yahya Saeed Ahmad Nasser Lootah	16
H.E. Hamad Mubarak Buamim	16



The BCIC's role is to assist the Board in the consideration of several matters, including but not limited to the approval of credit, investment and collection and remedial proposals within the discretionary authority delegated to the committee and providing guidance to the Board on the Bank's investment strategy.

The BCIC held its meetings during 2021 to discuss matters relating to its remit as follows:

No.	Date of Meeting	No.	Date of Meeting
1	7 January 2021	10	24 June 2021
2	21 January 2021	11	15 July 2021
3	28 January 2021	12	2 September 2021
4	11 February 2021	13	20 September 2021
5	25 February 2021	14	14 October 2021
6	18 March 2021	15	4 November 2021
7	8 April 2021	16	18 November 2021
8	3 May 2021	17	7 December 2021
9	3 June 2021		

4. Internal Sharia Supervision Committee

The core responsibility of the ISSC is to undertake Sharia supervision of all DIB's businesses, activities, products, services, contracts, transactions, documents and code of conduct. The ISSC is comprised of five (5) experienced scholars who are appointed by the shareholders on the basis of the nominations put forth by the Board and approved by Higher Sharia Authority of the CBUAE. The term of the scholars is three (3) years, with their appointment reconfirmed by the shareholders on an annual basis. The members of the ISSC were appointed by the shareholders in the annual general meeting convened on 16 March 2021.

At the same meeting the ISSC presented its 2020 annual report (included as part of the Annual Report). The ISSC shall present its 2021 report to the shareholders in the next annual general meeting.

During 2021 the ISSC has generally complied with the main requirements of its terms of reference with regard to various matters including, but not limited to, its size and composition, the terms of membership, the number of meetings to be held, the quorum required for meetings, the majority needed to make decisions and the conditions for decision-making and conflict of interest management.

The ISSC met 11 times in 2021 with full attendance by the members, and more than 3,000 matters were considered for guidance by the ISSC, its Executive Member and the ISCD.

The Chairman of the ISSC met once with the Board during the year to discuss issues pertaining to Sharia compliance.

DIB's ISSC is comprised of the following five (5) Islamic jurists:



Professor Dr. Mohamed Ali Elgari

Chairman

Prof. Dr. Elgari is a Professor of Islamic Economics and the former Director of the Centre for Research in Islamic Economics at King Abdul Aziz University in the Kingdom of Saudi Arabia. Prof. Dr. Elgari is the recipient of the Islamic Development Bank Prize in Islamic Banking and Finance and holds the KLIFF Islamic Finance Award for Most Outstanding Contribution to Islamic Finance (Individual).

He is a member on the editorial board of several academic publications in the field of Islamic Finance and Jurisprudence, among them the Journal of the Jurisprudence Academy (of the IWL), Journal of Islamic Economic Studies (IDB), Journal of Islamic Economic (IAIE, London), and the advisory board of the Harvard Series in Islamic Law, Harvard Law School.

Prof. Dr. Elgari is also an advisor to numerous Islamic financial institutions throughout the world and is notably on the Shariah board of the Dow Jones Islamic index as well as a member of the Islamic Fiqh Academy and the Islamic Accounting & Auditing Organisation for Islamic Financial Institutions (AAOIFI).

Prof. Dr. Elgari holds a PhD in Economics from the University of California, United States of America.



Dr. Muhammad Qaseem

Executive Member

Dr. Muhammed Qaseem is a renowned Sharia scholar and Islamic finance expert. He is the Chairman Sharia Board of Silkbank Ltd Pakistan and Deutsche Bank Malaysia.

Dr. Qaseem holds a Ph.D in Tafseer and Qur'anic Sciences from the International Islamic University Islamabad, where he has taught in various graduate and post graduate programmes for more than 22 years. He is fully proficient in five (5) languages.

Dr. Qaseem has contributed immensely towards disseminating the message of Islamic banking and building its institutions and Sharia frameworks in different countries. He has been instrumental in developing innovative structures and products in some very challenging regulatory environments.



Sheikh Dr. Muhammad Abdulrahim Sultan Al Olama

Member

Sheikh Dr. Al Olama is a member of the Grand Islamic Scholars Commission in Dubai, an Associate Professor of the School of Shari'a at the United Arab Emirates University in Al Ain and an acknowledged expert in Islamic finance. Sheikh Dr. Al Olama is also the head of the Fatwa Committee of the Zakat Funds in the UAE. He currently serves on a number of Sharia boards representing Islamic financial institutions and Takaful companies.

Sheikh Dr. Al Olama has written extensively on modern Islamic finance and has presented numerous research papers at various international conferences. Sheikh Dr. Al Olama holds a PhD in Comparative Islamic Law from Umm Al Qurra University in Mecca, Kingdom of Saudi Arabia.



Professor Dr. Mohamad Akram Laldin

Member

Prof. Dr. Laldin is the Executive Director of ISRA. He is also a member of Bank Negara Malaysia Sharia Advisory Council (SAC), member of Shariah Advisory Employees Provident Fund (EPF), member of HSBC Amanah Global Sharia Advisory Board, member of EAB (London) Sharia Advisory Board, Chairman of Islamic Advisory Board of HSBC Insurance Singapore, member of Sharia Advisory Council International Islamic Financial Market (IIFM), Bahrain, Committee member of AAOIFI Sharia Standards, Bahrain and other Boards across the globe. He is also a member of the Board of Studies of the Institute of Islamic Banking and Finance, IIUM.

Prof. Dr. Laldin holds a B.A. honours degree in Islamic Jurisprudence and Legislation from the University of Jordan, Amman, Jordan and a PhD in Principles of Islamic Jurisprudence (Usul al-Fiqh) from the University of Edinburgh, Scotland, United Kingdom. He is the recipient of Zaki Badawi Award 2010 for Excellence in Shariah Advisory and Research. He has participated and presented papers in numerous local and international conferences.

