



Press Release:

Dubai Islamic Bank Group announces Quarter 1, 2016 Financial Results
Q1 2016 net profit up by 18 per cent to over AED 1 billion

Dubai, April 27, 2016

Dubai Islamic Bank (DFM: DIB), the first Islamic bank in the world and the largest Islamic bank in the UAE by total assets, today announced its 1st quarter results for the period ended March 31, 2016.

1Q 2016 Results Highlights:

Higher revenue driven by core business growth

- Group Net Profit increased to AED 1,001 million, up 18% compared with AED 850 million for the same period in 2015.
- Total Income increased to AED 2,105 million, up 22% compared with AED 1,728 million for the same period in 2015.
- Net Operating Revenue increased to AED 1, 693 million, up 11% compared with AED 1,520 million for the same period in 2015.
- Impairment losses declined to AED 118 million compared with AED 136 million for the same period in 2015.
- Cost to income ratio improved to 33.7% compared with 34.8% for the same period in 2015.

Steady growth in earning assets across all business segments:

- Net financing assets at AED 102.9 billion up by 6%, compared to AED 97.2 billion at the end of 2015.
- Sukuk investments at AED 21.1 billion, an increase of 5%, compared to AED 20.1 billion at the end of 2015.

- Total Assets at AED 164.9 billion, an increase of 10%, compared to AED 149.9 billion at the end of 2015.

Loan impairments continue to trend downwards

- NPLs on a consistent decline with NPL ratio improving to 4.7%, compared to 5.0% at the end of 2015.
- Provision coverage ratio improved to 97%, compared to 95% at the end of 2015. Overall coverage including collateral at discounted value now stands at 152%, compared to 148% at the end of 2015.

Growing customers' deposits

- Customer deposits at AED 122.5 billion compared to AED 110.0 billion at the end of 2015, up by more than 11%.
- CASA book comprising 39% of total deposit base.

Strong Capitalization and liquidity position

- Capital adequacy ratio at 15.6% as of Mar 2016, as against 12% minimum required.
- Tier 1 CAR stood at 15.4% against minimum requirement of 8%.
- Financing to deposit ratio is at 84.0% highlighting significant liquidity.

Enhancing value for shareholders

- Earnings per share stood at AED 0.16 in Q1 2016.
- Return on assets reached 2.55% in Q1 2016.
- Return on equity stood 17.7% in Q1 2016.

Management's comments on the financial performance of the financial period:

His Excellency Mohammed Ibrahim Al Shaibani, Director-General of His Highness The Ruler's Court of Dubai and Chairman of Dubai Islamic Bank, said:

- *The global markets entered 2016 with continued volatility in the commodities and equities sector. Despite this landscape, the UAE's domestic banking sector has so far reported healthy results with DIB once again demonstrating its robust positioning by delivering another strong earnings for the period.*
- *Earlier this year, the board also approved several initiatives to strengthen the bank's capital in order to proactively support DIB's growth ambitions in 2016.*

- *As markets stabilize over the coming months, I am confident that DIB will continue to be amongst the leading performers in the UAE financial sector.*

Dubai Islamic Bank Managing Director, Abdulla Al Hamli, said:

- *Continued focus on market penetration and cross sell has led to the bank delivering another solid set of results.*
- *DIB has also successfully received ISO 9001:2008 Human Resource Quality Management System certification demonstrating the robust nature of the bank's policies, procedures and processes.*
- *Whilst playing a key role in supporting Emiratization strategy, DIB has positioned itself as one of the most sought after employers in the region.*

Dubai Islamic Bank Group Chief Executive Officer, Dr. Adnan Chilwan, said:

- *Last year, we achieved a major milestone by joining the USD \$1 billion profit club in the banking sector in UAE. 2016 promises to be another strong one with DIB delivering more than AED 1 billion profit in the 1st quarter.*
- *Whilst we are cognizant of the challenges the markets pose today, the platform established over the last couple of years continues to create new business opportunities for the bank which were non-existent before. The diversified suite of products and services has led to not just new-to-bank customers and sectors, but has also allowed for greater penetration and enhanced cross sell in existing business.*
- *As the year progresses, we are confident that the performance leadership demonstrated by DIB over the recent past will carry through the rest of 2016 as we culminate our carefully crafted and progressive 3 year growth strategy towards a strong conclusion.*

Financial Review

Income Statement highlights:

