

Press Release:

Dubai Islamic Bank Group Year End 2015 Financial Results

Net profit up by 37% to AED 3,839 million

Dubai, January 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 results for the year ended December 31, 2015.

Year to Date Results Highlights:

Robust Profitability Growth:

- Group net profit increased to AED 3,839 million, up 37% compared with AED 2,804 million for the year 2014.
- Total income increased to AED 7,546 million, up 21% compared with AED 6,231 million for the year 2014.
- Net revenue increased to AED 6,489 million, up 19% compared with AED 5,432 million for the year 2014.
- Impairment losses declined to AED 410 million, down 42% compared with AED 703 million for the year 2014.
- Cost to income ratio improved to 34.3% from 35.1% for the year 2014.
- Net funded income margin improved to 3.76% from 3.57% for the year 2014.
- Net fees and commission increased by 23% to AED 1,295 million from AED 1,052 million in 2014.

Strong growth in earning assets across all business segments

- Net financing assets at AED 97.2 billion, up by 31% compared to AED 73.9 billion at end of 2014.
- Sukuk investments at AED 20.1 billion, an increase of 24%, compared to AED 16.1 billion at end of 2014.
- Total assets at AED 149.9 billion, an increase of 21%, compared to AED 123.9 billion at end of 2014.

Robust improvement in asset quality

- NPLs on a consistent decline with NPL ratio improving to 5.0%, compared to 8.0% at end of 2014.
- Provision coverage ratio improved to 95.4%, compared to 78% at end of 2014.
- Cost of risk stood at 0.47% in 2015.

Growing deposits from existing and new customers

- Customer deposits reached AED 110 billion compared to AED 92 billion at end of 2014, up by 19%.
- Low cost deposits continue to remain significant with a large and stable CASA book at 41% of total deposits.

Strong capitalization and liquidity position

- Capital adequacy ratio at 15.7% vs 14.9% at end of 2014.
- Financing to deposit ratio stood at 88%, one of the strongest in the market.

Enhancing value for shareholders

- Earnings per share increased to AED 0.81 in 2015 from AED 0.61 in 2014.
- Return on assets increased by 40 bps to 2.80% in 2015 from 2.4% in 2014.
- Return on equity increased by 190 bps to 19.8% in 2015 from 17.9% in 2014.
- DIB Board of Directors recommends the distribution of a cash dividend of 45%, subject to Central Bank of UAE and AGM approval.

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:

- *2015 has once again been a remarkable year for DIB with significant growth seen across all the key businesses. Despite very challenging times in the global markets, the UAE economy still grew by about 3% and remains the most diversified amongst GCC countries.*
- *The strong leadership of the nation has continued to support the growth of the domestic banking industry as DIB now joins the select few banks which form the "Billion Dollar" profit club in the UAE.*
- *The global Islamic finance has seen a surge over the past 5 years now reaching to USD \$2 trillion in assets with the UAE being one of the fastest growing markets. The bank continues to be the undisputed leader in the industry through consistent product innovation and unparalleled customer service.*

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

- *Dubai Islamic Bank's solid 2015 year performance is a demonstration of the bank's superior capabilities in providing quality and customer focused banking products and services in the market.*
- *As a leading Islamic financial institution, the bank continuous to play an important role in the development of the local community through corporate and social responsibility programs catered to support the society whilst progressing the government and leadership's vision for Islamic finance and economy.*

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

- The full year 2015 results demonstrated the strength of and commitment to our strategic growth agenda built around a transformed and new-look DIB. With total income reaching AED 7.5 billion (+21%) and net profits reaching to AED 3.84 billion (+37%), we have managed another record-breaking year and a historic landmark as the bank joins the billion dollar profit club in the UAE.
- Despite the strong growth, efficiency has improved with cost income ratio at 34.3%, better than our guidance for the year. And we still have potential to grow with stronger capital ratios, CAR at 15.7% (vs 14.9% in 2014) and Tier 1 at 15.5% (vs 14.7 in 2014).
- The bank continues to be a premier financial institution within the global Islamic finance space leading and closing significant deals whilst also launching many new and innovative products during the year.
- Our consistent efforts to become a foremost international bank has been recognized by the industry through various regional and international business awards and accolades received throughout the year.
- With the start of 2016, our strategy continues to be in line with the long term outlook towards our growth and global agenda as we look into untapped opportunities both regionally as well as internationally.