Dr. Al Mansoori is a prominent Sharia scholar from the UAE with an active focus on the Islamic banking and finance industry. He is currently serving as Director of Sharjah Islamic Center for Economy & Finance Studies and the Assistant Professor of Economy & Islamic Banks, University of Sharjah.

Dr. Al Mansoori is currently serving as the Chairman of ISSC of Al Hilal Bank and a member of various ISSCs of Islamic financial institutions. Dr. Al Mansoori holds a PhD in Economics & Islamic Banking, as well as two Master’s Degrees in Economics & Islamic Banking and Pedagogical Psychology. He has authored various research papers on contemporary matters relating to Islamic Banking.

5. Management

5.1. Organization Structure



The structure above reflects the Group Chief Executive Officer and his direct reports for roles which have continued in 2022.

Notes:

- 1.The Group Chief Risk Officer functionally reports to the BRCGC.
- 2.The Group Chief of Internal Audit functionally reports to the BAC

The table below sets out the senior management positions as at 31 December 2021:

No.	Position	Name	Date of joining
1	Group Chief Executive Officer	Dr. Adnan Chilwan	June 2008
2	Chief of Corporate Banking	Mr. Syed Naveed Ali	June 2003
3	Chief Consumer Banking Officer	Mr. Sanjay Malhotra	February 2015
4	Chief of Investment Banking	Mr. Hamid Iqbal Butt	March 2020
5	Chief of International Business & Real Estate Investments	Mr. Mohammed Saeed Al Sharif	September 1999
6	Chief of Treasury	Mr. Mohammed Saleem Qassim	July 2006
7	Chief Credit Officer	Mr. Nagaraj Ramakrishnan	April 2019
8	Chief Digital Officer	Mr. Musabbah Mohammad Ali AlQaizi	September 1999
9	Chief Transformation Officer	Mr. Varun Sood	June 2008
10	Chief Financial Officer	Mr. John Stephen Grotta Macedo	January 2016
11	Chief Operating Officer	Mr. Obaid Khalifa Alshamsi	January 1998
12	Head of Strategic Relations	Mr. Ali Mohd Ahmed Alabedin	February 2005
13	Head of Organizational Effectiveness	Mrs. Alison Gail Blignault	March 2020
14	Group Chief Compliance Officer	Mr. Sami Ibrahim Alawadi	March 2020
15	Group Chief Risk Officer	Mr. Chandra Mohan Ganapathy	August 2020
16	Group Chief of Internal Audit	Mr. Volkan Pekince	November 2020
17	Board Secretary	Mr. Mohamed Alsayed Wahb	December 2011

5.2. Remuneration

DIB's approach to reward is guided by a commitment to motivate and reinforce a performance-oriented culture. The aim is to develop high performing, engaged employees who demonstrate the Banks's core values and deliver superior shareholder value. The Bank's reward programs are designed to attract, retain and motivate talent.

The Bank's reward policies are built on the "Pay for Performance" theme and is linked to a robust Performance Management System based on the Balance Scorecard focusing on four key areas i.e. Financials, Customers, Processes and Learning & Growth. This enables the Bank to achieve and sustain high standards of performance. The Bank's reward policies are prudently governed by the BNRC who ensure that DIB adopts market driven remunerations practices. The committee also plays a key role in safeguarding the Bank by ensuring adherence to the regulatory requirements and encouraging sound remuneration practices which promote effective risk management in line with the corporate governance guidelines.

The aggregate remuneration paid to the management roles set out in section 5.1 above in 2021 was AED 65,124,515.68 (AED 32,268,270.68 represents fixed remuneration and AED 32,856,245 represents variable remuneration). The variable component of this payment pertains to the year 2020 and was paid in the year 2021.

6. External Auditor

6.1. External auditors overview

DIB's Board has approved an external auditor's policy which governs DIB's relationship with its external auditor. The policy reflects the requirements set out in the CBUAE's regulation circular 162/2018 regarding financial reporting and external audit and applicable laws and regulations. It regulates matters including, but not limited to, appointment, reappointment, duration of service, and auditor independence. The BAC bears the responsibility for engaging with, and monitoring the effectiveness, independence and objectivity of the external auditor.

Deloitte and Touche (M.E.) was appointed as DIB's external auditor for 2021. Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Deloitte has served as trusted auditors for clients in the Middle East for the past 96 years. Within the UAE Deloitte has five practice offices with 51 Partners, Directors and Principals and over 600 audit professionals.

6.2. Statement of fees and costs for 2021

Name of external auditor and audit partner	Deloitte & Touche (M.E.)
Number of years served as external auditor	3 years
Name of external audit partner	Musa Ramahi
Number of years audit partner has served in this role	3 years
Total audit fees of DIB and UAE Subsidiaries (excluding Deyaar)	AED 1,860,000
Fees and costs of other services other than auditing the financial statements for 2021	AED 1,146,815
Details and nature of other services provided by the external auditor	Comfort letters for sukuk issuance, long-form audit report on overseas operations and clarification request to Federal Tax Authority

6.3. Auditor reservations

The auditor's report did not provide any qualified opinion regarding the interim or annual financial statements for the year 2021.

7. Internal Control System

7.1. Overview

The Board acknowledges its responsibility for the application, review and efficiency of the Bank's internal control system. The primary responsibility for reviewing risks, identifying and implementing adequate internal controls vests with the risk-taking functions and therefore, the respective business chiefs assume this accountability.

