

Press Release:

Dubai Islamic Bank First Half 2024 Group Financial Results

- **Balance Sheet** expands to AED 323 billion, up 2.7% YTD.
- **Strong growth in Total income** by 21% YoY to AED 11.3 billion.
- **Pre-Tax profit** of AED 3.72 billion, a robust growth of 18% YoY.
- **Non-performing financing** remains within guidance at 4.99% improving 41 bps YTD.
- **Deposits** grew by 5.4% YTD with CASA increasing to 42%.

Dubai, July 23, 2024

Dubai Islamic Bank (DFM: DIB), the largest Islamic bank in the UAE, today announced its results for the period ending June 30, 2024.

1H 2024 Highlights:

- **Group Pre-Tax Profit** registered AED 3,721 million up 18% YoY, while **Group Net Profit** came in at AED 3,378 million, up 8.6% YoY. **2Q 2024 Pre-Tax Profit** is AED 1,870 million up 14% YoY and up over 1% QoQ, demonstrating resilient performance.
- **Net financing and sukuk investments** reached AED 278 billion, up 3.8% YTD. Gross new underwriting and sukuk investments recorded AED 43.4 billion in H1 2024.
- **Total income** reached to AED 11,292 million compared to AED 9,309 million, a solid expansion of 21.3% YoY.
- **Net Operating Revenues** showed a robust increase of 8.6% YoY to reach AED 6,058 million.
- **Net Operating Profit** stood at AED 4,373 million, a 6.4% YoY increase compared to AED 4,109 million in H1 2023.
- **Balance sheet** displayed steady growth rising by 2.7% YTD to reach AED 323 billion.
- **Customer deposits** rose to AED 234 billion, up 5.4% YTD with CASA deposit contribution now at 42%, up 500 bps from 37% at the beginning of the year.
- **Impairment charges** came at AED 652 million, declining by 32% YoY against AED 959 million in H1 2023.
- **NPF** improved to 4.99% compared to 5.40% in YE 2023, lower by 41 bps YTD. **Cash Coverage** rose to 95%, up 500 bps YTD.
- **Cost to income** ratio up by 140 bps YoY to 27.8%, as the bank continue to strengthen its key areas and functions in line with its growth strategy.
- **LCR** remains robust at 145.9%.
- **ROA** and **ROTE** remained stable at 2.2% and 18% respectively. Pre-tax RoA and RoTE stronger at 2.4% and 20.2% respectively.
- **CET1** at 13.7% (+90 bps YTD) and **CAR** at 18.1% (+80 bps YTD), denotes a well-capitalized entity to leverage growth opportunities.

Management's comments for the period ended 30th June 2024:



**His Excellency Mohammed
Ibrahim Al Shaibani**

**Director-General of His
Highness The Ruler's
Court of Dubai and
Chairman of Dubai Islamic
Bank**



Dr. Adnan Chilwan

**Group Chief Executive
Officer**

- *International growth remains steady as central banks around the world continue to pause rate hikes leading to more moderate global inflation levels and providing macro-economic stability to the international economy. The UAE remains resilient with key sectors showing positive momentum such as tourism, hospitality, transportation and the financial sector which has demonstrated improving asset quality and rising profitability.*
- *The UAE's banking system remains robust with ample capitalization that has facilitated balance sheet expansion despite tightening of global financial conditions. This is also reflected in DIB's H1 2024 results with the bank's balance sheet growing by 2.7% to reach AED 323 billion.*
- *The bank's leadership in the Islamic Capital Markets space is clearly visible, not just through facilitation of transactions globally, but also in its own fundraising particularly in the ESG space, having raised over AED10 billion in the last couple of years.*
- *A remarkable first half performance with total income crossing AED 11.3 billion, a strong rise of 21% YoY. This has led to the bank achieving an 18% growth in Group profit (pre-tax) which reached AED 3.7 billion for H1 2024.*
- *Dubai and the UAE continue to grow their status as being amongst the most competitive and highly advanced economies in the world. Leveraging on innovation-led strategies which promote economic growth and diversification, the country is ranked as one of the most sought after places to live and work whilst simultaneously establishing itself as a global hub for commerce, education, tourism and healthcare.*
- *The stable northbound progression of the nation is similarly reflected in the bank's performance and our commitment of stable and sustained returns for all our stakeholders.*
- *ESG is firmly embedded in our growth plans, as highlighted by 9% YTD growth in our sustainable assets portfolio. In addition, the bank participated in and facilitated global Islamic capital market sustainable and green deals amounting to more than USD 6 billion during the first half of the year.*