<i>AED million</i>	Mar 2016	Mar 2015	better/(worse)
Total Income	2,105	1,728	22%
Depositors'/sukuk holders share of profit	(412)	(209)	(97%)
Net revenue	1,693	1,519	11%
Operating expenses	(571)	(528)	(8%)
Profit before impairment losses and income tax	1,123	991	13%
Impairment losses	(118)	(136)	13%
Income tax	(4)	(5)	28%
Net profit for the period	1,001	850	18%
<u>Key ratios:</u>			
Net Funding Income Margin %	3.26%	3.73%	(0.47%)
Cost to income ratio %	33.7%	34.8%	1.1%
Return on average assets %	2.55%	2.62%	(0.07%)
Return on average equity %	17.7%	19.6%	(1.9%)
EPS (AED per share)	0.16	0.18	(0.02)

Total Income

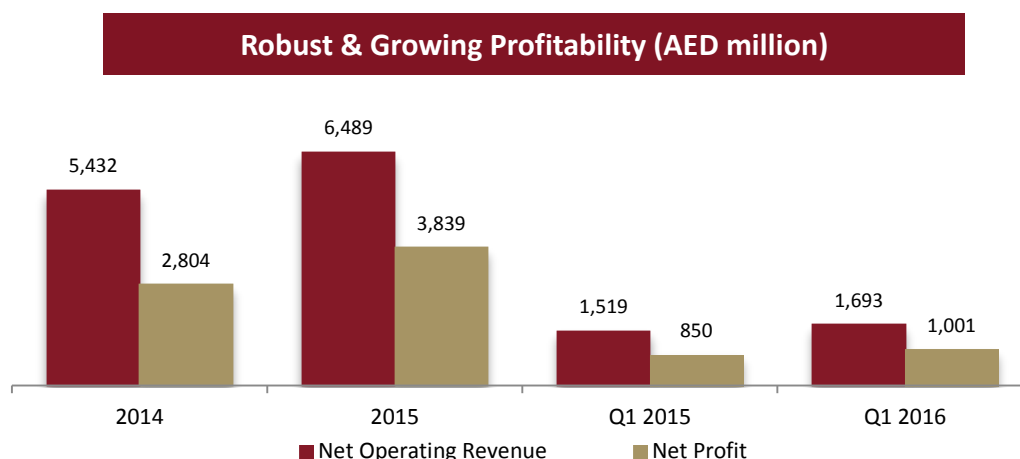
Total income for the period ended March 31, 2016 increased to AED 2,105 million from AED 1,728 million for the same period in 2015, an increase of 22% driven by continuous growth in our core businesses. Income from Islamic financing and investing transactions increased by 21% to AED 1,527 million from AED 1,259 million for the same period in 2015. Fees and commissions have increased by 37% to AED 418 million compared to AED 305 million for the same period in 2015.

Net revenue

Net revenue for the period ended March 31, 2016 amounted to AED 1,693 million, an increase of over 11% compared with AED 1,519 million in the same period of 2015. The increase is attributed to growth in funded income and fees and commissions.

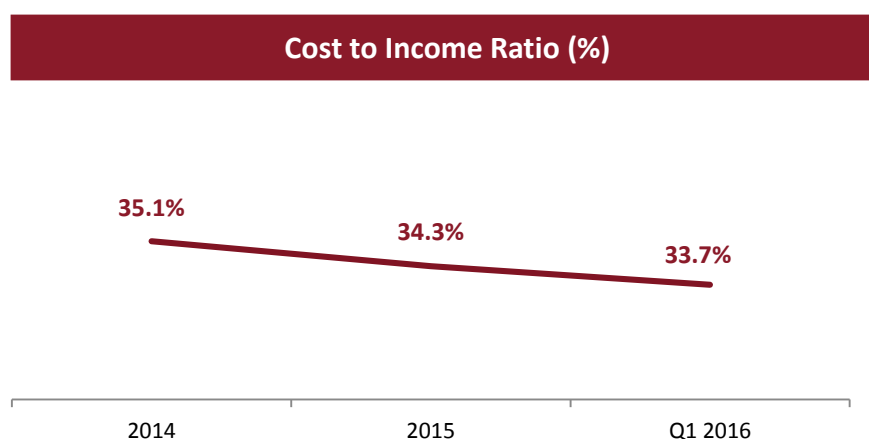
Profit for the period

With strong growth in net revenue coupled with improved asset quality leading to declining impairment charges, net profit for the period ended March 31, 2016, increased to AED 1,001 million from AED 850 million in the same period in 2015, an increase by 18%.