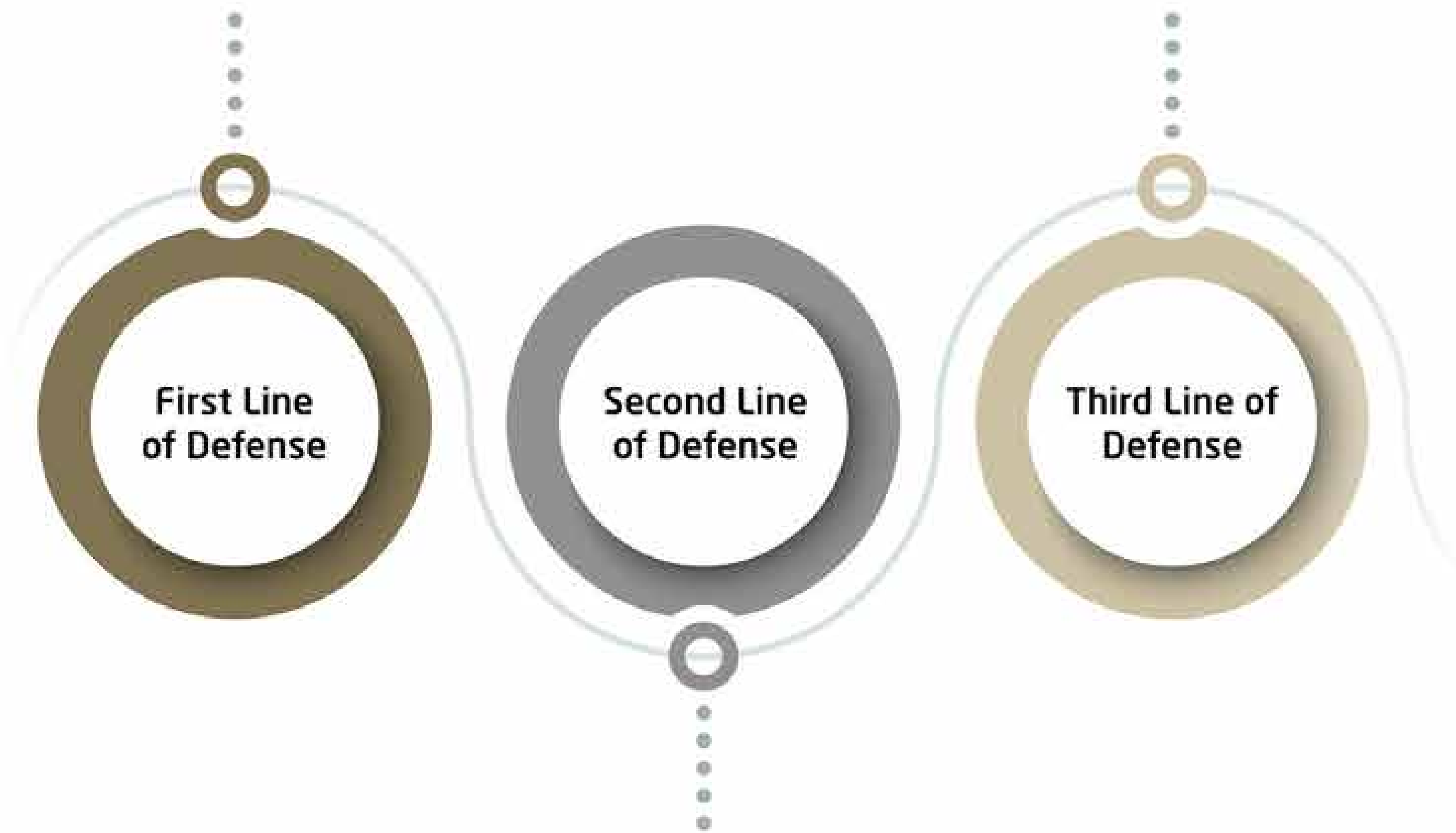
The BRCGC in conjunction with the BAC, Group Risk Management, Group Compliance, Internal Sharia Control, Group Internal Audit, and the Group Internal Sharia Audit provide the second and third level of assurance on the adequacy of the internal control system framework within the Bank.

The Board, being responsible for DIB’s control environment and its effectiveness, recognises the importance of a robust internal control system to ensure the Bank is able to meet the expectations of its stakeholders and achieve its performance and compliance objectives. DIB is committed to continuous improvement in its control activities and to compliance with applicable statutory and regulatory requirements, which are embedded in DIB’s internal control system.

The Bank’s internal control system is designed to ensure integrity and compliance with due regard for the CBUAE regulations in respect of Risk Management, Internal Control, Compliance, Internal Audit issued in 2018 and the CBUAE CG Sharia Regulations issued in 2020. The system is based on the three lines of defense model as set out below:

The first line of defense consists of business units, which while vital to the business, creates its greatest risk exposures. This line of defense is responsible and accountable for identifying, assessing, and controlling the risk associated with their activities.

The third line of defense is comprised of the Bank’s independent assurance functions. DIB’s Group Internal Audit function independently assess the effectiveness of the processes created in the first and second lines of defense in accordance with the Board approved Internal Audit Charter. DIB’s Group Internal Sharia Audit independently conducts Sharia audits to ensure that DIB’s activities and transactions are Sharia compliant.



The second line of defense includes support functions and independent control functions (primarily Group Risk Management, Group Compliance, Internal Sharia Control Department), which maintain a close relationship with the business units to ensure that risks have been appropriately identified and managed in line with DIB’s approved risk appetite and risk limits. The second line of defense works closely with the first line of defense to create an enterprise-wide view of material risks and maintain a robust control environment, including ensuring robust risk management, compliance and the reliability of financial and non-financial information.

The Bank adopts a risk-based approach to its control and assurance activities, ensuring appropriate monitoring and, where relevant, mitigation measures are implemented in accordance with the level of risk to which the Bank is exposed. This enables control and assurance activities to be strategically and operationally aligned with the risks facing the Bank.

In order to ensure the effectiveness of the internal control system the Board has ensured that the functions tasked with responsibilities as part of the system have the required independence and appropriate access to information to effectively carry out their responsibilities. Internal control functions also coordinate with group entities, in accordance with the Subsidiaries and Affiliates Corporate Governance Framework, to ensure that material risks are effectively managed across the group.

The Bank's control environment is shaped by the "tone from the top" set by the Board and senior management which reflects the importance of integrity, ethical values, transparency, risk management and compliance. This is integrated in DIB's corporate values and implemented through several policies such as the enforcement of the Employee Code of Conduct, which every employee is expected to adhere to and is acknowledged on an annual basis.