Financial Review

Income Statement highlights:

AED '000	Dec 2015	Dec 2014	better/(worse)
Total Income	7,546	6,231	21%
Depositors'/ Sukuk holders share of profit	(1,057)	(799)	(32%)
Net revenue	6,489	5,432	19%
Operating expenses	(2,223)	(1,907)	(17%)
Profit before impairment losses and income tax	4,265	3,525	21%
Impairment losses	(410)	(703)	42%
Income tax	(16)	(18)	13%
Net profit for the period	3,839	2,804	37%

Key Ratios			
Net Funding Income Margin %	3.76%	3.57%	0.19%
Cost to income ratio %	34.3%	35.1%	0.80%
Return on average assets %	2.80%	2.4%	0.40%
Return on average equity %	19.8%	17.9%	1.90%
EPS (AED per share)	0.81	0.61	31.8%

Total Income

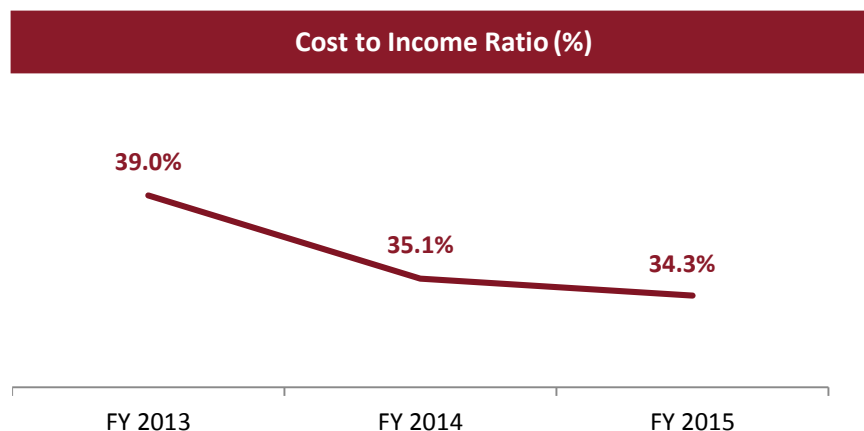
Total income for the full year 2015 stood at AED 7,546 million from AED 6,231 million in 2014, an increase of 21%. The increase is due to consistent growth in core businesses across all segments. Deliberate focus on customer and multi-sector penetration has led to both consumer and corporate financing registering significant increase resulting in a rise in funded income by 21% over 2014. Associated fees and commissions also registered an increase of 23% growing to AED 1,295 million compared to AED 1,052 million in 2014.

Net revenue

- Net revenue for the full year 2015 amounted to AED 6,489 million, an increase of 19% compared with AED 5,432 million in 2014 primarily on the back of strong growth in core business.
- Net funded income margin for the full year 2015 stood at 3.76%, up by 0.20% from 3.57% in 2014.

Operating expenses

- Operating expenses increased by 17% to AED 2,223 million for the full year 2015, from AED 1,907 million in 2014. The increase is largely attributed to variable operating cost in line with increase in business volumes, including direct sales and marketing costs primarily related to staff.
- Despite cost growth, the cost to income ratio improved to 34.3% on account of higher revenue leading to widening of cost-income jaws.



Impairment losses

Net impairment losses declined to AED 410 million for the full year 2015 compared with AED 703 million in 2014, a clear sign of quality underwriting and robust risk management practices. DIB has accounted for substantial general provision during the year in line with its growth in financing book and in accordance with Central Bank of UAE requirements.

Profit for the period

With notable increase in net revenue and improved asset quality, net profit for the for the full year 2015, rose to AED 3,839 million from AED 2,804 million in 2014, an increase by 37%.