Operating expenses

Operating expenses marginally increased by 8.0% to AED 571 million for the period ended March 31, 2016, from AED 528 million in the same period in 2015. The increase is due to growth in operational expenses in line with increased business volume. Cost to income ratio improved to 33.7% compared to 34.8% for the same period in 2015 driven by higher revenues and better operational efficiencies.



Impairment losses

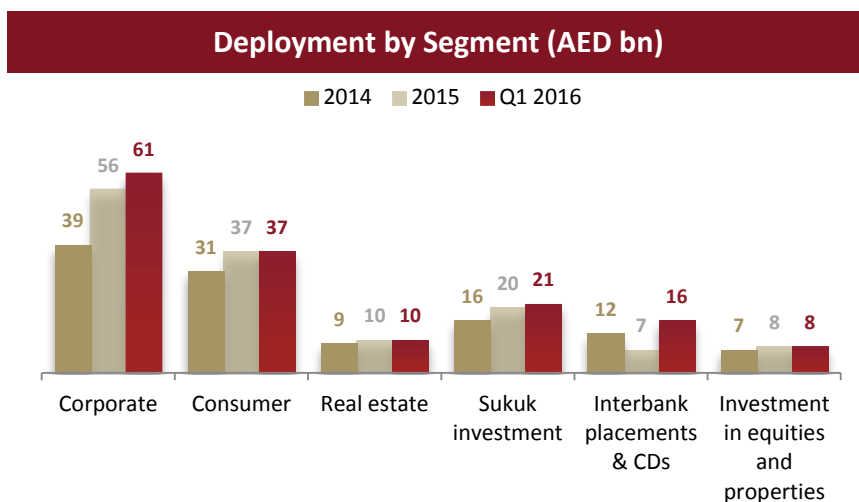
Impairment losses declined to AED 118 million compared with AED 136 million for the same period in 2015, an improvement of 13%. Credit quality continues to improve during this quarter compared to the corresponding quarter last year resulting in lower net impairment charges during the period.

Statement of financial position highlights:

AED Billion	Mar 2016	Dec 2015	Increase / (decrease)%
Financing assets	102,919	97,220	6%
Sukuk investments	21,137	20,066	5%
Interbank placement & CDs	15,818	7,291	117%
Equities & Properties Investments	8,112	8,053	1%
Total Earning Assets:	147,984	132,630	12%
Cash & Other assets	16,882	17,268	(2%)
Total assets	164,867	149,898	10%
Customers' deposits	122,498	109,981	11%
Sukuk Financing Instruments	7,438	5,602	33%
Total liabilities	143,148	127,104	13%
Shareholder Equity & Reserve	11,928	13,123	(9%)
Tier 1 Sukuk	7,346	7,346	-
Non-Controlling Interest	2,445	2,325	5%
Total liabilities and equity	164,867	149,898	10%
<u>Key ratios:</u>			
Finance to customer deposit	84%	88%	(4%)
Financing (including sukuk) to customers' deposits	101%	107%	(6%)
Tier 1 ratio	15.4%	15.5%	(0.1%)
CAR	15.6%	15.7%	(0.1%)
NPL ratios	4.7%	5.0%	(0.3%)
Coverage ratio	97%	95%	2%

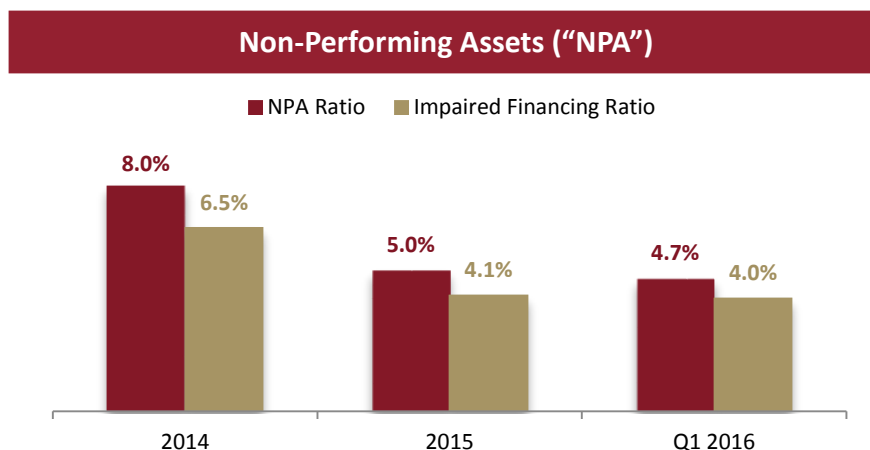
Financing portfolio

Net financing assets grew to AED 102.9 billion for the period ended March 31, 2016 from AED 97.2 billion as of end of 2015, an increase of 6%. Corporate banking gross finance grew to AED 70.7 billion (including real estate) for the period ended March 31, 2016, compared with AED 65.7 billion for the period ended 2015.