There are also several strategic and operational policies implemented within the Bank to strengthen governance and controls, including the comprehensive Board-approved Risk Management Framework which governs: (i) DIB's risk appetite statement and tolerance limits; (ii) policies and procedures to identify, mitigate, and manage material risks; (iii) roles and responsibilities in relation to risk management within DIB; and (iv) contingency planning and stress testing.

There are a number of control activities the Bank performs such as: (i) appropriate checks and balances (including segregation of duties); (ii) safeguarding access to, and use of, records and the Bank's assets and investments; (iii) appropriate authorisation and approval structures; (iv) ensuring clear roles and responsibilities; and (v) reconciliation and review processes.



7.2. Risk management

The Board is ultimately responsible for ensuring that a comprehensive, appropriate and effective risk management framework is implemented within the Bank. The Board is supported by the BRCGC, the management’s Risk Management Committee and Group Risk Management function in discharging its risk oversight duties. The Board approves the Bank’s risk appetite statement (aligned with the Bank’s strategy), the comprehensive risk management framework and material risk policies. Through the BRCGC, the Board actively monitors the Bank’s risk management activities and risk profile ensuring appropriate actions are instituted where required.

The responsibilities of the Group Risk Management function include but are not limited to:

Implementing DIB’s overall risk management approach, strategies, framework and policies approved by the Board	promoting a culture of risk awareness, prevention and management across the Bank	providing risk related guidance, training and awareness;
operating an efficient reporting mechanism to the Board and senior management which gives a group-wide view of all material risks.		

In 2021 DIB continued to enhance and strengthen its risk management through various initiatives including but not limited to:

- Enhancing policies and processes to keep risk posture in line with regulatory and Board expectations.
- Enhancing the risk reporting framework.
- Enhancing risk measurement models and methods.
- Enhancing risk oversight of subsidiaries and affiliates.

The Group Risk Management function is led by the Group Chief Risk Officer (“GCRO”) who reports to the BRCGC while maintaining close coordination with senior management and business functions.

Mr. Chandra Mohan Ganapathy has been the GCRO of DIB since August 2020. He has over 29 years of experience in the establishment of enterprise risk management frameworks and infrastructures (including policies, models and processes) encompassing all risks, in particular, credit, market, liquidity, profit rate, operational, regulatory and, information security risks as well as all emerging risks and regulations. He is a CFA Charter holder, Chartered Accountant, a certified Financial Risk Manager, Professional Risk Manager, and holds a certificate in Quantitative Finance.



7.3. Compliance and Sharia control

DIB is regulated by the CBUAE and is therefore required to comply with CBUAE regulations, circulars and notices. In addition, DIB is required to comply with all applicable laws and regulations of the UAE, including, without limitation, the UAE Commercial Companies Law No. (2) of 2015 (as amended or replaced), the Federal UAE Banking Law No. (14) of 2018, applicable rules and standards established by the SCA and the Bank's Articles of Association. DIB also complies with all the principal international sanctions regimes. DIB is committed to developing a strong relationship with relevant regulators which includes providing responses to regulator consultations received through the UAE Banks Federation.

DIB has a dedicated compliance function that reviews new or revised laws endorsed by the CBUAE, regulations and sanctions and assesses their impact on the Bank, while ensuring that the information is presented to the Board promptly as applicable. Senior management has the responsibility to ensure compliance with applicable laws, regulations and compliance policies and report on such matters to the Board. The Bank's Legal Department is responsible for the internal dissemination of any laws or regulations which fall outside the scope of the CBUAE and supporting the relevant stakeholders to ensure these are complied with.

The Board has approved a comprehensive Compliance Policy, which aids in establishing the authority, responsibility and independence of the Bank's Group Compliance function. The functions responsibilities include, but are not limited to:

- monitoring and reporting on observance of all applicable laws, regulations, and standards;
- enforcing DIB's policies that pertain to, amongst others, customer due diligence, anti-money laundering, combating terrorist financing, sanctions and detection and reporting of any suspicious transactions; and
- implementing and maintaining mechanisms that sustain a culture of compliance throughout the Bank.

In 2021 DIB continued to enhance and strengthen its compliance management through various initiatives including but not limited to:

- Updating the Bank's compliance policy.
- Enhancing compliance processes and systems.
- Implementing a Bank-wide conflict of interest policy.
- Enhancing compliance oversight of subsidiaries and affiliates.

This Group Compliance function is led by the Group Chief Compliance Officer ("GCCO") who reports to the Group Chief Executive Officer and has direct access to the Board through the BRCGC.

Mr. Sami Al Awadi has been the GCCO Officer of DIB since March 2020. He has over 20 years of experience with primary focus on reviewing, designing, delivering and implementing compliance, fraud and regulatory frameworks. He holds a Licentiate Degree in Law from Dubai Police Academy, where he also served as the Head of Counter Terrorism in Dubai Criminal Investigation Department.

The Bank's Internal Sharia Control Department ("ISCD") represents an integral part of DIB's internal control system (as part of the second line of defense) and the Sharia Governance Framework. The role of the ISCD includes monitoring the Bank's compliance with Islamic Sharia. Information regarding Sharia compliance and related risks is embedded in the related reporting to the BRCGC. The BRCGC may invite the Head of the ISCD to present and discuss Sharia compliance related activities undertaken by the ISCD. The Head of ISCD works closely with, and under the guidance of, the ISSC in relation to all matters related to Sharia compliance or application of the principles of Sharia. The Sharia compliance unit within the ISCD reports matters concerning Sharia compliance to the GCCO and also submits its report to ISSC and the Group Chief Executive Officer on compliance with regulations, Sharia pronouncements, resolutions and standards issued by Higher Sharia Authority.

In 2021 DIB continued to enhance and strengthen its sharia compliance framework through various initiatives including but not limited to:

- The development and implementation of the Bank's Sharia Governance Framework which aligns with the requirements of the CBUAE.
- Enhancing Sharia control oversight of subsidiaries and affiliates from a Sharia control perspective.