Financial Review

Income statement summary

AED millions	June 2024	June 2023	YoY % change
Total Income	11,292	9,309	21.3%
Depositors' / Sukuk holders share of profit	(5,234)	(3,730)	40.3%
Net Operating revenue	6,058	5,580	8.6%
Operating expenses	(1,685)	(1,471)	14.6%
Profit before impairment losses	4,373	4,109	6.4%
Impairment losses	(652)	(959)	(32.0%)
Pre tax income	3,721	3,150	18.1%
Income tax	(343)	(39)	768.5%
Net profit for the period	3,378	3,111	8.6%

Key Ratios (%)	June 2024	June 2023	Change (bps)
Net Profit Margin %	3.0%	3.2%	(20 bps)
Cost to income ratio %	27.8%	26.4%	140 bps
Pre-tax return on average assets %	2.4%	2.1%	30 bps
Pre-tax return on tangible equity %	20.2%	18.2%	200 bps
Return on average assets %	2.2%	2.1%	10 bps
Return on tangible equity %	18.3%	18.2%	10 bps

Balance Sheet Summary

AED millions	June 2024	Dec 2023	YTD % change
Net Financing and Sukuk Investments	277,891	267,626	4%
Equities & Properties Investments	9,256	9,954	(7%)
Other Assets	8,759	8,209	7%
Due from banks and financial institutions	5,158	4,484	15%
Cash & CB Balances	21,588	24,020	(10%)
Total assets	322,651	314,292	3%
Customers' deposits	234,018	222,054	5%
Sukuk financing instruments	24,155	20,481	18%
Other liabilities	17,315	24,322	(29%)
Total liabilities	275,488	266,857	3%
Shareholder Equity & Reserve	36,011	36,293	(1%)
Tier 1 Sukuk	8,264	8,264	0%
Non-Controlling interest	2,888	2,877	0%
Total liabilities and equity	322,651	314,292	3%

Key Ratios (%)	June 2024	Dec 2023	Change (bps)
Liquidity Coverage Ratio (LCR)	145.9%	188.7%	(4,280 bps)
CET 1	13.7%	12.8%	90 bps
Capital Adequacy Ratio (CAR)	18.1%	17.3%	80 bps
Non-Performing Financing (NPF)	4.99%	5.40%	(41 bps)
Coverage	127%	121%	600 bps

Operating Performance

The bank's **Total Income** rose to AED 11,292 million in H1 2024 demonstrating a solid growth of 21% YoY compared to AED 9,309 million. Non-funded income advanced by 37% YoY over the reporting period supported by income from investment properties and associate income. **Net Operating Revenue** grew by 8.6% YoY to reach AED 6,058 million compared to AED 5,580 million last year.

Pre-impairment profit increased by 6.4% YoY reaching AED 4,373 million compared to AED 4,109 million. **Impairment charges** stood at AED 652 million down by a significant 32% YoY.

Operating expenses amounted to AED 1,685 million for the year vs AED 1,471 million in H1 2023, exhibiting 14.6% YoY increase mainly on the back of higher wages. **Cost income ratio** registered 27.8%, up 140 bps YoY.

Pre-tax profit grew by 18% YoY to reach AED 3,721 million. Despite the introduction of corporate tax, **Group Net Profit** increased by 8.6% YoY to reach AED 3,378 million vs AED 3,111 million in H1 2023.

Net profit margin at 3.0% remained in line with full year guidance. Meanwhile **ROA** and **ROTE post tax** came in at 2.2% and 18% respectively stable YoY while **pre-tax ROA and ROTE** stood at 2.4% and 20.2% respectively.

Balance Sheet Trends

Net financing & Sukuk investments stood at AED 278 billion, up 3.8% YTD from AED 268 billion in FY 2023.

DIB witnessed strong gross new underwriting of 20% YoY in the consumer portfolio during the H1 2024 period to AED 12 billion which translated into net consumer portfolio of AED4 billion up 96% YoY. On the corporate front we saw a slight decline in gross new underwriting due to timing on deals which materialized post period end. Net corporate financing account was also significantly impacted due to early settlements to the tune of AED 13 billion.

Customer deposits registered AED 234 billion up by 5.4% YTD. **CASA** balance rebounded to AED 98 billion up 19.4% YTD and comprising 42% of deposits. Wakala account (investment deposits) contribution retracted to 58% compared to 63% in YE 2023. **Liquidity coverage ratio** (LCR) at 145.9%, down from 188.7% FY 2023, remains above regulatory requirement, depicting strong liquidity position.

Non-performing financing (NPF) ratio improved to 4.99%, down by 41 bps compared to FY 2023 NPF ratio of 5.40%. The NPF absolute amount decreased by 7.8% from AED 11.5 billion during YE 2023 to AED 10.6 billion. Accordingly, DIB's coverage ratio improved significantly on a YTD basis by 500 bps to 95%.