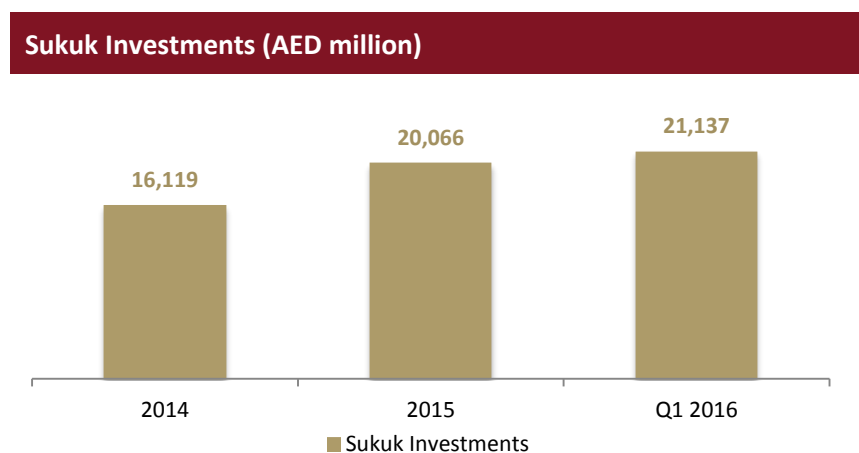
Asset Quality

Non-performing assets have shown a consistent decline with NPL ratio improving to 4.7% for the period ended March 31, 2016, compared with 5.0% at the end of 2015. Impaired financing ratio also improved to 4.0% for the period ended March 31, 2016 from 4.1% at the end of 2015. This is mainly due to reduction in absolute NPLs coupled with increase in overall performing assets. With continued provisions, cash coverage improved to 97% compared with 95% at end of 2015. Overall coverage ratio stood at 152% at the end of March 2016 compared to 148% at the end of December 2015.



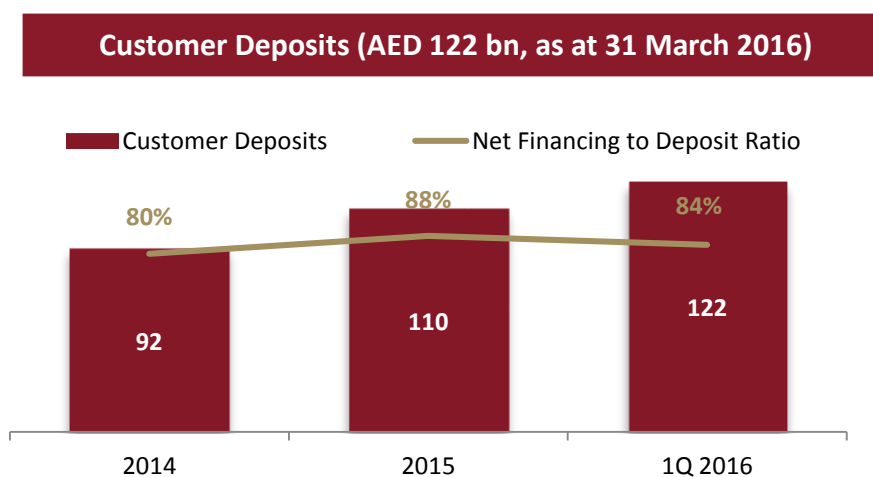
Sukuk Investments

Sukuk investments increased by 5% for the period to AED 21.1 billion from AED 20.1 billion at end of 2015. The primarily dollar denominated portfolio consists of sovereigns and other top tier names many of which are rated.