The ISCD is led by the Head of the ISCD who reports to the Board.

Mr. Mian Muhammad Nazir has been the Head of the ISCD of DIB since March 2020. He has over 18 years of unique expertise in the fields of banking, corporate finance, legal and Sharia and has pioneered the Islamic banking and finance consulting and advisory sector in the UAE through landmark achievements in Islamic product development, structuring and Sharia advisory services across all facets of Islamic banking and Takaful industry. He holds a Masters of Laws from University of Cambridge, UK, B.A. and L.L.B (Hons), and Sharia & Law (Gold Medal and Distinction) from International Islamic University Pakistan and various other academic and professional qualification in the relevant field.

7.4. Internal Audit and Internal Sharia Audit

The Bank's Group Internal Audit function ("IAD") provides independent assurance that risks with a potential impact to the DIB's business are identified, quantified and reported to the senior management. Further, the IAD provides assurance as to the adequacy, efficiency and effectiveness of DIB's compliance, governance, risk management and internal control processes.

To ensure independence, employees within the IAD are organisationally independent of all other functions in DIB. To maintain this independence in the discharge of their responsibilities, these employees are not assigned, or expected to engage in, the day to day activities of DIB.

The IAD aims to continuously comply with the Institute of Internal Auditor's international standards for professional practice of internal audit (including the IIA's code of ethics).

The IAD executes its responsibilities in accordance with the Internal Audit Charter approved by the BAC (which is publicly available on the Bank's website). Internal audits are conducted throughout the year as per the Annual Audit Plan approved by the BAC. The IAD also performs ad-hoc assignments and investigations when deemed necessary. Identified audit observations highlighting control gaps and opportunities for process and control improvements, along with the management responses and actions plan are captured in the Internal Audit Reports, which are presented to the BAC. Open audit observations are actively monitored by senior the management and reported to the BAC regularly.

In 2021 DIB continued to enhance and strengthen internal audit through various initiatives including but not limited to:

- Updating the audit methodology in line with the global and regional standards and best practices.
- Providing internal / external professional development opportunities provided to the Internal Audit employees to continuously enhance their skill set.
- Establishing an internal quality assurance mechanism to further improve the practices being followed.
- Enhancing oversight of subsidiaries and affiliates from an Internal Audit perspective.

The IAD is led by the Group Chief of Internal Audit ("GCIA") who reports directly to the BAC, while maintaining close coordination with the Bank's senior management and business functions.

Mr. Volkan Pekince has been the GCIA of DIB since November 2020. He has over 22 years of experience in internal audit, risk and control management, compliance, operations, technology, internal control frameworks and regulations, supported with by a strong technical background covering all activities, processes and technologies, gained in financial institutions globally. He holds a BSc. degree in Electrical & Electronics Engineering and relevant professional certifications.

In addition to the Bank's IAD, its independent Group Internal Sharia Audit Department ("ISAD") forms an integral part of DIB's internal control system (as part of the third line of defense) and its Sharia Governance Framework. The role of the ISAD is to provide assurance in respect of DIB's compliance with Sharia carrying out its responsibilities in line with the Bank's Sharia Governance Framework. The ISAD closely coordinates with the IAD.

Internal Sharia audits are conducted throughout the year as per the approved Sharia Audit Plan. Material audit observations are captured in audit reports that are issued periodically to the ISSC for resolutions on Sharia matters and then to the BAC for follow-up and monitoring purposes. All audit observations are logged and tracked to completion by ISAD. Regular follow-up is done with management to ensure that remedial actions are completed and identified risks are adequately mitigated. Open Sharia audit observations and their aging are reported to the BAC and actively monitored by senior management. The Group Head of ISAD met with the BAC twice during 2021.

In 2021 DIB continued to enhance and strengthen internal sharia audit through various initiatives including but not limited to:

- Attainment of more staff Professional Certifications relating to Sharia Standards.
- Exposure of staff to Internal Audit best practices and IIA Standards / Guidelines.
- Working closely with Group Internal Audit to exchange knowledge, experience and best practices.
- Adoption of sophisticated templates for audit programs / reports / approaches.
- Enhancing oversight of subsidiaries and affiliates from an Internal Sharia Audit perspective.

The ISAD is led by the Group Head of ISAD who reports to the BAC.

Mr. Moosa Tariq Khoory has been the heading Internal Sharia Audit since May 2013. He has over 14 years of Sharia audit, Sharia compliance, and Sharia training experience. He is a founding member of the Sharia department forum which is a platform for Islamic Banks and Financial institutions. He holds a dual Masters in International Business Law (LLM) and Masters in Sharia and Islamic Studies (Islamic Jurisprudence and its Fundamentals). He is also currently pursuing a PhD in Islamic Finance.

7.5. How the internal control functions address material problems in the company or those disclosed in the annual reports and accounts

In the event of material issues or control gaps identified by the internal control functions that must be disclosed in the annual reports, a report is prepared regarding the matter and submitted to the BRCCG or BAC; the management takes the necessary measures to deal with each case, including providing the necessary clarifications, taking the required mitigating actions to deal with these cases. There were no material problems disclosed in the 2021 annual reports and accounts.

7.6. Number of reports issued by internal control functions

The internal control functions continue to report to the relevant Board committees at least on a quarterly basis, and whenever material information would require the attention of the Board.

8. General Information

8.1. Statement of contributions made during 2021 in the development of the community and preservation of the environment

DIB is world renowned for being a leading Islamic bank contributing to the development of the global Islamic banking sector and promoting ethical and social practices that align with the principles of Sharia. As a socially responsible bank, DIB not only believes in financially empowering its customers but also positively impacting the community. DIB periodically disburses funds from its charity and Zakat funds for the benefit of the needy to meet their financial commitments adopting a thorough review process under the aegis of DIB's ISSC in order to ensure Sharia compliance. DIB has also instituted an implementation committee to verify the authenticity of requests for financial assistance and to ensure adherence to the requirements set out by the ISSC in such regard. Please see DIB's 2021 Sustainability Report for more information.