Stage 1 financing up by 62 bps to AED 184 billion while Stage 2 financing ended the period at AED 13.5 billion down 6%; both well provisioned for. Similarly, Stage 3 coverage improved to 73.5%, (+520 bps) from FY2023 as stage 3 exposure dropped to just below AED 11 billion, the lowest level over the past 3 years.

Cash coverage ratio rose to 95% (+500 bps YTD, +210 bps QoQ) and overall coverage including collateral at 127% (+500 bps YTD, +100 bps QoQ). **Cost of risk** came in at 40 bps compared to 60 bps in FY 2023.

Capital ratios continue to remain strong with **CAR** at 18.1% and **CET 1 ratio** at 13.7%, both well above the regulatory requirement.

Business Performance (1H 2024)

Consumer Banking portfolio reached AED 60 billion up 7% YTD. The portfolio's total new underwriting of AED 12.3 billion during the year increased from AED 10 billion, up 20% YoY. All consumer segments particularly credit cards and auto finance were up by 22% and 14% on a YTD basis. Despite routine repayments of AED 8.4 billion, the portfolio added nearly AED 4 billion of net new underwriting in H1 2024 versus AED 2 billion in H1 2023. Blended yield on consumer financing grew by 46 bps YoY to reach to 7.1%. Separately, on the funding side, consumer deposits increased by 4% YTD to AED 92 billion while consumer CASA was also up 3% YTD to nearly AED 50 billion.

Corporate banking portfolio now stands at AED 139 billion. Revenues increased by almost 9% YoY to AED 1.5 billion. Yield on corporate financing portfolio expanded by 47 bps YoY to 6.7% compared to 6.2%. On the funding side, corporate deposits increased by 7% on a YTD basis while CASA advanced by a healthy rate of 40% YTD, as the bank continued to attract strategic corporate clients.

Treasury continued to provide a strong engine for growth as the curator of the bank's fixed income book. The sukuk investment portfolio now stands at AED 79 billion, up a solid 15% YTD. Net new sukuk investments during the year amounted to AED 10.5 billion, up almost 2% YoY. The portfolio carries an attractive yield of 4.8% up 17 bps YoY.

Key Business Highlights (H1 2024)

- Dubai Islamic Bank has signed a cooperation agreement with the Knowledge Fund Establishment to support the 'Dubai Schools' project with a pledge amounting to AED 11 million. The move seeks to help realize the goals of the Dubai Social Agenda 33 and Dubai Islamic Bank's Corporate Social Responsibility strategy, which is focused on supporting various national initiatives and programs to serve the community. The Establishment is keen on encouraging both government and private sector entities to invest in nurturing future generations through supporting long-term educational initiatives.
- DIB has achieved ISO 45001 certification for its new head office building demonstrating the bank's commitment to providing a safe and healthy workplace for our employees and customers. This certification is a testament to the bank's ongoing efforts to maintain the highest standards of occupational health and safety.

DCM and Syndication Deals (H1 2024)

Sukuk (USD)				
Issuer /Obligor	Type	Coupon (%)	Amount Issued (US\$m)	Tenor (year)
First Abu Dhabi Bank	Financial Institution	4.779	800	5
Kuwait Finance House	Financial Institution	5.011	1,000	5
Omantel	Corporate	5.375	500	7
Kingdom of Bahrain	Sovereign	6	1,000	7
Saudi Electricity Company	Corporate	4.942/5.194	800 / 1,400	5&10
ESIC	Corporate	5.831	700	5
Saudi National Bank	Financial Institution	5.129	850	5
Bingatthi	Corporate	9.625	300	3
Dubai Islamic Bank	Financial Institution	5.243	1,000	5
Public Investment Fund	SWF	5.171	2,000	7
Arabian Center	Corporate	9.5	500	5
Al Rajhi Bank	Financial Institution	5.047	1,000	5
Kuwait International Bank	Financial Institution	6.625	300	Perp
Aldar Properties	Corporate	5.584	500	10
Islamic Development Bank	Supranational	4.754	2000	5
Al Rajhi Bank AT1	Financial Institution	0.06375	1,000	5.5
Emirates Islamic Bank	Financial Institution	5.431	750	5
Arada	Corporate	8	400	5
Damac Properties	Corporate	8.375	100	3
Govt. of Indonesia	Sovereign	5.1 / 5.2 / 5.5	750 / 1,000/ 600	05/10/30
Energy Development Oman	Corporate	5.662	750	7
Sharjah Islamic Bank	Financial Institution	5.25	500	5
Warba Bank	Financial Institution	5.351	500	5
Binghatti Sukuk Tap	Corporate	9.625	150	3