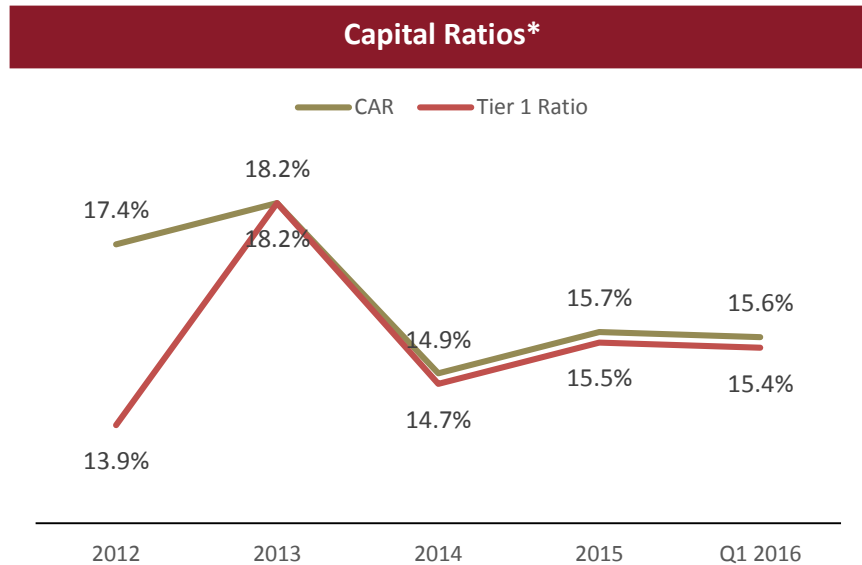
Customer Deposits

Customer deposits for the period ended March 31, 2016 increased by 11% to AED 122 billion from AED 110 billion as of end of 2015. CASA book continues to be strong increasing by nearly 7% to AED 47.6 billion compared with AED 44.5 billion in 2015. Investment deposits grew by 14.5% for the period ended March 31, 2016 to AED 74.8 billion from AED 65.4 billion as at end 2015. The increase in customer deposits has led to a financing to deposit ratio improving to 84% as of Q1 2016 compared to 88% at the end of 2015.



Capital and capital adequacy

Capital adequacy ratio stands at 15.6% as of March 31, 2016, and T1 ratio at 15.4%, both ratios are well above regulatory requirement.



* Regulatory Capital Requirements CAR at 12% and Tier 1 at 8%

Key business highlights for the 1st quarter of 2016:

- Dubai Islamic Bank returned to the international debt capital markets with a very successful **US\$ 500 million 5Y Sukuk issue** in March 2016. This deal was the first GCC bank issuance since November 2015 and essentially marked the reopening of the market after a hiatus of 4+ months. The transaction is being hailed as a tremendous accomplishment in the current environment where the GCC has gone through a well-documented change in onshore liquidity conditions and witnessed multiple rating downgrades, which have been mainly the result of the drop in oil prices.
- In March 2016, **Moody's retained the credit rating for the bank** with issuer rating at 'Baa1' with a 'Stable' outlook. The ratings are driven by the bank's solid profitability supported by a dominant and growing Islamic franchise; solid capitalization metrics pressured by asset growth and solid liquidity with granular funding profile. In an environment where most banks are being subject to review for downgrade due to the macro-economic environment, DIB's strong credit rating and outlook evidences the confidence in the bank's capabilities including the strong retail franchise in the UAE which gives the bank a competitive advantage.

- Following the conclusion of its Annual General Meeting (AGM), the shareholders approved **DIB's capital increase** by way of rights issue of 988,437,777 million new shares to raise the paid up capital from AED 3,953,751,107 to a maximum of AED 4,942,188,884. The rights will be offered either once or through a series of issuances after obtaining the required approval from relevant regulatory authorities. Furthermore, approval was also, obtained for **increasing the ceiling of non-convertible Shariah compliant hybrid tier 1 capital instruments** by USD 750 million for the purpose of strengthening the Bank's capital.
- Joint or lead managed nearly USD \$4 billion in capital market transactions and nearly USD \$5 billion of syndicated facilities. Key highlights of some of these transactions were the first sovereign sukuk in the international market in 2016, first international sukuk issuance by a financial institution in 2016 as well as largest ever Asian USD sukuk transaction.
- **DIB's Human Resources Department achieved the ISO 9001:2008 certification for Quality Management System (QMS).** This certification demonstrates the strength of DIB's robust policies and procedures designed to guide and govern the HR operations across the Bank. The accreditation is a key milestone in the financial services industry and specifically, the Islamic banking sector, and will cement DIB's position as one of the most sought-after employers in the region.