8.2. Related party transactions

The Board has approved a Related Party Transactions policy which governs the Bank's transactions with related parties and aligns with the CBUAE's guidelines in this respect. All related party transactions are undertaken on an arms-length. The Board members submit an annual declaration including related party disclosures which are reconfirmed on a quarterly basis. Please refer to note 43 of the Bank's 2021 financial statements for more information.

8.3. Insider trading

The Board has approved a Personal Trading Policy which sets out the provisions relating to insiders, at both Board and employee levels, who engage in the trading of DIB's securities and the securities of DIB's listed Group entities in order to comply with relevant laws and regulations. Pursuant to DIB's Personal Trading Policy which is overseen by the Bank's Compliance function, an insiders list is maintained which includes Board members and employees and others who have access to inside information (material information) that is not available to the public and could reasonably affect the market price of DIB's securities. Insiders are subject to the market controls implemented to safeguard against inside trading.

8.4. Comparative performance

The graph below represents DIB's comparative performance with the general market index during 2021:



8.5. Share price

The table below sets out DIB's share price in the market (closing price, highest price, and lowest price) at the end of each month during 2021:

Month	Close	Lowest Price in the Month	Highest Price in the month
30-Dec-2021	5.380	5.150	5.210
30-Nov-2021	5.160	5.020	5.130
31-Oct-2021	5.110	4.900	4.950
30-Sep-2021	4.950	4.910	4.940
31-Aug-2021	5.100	4.800	4.900
29-Jul-2021	4.830	4.720	4.760
30-Jun-2021	4.820	4.770	4.830
31-May-2021	4.770	4.440	4.480
29-Apr-2021	4.450	4.450	4.500
31-Mar-2021	4.550	4.480	4.570
28-Feb-2021	4.790	4.710	4.790
31-Jan-2021	4.950	4.580	4.630

8.6. Share ownership distribution

The table below sets out the distribution of shareholder ownership as on 31 December 2021:

Shareholder Category	Percentage of shares held			
	Individuals	Companies	Governments	Total
Local	43%	14%	28%	85%
Arab	3%	2%	0%	5%
Foreign	1%	9%	0%	10%
Total	46%	25%	29%	100%

8.7. Statement of shareholders owning 5% or more of DIB's capital

The table below sets out the details of shareholders who own more than 5% of DIB's capital as at 31 December 2021:

Major Shareholder	No. Shares Held	% Ownership
Investment Corporation of Dubai	2,024,955,636	27.97%
Saeed Ahmed Lootah	473,229,612	6.54%

8.8. Shareholder distribution

The table below sets out how DIB's shareholders are distributed according to the size of the ownership as on 31 December 2021:

No.	Share ownership	Number of shareholders	Number of owned shares	% Ownership
1	Less than 50,000	16,044	167,045,261	2%
2	From 50,000 to less than 500,000	3,404	529,945,279	7%
3	From 500,000 to less than 5,000,000	864	1,302,377,975	18%
4	More than 5,000,000	144	5,241,375,862	72%

8.9. Investor Relations

DIB has a dedicated Investor Relations ("IR") function headed by the Head of IR and Strategic Communications to cater to the Bank's growing shareholder and investor base and ensure compliance with relevant regulations. DIB's IR function provides support to current and potential shareholders and investors in terms of servicing their investment needs as well as communicating DIB's investment story and performance in a transparent, accurate and timely manner.

Throughout 2021, DIB organised webcasts, published presentations, and press releases to investors, analysts, and the media. This information is uploaded on the IR section of DIB's website to allow for accessibility on a user-friendly platform. In addition, DIB participates in various local and international investor roadshows to meet with existing and potential investors and provide an update on the Bank's current business position as well as on the general macro-economic environment.

The IR section of DIB's website <https://www.dib.ae/about-us/investor-relations> provides useful information including the following:

- Company information;
- Investor news and events;
- Financial information;
- Major financial events;
- Share information;
- Disclosures and publications; and
- Contact information, which includes the names of the IR team (including the Head of IR and Strategic Communications, Mr. Kashif Moosa) and the department's email for inquiries: investorrelations@dib.ae

DIB has a devoted mobile application (DIB Investor Relations) that enables shareholders and interested stakeholders to track the performance of DIB's shares, distribution of dividends and other relevant disclosures.

8.10. Statement relating to special resolutions presented in the 2021 AGM

The table below sets out the special resolutions passed at the DIB annual general meeting held on 16 March 2021:

Resolution	Status
To authorise the Board to issue any senior Sukuk and/or other similar instruments which are not convertible into shares, whether under a programme or otherwise, in an aggregate outstanding face amount not exceeding USD 7.5 billion (or the equivalent thereof in other currencies) at any time and to authorise the Board to determine and agree on the date of issuance provided that such date does not exceed one year from the date of the General Assembly meeting, the amount, offering mechanism, transaction structure and other terms and conditions of any such issuance(s), provided that this is undertaken in compliance with the provisions of the commercial companies law and any regulations or guidelines issued by any governmental or regulatory authority pursuant to such law and after obtaining approvals which may be required from the relevant competent regulatory authorities.	In June 2021 DIB successfully priced a landmark USD 1 billion 5 year Sukuk issue with a profit rate of 1.9590% per annum. The Sukuk was 3x oversubscribed. The Sukuk was issued under DIB Sukuk Ltd. and is listed on Euronext Dublin and NASDAQ Dubai.
To authorise the Board to issue additional Tier 1 sukuk which are not convertible into shares in an aggregate face amount not exceeding USD 1.5 billion (or equivalent thereof in any other currency) and to authorise the Board to determine and agree on the date of issuance provided that such date does not exceed one year from the date of the General Assembly meeting, the amount, offering mechanism, transaction structure and other terms and conditions of such issuance (provided that such issuance is subordinated, profit payments under the terms and conditions of such issuance are capable of being cancelled under certain circumstances and the terms and conditions also contain a point of non-viability provision), and subject in all cases to obtaining necessary approvals which may be required from the relevant competent regulatory authorities.	In April 2021 the Bank successfully priced a landmark USD 500 million Perpetual Non-Call 5.5 years Additional Tier 1 Sukuk with a profit rate of 3.375% per annum. The Sukuk was 5.6x oversubscribed. The Sukuk was issued under DIB Tier 1 Sukuk (5) Ltd. and is listed on Euronext Dublin and NASDAQ Dubai.
<p>A) To approve the Board's recommendation to amend and restate the Articles of Association of the Bank.</p> <p>B) Subject to approving (a) above and obtaining the approvals from the relevant regulatory authorities, to authorize the Board or any person so authorized by the Board, to take all the necessary measures to issue the amendment and restatement of the Bank's Articles of Association.</p>	Accordingly, the Bank took the approvals of the competent authorities and published the Amended and Restated Articles of Association in the Official Gazette issue No. 712 dated 26 September 2021.