SUKUK (AED)					
Issuer / Obligor Name	Issuer Type	Coupon (%)	Amount Issued (AED mn)	Tenor	ESG
Government of Sharjah	Sovereign	5.500	1,000	5Y	No

CLUB / SYNDICATED TRANSACTIONS			
Obligor Name	Obligor Type / Sector	Total Deal Value (USD or USD eqv. In Mn)	Closing Date
Sharjah Airport	Airport/Contracting	218	Jan 2024

Awards List (1H 2024)

Date	Award Giving Body	Award Received
February 2024	Capital Markets & ESG Finance Saudi Arabia Awards	- Acquisition Finance Deal of the Year - ECA, DFI, IFI Deal of the Year - Transport Finance Deal of the Year - Power Finance Deal of the Year - Corporate Bond Deal of the Year
March 2024	Middle East Banking Awards	- Middle East - Best Product Launch (Retail) - Oman - Best Foreign Investment Bank, recognized for the successful issuance of the Energy Development Oman Sukuk, alongside other participating banks. - United Arab Emirates - Best Sukuk House
April 2024	Islamic Finance News Awards (IFN)	- Best Overall Deal of the year - Best Islamic Retail Bank - Best Islamic Bank in the UAE - Social Impact, SRI ESG Deal - Indonesia Deal of the Year - Sovereign & Multilateral Deal of the Year - UAE Deal of the Year - Best Islamic Bank in Kenya - Corporate Finance Deal of the Year - Real Estate Deal of the Year - Syndicated Finance Deal of the Year - IFN Hybrid Deal of the Year 2023
April 2024	Forbes Middle East	DIB Ranked 14th amongst the Middle East's 30 Most Valuable Banks 2024
May 2024	Euromoney Awards for Excellence 2024	UAE's Best Bank for Diversity & Inclusion
May 2024	MEA Finance Banking Technology Awards	- Best Innovation in Retail Banking for Evolve - Best Digital Innovation in Islamic Banking of the Year for 'alt'
June 2024	MEA Business Achievement Awards 2024	- Banking and Finance - Outstanding Sustainability Initiative Dubai Islamic Bank - Outstanding New Product/Service Launch DIB Nest - Banking and Finance - Exceptional Products/Services DIB 'alt'
June 2024	Forbes Middle East	DIB Ranked 21st amongst the Middle East's Top 100 Listed Companies 2024

About Dubai Islamic Bank:

Established in 1975, Dubai Islamic Bank is the largest Islamic bank in the UAE by assets and a public joint stock company listed on the Dubai Financial Market. Spearheading the evolution of the global Islamic finance industry, DIB is also the world's first full service Islamic bank and amongst the largest Islamic banks in the world. With Group assets almost reaching USD90 billion and market capitalization of nearly USD 9bln, the group operates with a workforce of more than 10,000 employees and around 500 branches in its vast global network across the Middle East, Asia and Africa. Serving over 5 million customers across the Group, DIB offers an increasing range of innovative Shariah compliant products and services to retail, corporate and institutional clients.

In addition to being the first and largest Islamic bank in the UAE, DIB has a significant international presence as a torchbearer in promoting Shariah-compliant financial services across a number of markets worldwide. The bank has established DIB Pakistan Limited, a wholly owned subsidiary which is the first Islamic bank in Pakistan to offer Priority & Platinum Banking, as well as the most extensive and innovative portfolio of Alternate Distribution Channels. The launch of Panin Dubai Syariah Bank in Indonesia early in 2017 marks DIB's first foray in the Far East, the bank owns a nearly 25% stake in the Indonesian bank. Additionally, in May 2017, Dubai Islamic Bank PJSC was given the license by the Central Bank of Kenya (CBK) to operate its subsidiary, DIB Kenya Ltd. DIB has been designated as D-SIB (Domestic Systemically Important Bank) in 2018 in UAE. In early 2020, DIB completed the acquisition of Noor Bank, which solidifies its position as a leading bank in the global Islamic finance industry. In 2023, DIB entered Turkey through a 20% acquisition of T.O.M. Group which provides digital banking services.

DIB is committed to leading the way in sustainable Islamic financing, with a total sustainable sukuk issuances of USD 2.75 billion to date and strategic involvement in green and sustainable capital markets, reflecting the bank's ongoing dedication to ESG principles and a sustainable future.

The bank's ultimate goal is to make Islamic finance the norm, rather than an alternative to conventional banking worldwide. DIB has won a range of accolades that are testament to these efforts across diversified areas, including retail, corporate and investment banking, as well as CSR and consultancy services. DIB has been named the Best Islamic Bank in various prestigious ceremonies and recognized for its outstanding performance amongst the world's Islamic Banks, marking it a clear indication of the bank's leadership position in the Islamic finance sector.

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