1st Quarter 2016 Awards

Date	Award Giving Body	Award Received
March 2016	Banker Middle East Product Awards 2016	Best Deal of the Year
March 2016	Banker Middle East Product Awards 2016	Best Car Finance
March 2016	Banker Middle East Product Awards 2016	Best Online Service
January 2016	2016 Islamic Finance News Polls	Corporate Finance Deal of the Year
January 2016	2016 Islamic Finance News Polls	Indonesia Deal of the Year
January 2016	2016 Islamic Finance News Polls	Mudarabah Deal of the Year
January 2016	2016 Islamic Finance News Polls	Commodity Murabaha Deal of the Year
January 2016	2016 Islamic Finance News Polls	Cross Border Deal of the Year
January 2016	2016 Islamic Finance News Polls	Syndicated Deal of the Year
January 2016	2016 Islamic Finance News Polls	UAE Deal of the Year
January 2016	Gulf Customer Experience Award 2015	Best Financial / Insurance Services: Banking and Investment
January 2016	Sharjah Human Resources Department	Bank recognised for its prominent role in supporting the Government's Nationalisation efforts
January 2016	2016 Islamic Finance News Polls	Best Overall Islamic Bank
January 2016	2016 Islamic Finance News Polls	Best Islamic Bank in the UAE

About Dubai Islamic Bank:

Dubai Islamic Bank (DIB), established in 1975, is the first Islamic bank to have incorporated the principles of Islam in all its practices and is the largest Islamic bank in the UAE. DIB is a public joint stock company, and its shares are listed on the Dubai Financial Market. The bank enjoys a reputation as a leader and innovator in maintaining the quality, flexibility and accessibility of its products and services. The bank currently operates 90 branches in the UAE.

DIB has been proactive in creating partnerships and alliances at both the local and international level. The bank has established DIB Pakistan Limited, a wholly owned subsidiary which has a network of more than 200 branches across 62 major cities in Pakistan. DIB has also started operations in Jordan, with the establishment of Jordan Dubai Islamic Bank, and in 2015, it received regulatory approval to increase its shareholding in PT Bank Panin Syariah in Indonesia to 40 percent.

Alongside its accomplishments as a commercial organisation, DIB has always recognised its wider role in society. The bank supports the communities in which it operates through the DIB Foundation, a non-profit social, humanitarian and charitable organisation which distributes millions of dirhams to good causes at home and abroad each year.

For its contribution to both the banking industry and the wider community, DIB has earned the respect of its peers around the world. The bank's leading position has been reaffirmed by more than 185 local, regional and international accolades that it has won since 2004. DIB has won awards across diversified areas, including retail, corporate and investment banking, as well as CSR and consultancy services. ***Dubai Islamic Bank has been also declared the winner of the "Best Islamic Bank, UAE - 2016" by World Finance - Islamic Finance Awards 2016.*** DIB's notable recognitions recently included being named the "Best Retail Bank ME", "Best Corporate Bank ME", "Best Commercial Bank ME", "Best Sukuk Arranger ME" and winning "Best Sukuk Deal" award at the Islamic Business & Finance Awards 2015, in addition to receiving five accolades at the Banker Middle East Industry Awards 2015 for being named as the "Best Islamic Bank", "Best Sukuk Arranger", "Best Islamic Retail Bank", "Best Premium Bank - UAE" and "Best Investment Bank". DIB was also recognised for its retail banking services at the Banker Middle East Product Awards 2015, where it won the accolades for "Best Islamic Card" and "Best GCC Equity Fund", ***as well as being chosen as the "Islamic Bank of the Year -UAE" and "Most Established Bank of the Year - UAE" at 2015 Business Excellence Awards for the second consecutive year. Earlier this year,*** the bank has been recognised for its expertise in arranging complex deals, winning accolades for "Murdarbah Deal of the Year", "Ijarah Deal of the Year", and "Pakistan Deal of the Year" at the Islamic Finance News Deal of the Year Awards 2015. Lately, Dubai Islamic Bank has been honored by Ministry of Social Affairs, with the accolade for "Private Sector First Class Category" at the Emirates Social Award, in recognition of its contribution to bolstering the social welfare of the country, whilst DIB Foundation, has been rewarded with "Private Sector Second Class Category" during the award ceremony aiming to recognize individuals, companies, private and government sector stakeholders for their commitment to developing the local community.

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