8.11. Board Secretary

Mr. Mohamed Alsayed Wahb was appointed as the Board Secretary in June 2020 with the responsibilities of ensuring the efficient administration of Board affairs, with particular regard to acting as the focal supporting point for the Board to discharge its duties and ensure that decisions of the Board are implemented in compliance with statutory and regulatory requirements.

Mr. Wahb is an experienced banker and corporate secretary with over 20 years of international banking experience mainly in corporate finance, credit approval and board affairs. He served in several capacities in various international banks. He completed the Board Secretary certification from Hawkamah in 2020. Mr. Wahb holds a Master Degree in Applied Finance and Banking (MAFB) from the University of Wollongong, Australia and a Masters degree of Business Administration (MBA) in Investment & Finance from Arab Academy for Science Technology and Maritime Transport, Egypt. He also holds a Bachelor's degree in Accounting from Ain Shams University, Egypt.

8.12. Statement of major events and important disclosures in 2021

January

- DIB launched its new positioning (#Ready for the New), purpose and values.
- DIB awarded the following awards at the Islamic Finance News Awards:



February

- DIB announced its financial results for the year ended on 31 December 2020.

March

- DIB annual general meeting held virtually/ remotely at which shareholders approved a dividend distribution of 20% of the paid-up capital for 2020, appointed the members of the ISSC and also amended DIB's Articles of Association.

April

- DIB announced its financial results for the 3-month period ended 31 March 2021, where a total income of AED 2.8 billion and net profit of AED 853 million were recorded.
- DIB successfully closes lowest-ever pricing on USD 500 million AT1 Sukuk issuance from the GCC.

June

- DIB ranked 15th amongst Top 100 companies in the Middle East 2021 by Forbes ME
- DIB recognised for its efforts in the Emiratisation domain by the Emirates Institute for Banking and Financial Studies
- DIB successfully closes lowest priced USD 1 billion 5 year Senior Sukuk issue.

July

- DIB announced its financial results for the 6-month period ended 31 July 2021, where total income of AED 5.8 billion and net profit of AED 1.9 billion was recorded.

August

- DIB's foreign ownership limit increased to 40%.
- DIB awarded the following awards by The Asset Triple A Islamic Finance Awards ME:



September

- DIB awarded the Women Empowerment Excellence Award by MEBIS+ Bank Awards 2021.
- DIB awarded the Excellence in Innovation Award - Islamic Banking by Finnovex Middle East Awards 2021.

October

- DIB announced the financial results for the 9-month period ended 30 September 2021, where total income of AED 8.9 billion and net profit of AED 3.1 billion were recorded.

November

- Fitch Ratings affirmed DIB's Long-Term Issuer Default Rating (IDR) at 'A' with a Stable Outlook and Viability Rating (VR) at 'bb+'. Fitch Ratings assigned a Government Support Rating (GSR) of 'a'.
- DIB awarded the following awards at the MEA Finance Awards:



- DIB participated in Careers UAE in Dubai as an employer of choice with an unwavering commitment to advancing the careers of UAE Nationals.

December

- DIB launched rabbit, an exciting and unique digital banking experience aimed at the connected generation.
- DIB opened the Madinat Badr Masjid in Muhaisnah.
- DIB selected 50 UAE nationals for career progression in celebration of the 50th anniversary of the UAE.

8.13. Emiratisation

The emiratization percentage in DIB at the end of 2019, 2020 and 2021 is as follows

Year	Total Number of employees	Total Number of UAE Nationals	Percentage
2019	1,734	685	39.5 %
2020	1,942	890	45.8 %
2021	1,831	819	44.7 %

8.14. Statement of innovative projects and initiatives carried out or being developed in 2021



rabbit “funtech” Mobile App

DIB launched rabbit, its digital banking proposition targeted at digital natives seeking simplicity, ease and fun in their day to day interactions with the bank. Its distinctive value proposition is focused on lifestyle banking that is aimed at making banking simple, effortless, and fun.

Trade Club Alliance

DIB joined as an exclusive partner in the United Arab Emirates of Trade Club Alliance (TCA) - an innovative international digital business networking platform across 15 banks globally, offering Corporate and SME clients involved in international trade a wealth of relevant trade expertise and the opportunity to connect with trusted partners across the globe. Membership of the DIB Trade Club (online portal and marketplace access) provides access to a one-stop shop for trade resources that enables customers to discover global opportunities, receive tailored matches for their products or services and exchange insights about international trade with over 21,000+ fellow members.



Creating a Rewards Ecosystem for Business Banking

DIB consolidated and revamped its the Business Banking proposition and introduced a rewards ecosystem whereby B2B customers get the opportunity to earn rewards and use these rewards to support their businesses via services like Legal Advisory, Auditor & Recruitment Services, PRO Services and many more.



Digitisation of Home Finance Contracts

As part of DIB's paperless strategy, it introduced a digital solution for the completion of contractual formalities across its for-Home Finance proposition. This has eliminated the need for printing finance contracts and provides convenience, simplicity and security for customers. Customers have the option of reviewing the contracts on their devices or even print if required while concluding the sign off in seconds.