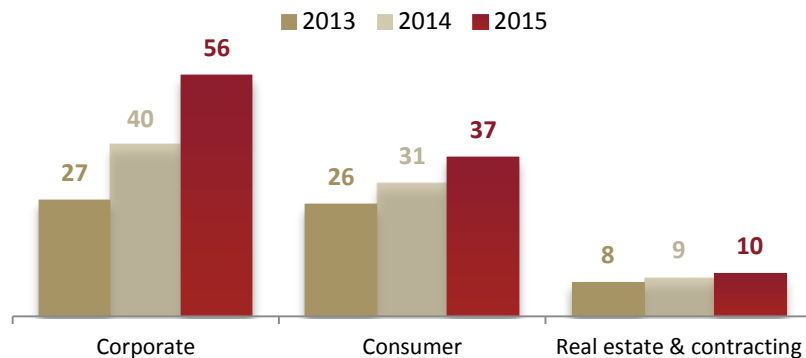
Statement of financial position highlights:

AED Million	Dec 2015	Dec 2014	Increase / (decrease)%
Financing assets	97,220	73,977	31%
Sukuk investments	20,066	16,119	24%
Interbank placement & CDs	7,291	12,286	(41%)
Equities & Properties Investments	8,053	7,463	8%
Total Earning Assets:	132,630	109,845	21%
Cash & Other assets	17,268	14,043	23%
Total assets	149,898	123,887	21%
Customers' deposits	109,981	92,345	19%
Sukuk Financing Instruments	5,602	2,847	97%
Interbank	4,713	3,940	20%
Other liabilities	6,808	7,049	(3%)
Total liabilities	127,106	106,181	20%
Total equity & reserve	22,794	17,706	29%
Total liabilities and equity	149,898	123,887	21%
Key ratios:			
Finance to customer deposit	88.4%	80.1%	8.3%
Financing (including sukuk) to customers' deposits	106.6%	97.6%	9.0%
Tier 1 ratio	15.5%	14.7%	0.8%
CAR	15.7%	14.9%	0.8%
Impaired ratios	4.1%	6.50%	(2.4%)
NPL ratios	5.0%	8.00%	(3.0%)
Provision coverage ratio	95.4%	78.1%	22.4%

Financing portfolio

- Net financing assets grew to AED 97.2 billion in 2015 from AED 73.9 billion in 2014, an increase of 31%.
- Consumer banking gross financing assets increased by 19% to AED 36.5 billion for year ending 2015, compared with AED 30.6 billion at the end of 2014. The business has been leveraging its asset products to its 1.6 million retail customer base with growth seen across most product areas.
- Corporate banking saw another strong year growing by 40% to AED 56 billion for the year ending 2015, compared with AED 40 billion in 2014. The growth is mainly driven by private sector largely and public sector to some extent through a strong emphasis on diversification of portfolio and quality of credit.

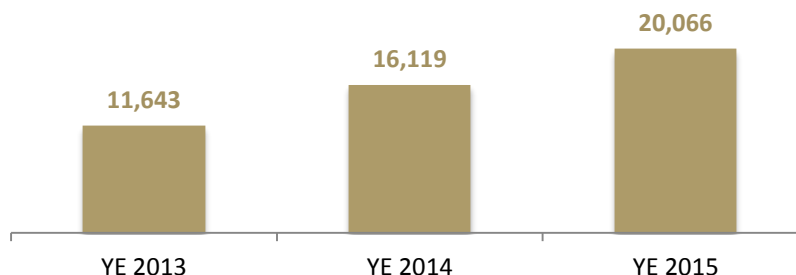
Financing by Segment (AED bn)



Sukuk Investments

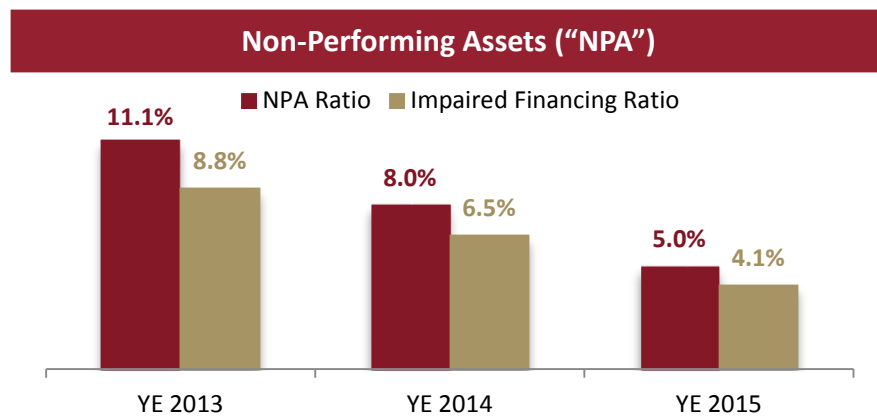
Sukuk investments increased by 24% for the full year 2015 to AED 20.1 billion from AED 16.1 billion at end of 2014, primarily consisting of mostly sovereigns, the portfolio not only provides a healthy yield but can also help generate liquidity if required.