Home Finance Digital Payment Solution

DIB enhanced the experience of its home finance customers through introducing a digital payment solution that has delivered convenience for customers in respect of settling fees due to DIB. This has created a seamless journey for customers with real time access to payments which are realised instantly.



Personal Finance Proposition

DIB consolidated and revamped its the Business Banking proposition and introduced a rewards ecosystem whereby B2B customers get the opportunity to earn rewards and use these rewards to support their businesses via services like Legal Advisory, Auditor & Recruitment Services, PRO Services and many more.

Salary in Advance Facility

DIB enhanced its flagship salary in advance proposition with instant straight through application processing to a wider customer base. The use of AI enabled identifying the behavioral patterns of customer requirements to make this financial solution available to customers as and when they needed it. Relevance is what we were able to achieve in terms of serving our customers who were looking for this product. The solution was made available on our digital platforms and accessible to customers anytime, anywhere.





Alternate Lead Generation Channel

DIB implemented an initiative transforming online advertising into lead generation opportunities for Consumer Banking. Effectively, this initiative entails conversion of a cost centre into a revenue stream, which will be further leveraged in 2022.

Advanced Work from Home (WFH):

DIB enhanced its Work from Home capabilities to support business continuity and employees. This included creation of online and mobile-based self-learning platforms and access to tools to facilitate attending virtual classrooms anywhere in the world.



Adoption of AI in Social Media

DIB implemented advanced Artificial Intelligence in its multi-variant Social Media customer acquisition strategy which resulted in a 100% increase in both social media engagement and customer acquisition for Consumer Banking in 2021.

Supporting Financial Literacy Amongst Youth

DIB initiated a partnership discussion with KFI GLOBAL in relation to improving the financial literacy of the youth of the UAE.



Inspiring Emirati Employees

DIB launched "Get Inspired" motivational talks dedicated to Emiratis employees.

Enhancing Employee Learning Opportunities

During 2021 DIB tied-up with the University of Wollongong, Middlesex University, the Canadian University & Hult University to enrich employees' learning opportunities.



Appendix: Board Member External Positions

Name	Membership/positions in UAE joint stock companies	Other material regulatory, government or commercial positions
H.E. Mohammad Al Shaibani	<ul style="list-style-type: none"> Chairman, Nakheel Pvt. JSC 	<ul style="list-style-type: none"> Director General, H. H. Dubai Ruler's Court Managing Director, Investment Corporation of Dubai Vice Chairman, Supreme Fiscal Committee of Dubai Member, Executive Council of Dubai Director, Dubai World Director, Dubai Aerospace Enterprise Ltd Chairman, Kerzner International Holdings Chairman, Inchcape Shipping Services
Eng. Yahya Saeed Ahmad Nasser Lootah	<ul style="list-style-type: none"> Chairman, Noor Bank PJSC¹ 	<ul style="list-style-type: none"> Vice Chairman, S.S. Lootah Group Vice Chairman & CEO, SS Lootah International Investment Group Chairman, BC Lootah Gas LLC Managing Director, Material Lab Testing Services LLC Managing Director, Lootah Gas Consultancy Services Managing Director, BC Gas Utility L.L.C Managing Director, SS Lootah Real Estate L.L.C Managing Director, Lootah Gas P J (L.L.C) Managing Director, S.S LOOTAH CONTRACTING CO (L.L.C) Managing Director, BC Gas Construction L.L.C Managing Director, S.S. Lootah International. (L.L.C) Managing Director, Big Vault Self Storage L.L.C Managing Director, International Energy Group L.L.C. Managing Director, Y SI International L.L.C Managing Director, ZAS International Investment (L.L.C) Managing Director, S S Lootah Steel Fabrication L.L.C. Managing Director, SS Lootah Electromechanical Works L.L.C.
Mr. Abdulla Ali Obaid Al Hamli	<ul style="list-style-type: none"> Chairman, Deyaar Development PJSC Chairman, of Tamweel PJC Director, Noor Bank PJSC¹ 	<ul style="list-style-type: none"> Chairman, Emirates REIT Chairman, Al Tanmyah Services L.L.C.
Mr. Hamad Abdulla Rashed Obaid Al Shamsi	<ul style="list-style-type: none"> Chairman, Amanat Holding PJSC Director, Taaleem PJSC Director, Marka PJSC 	<ul style="list-style-type: none"> Chief Executive Officer, International Capital Trading LLC Director, Kuwait Food Co.
Mr. Ahmad Mohammad Bin Humaidan	<ul style="list-style-type: none"> Director, Noor Bank PJSC¹ 	<ul style="list-style-type: none"> Deputy Director General, H.H. Dubai Ruler's Court
Mr. Abdulaziz Ahmed Rahma Al Mheiri		<ul style="list-style-type: none"> Chairman, Supervisory Board of Bosna Bank International Director, Borse Dubai

Name	Membership/positions in UAE joint stock companies	Other material regulatory, government or commercial positions
H.E. Hamad Mubarak Buamim	<ul style="list-style-type: none"> Chairman, National General Insurance PJSC Director, Istithmar World PJSC 	<ul style="list-style-type: none"> President & CEO, Dubai Chamber of Commerce & Industry Chairman, World Chambers Federation - International Chamber of Commerce Chairman, Advisory Committee at Dubai Multi Commodities Centre Director, Economic Zones World Dubai Director, Emirates District Cooling LLC Director, Dubai Free Zone Council Director, UAE Banks Federation Director, National Human Resources Development Fund Committee Director, Competition Regulation Committee (MOE) Managing Director, Dubai World Director, Dubai World Holdings Ltd. Managing Director, Nakheel World FZE, JAFZA Chairman, Nakheel World LLC
Mr. Abdulla Hamad Rahma Al Shamsi		
Mr. Javier Marin Romano		<ul style="list-style-type: none"> CEO of Singular Bank (Spain)

¹ The operations of Noor Bank PJSC were integrated with the operations of DIB with effect from November 2020.



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