Sukuk Investments (AED million)



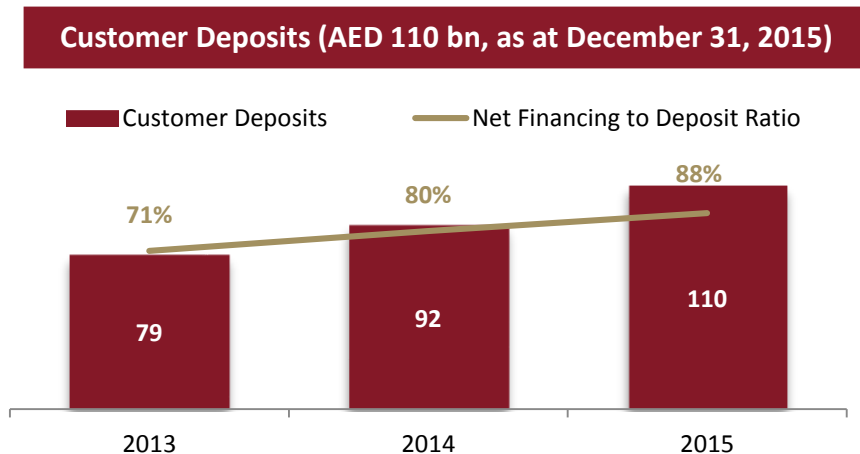
Asset Quality

- Non-performing assets have shown a consistent decline with NPL ratio improving to 5.0% in 2015, compared with 8.0% in 2014.
- Impaired financing ratio also improved to 4.1% in 2015 from 6.5% at the end of 2014, primarily because of the reduction in absolute NPLs due to settlements and recoveries.
- Provision cash coverage ratio improved to 95.4% compared with 78% at end of 2014.
- Overall coverage ratio including collaterals at discounted values, at 147.6%.



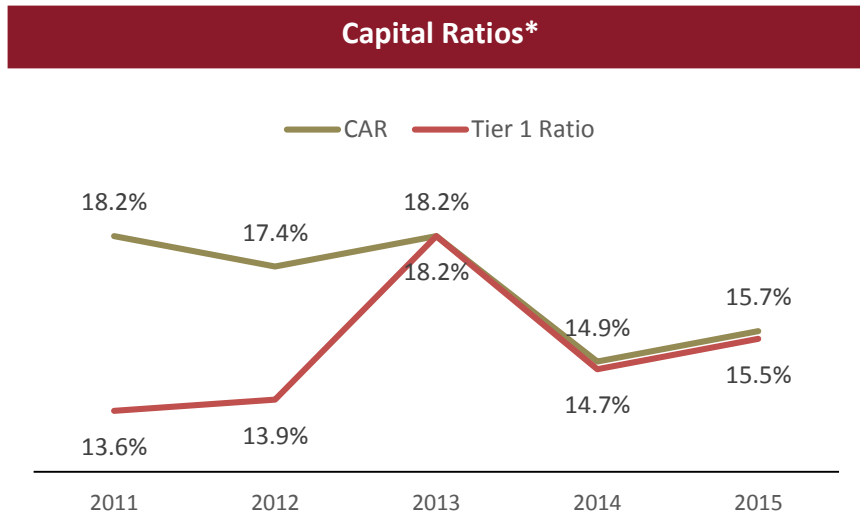
Customer Deposits

- Customer deposits for the year ended December 31, 2015 increased by 19% to AED 110.0 billion from AED 92.3 billion as of end of 2014.
- CASA continues to be a significant portion comprising 41% of total deposits, primary reason for the low cost of funds that the bank enjoys.



Capital and capital adequacy

Capital adequacy ratio stands at 15.7% for the year ended 2015, and T1 ratio at 15.5%, depicting strong capitalization with both ratios being well above regulatory level.



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

Key highlights for the 4th quarter of 2015:

- Dubai Islamic Bank got regulatory approval from the Financial Services Authority of Indonesia (OJK), to increase its shareholding to Bank Panin Syariah to 39.6% as part of the overall investment strategy in Far East Asia. The market provides massive opportunity for Islamic banking and the industry is transforming into a more widely accepted form of banking in the country.
- Dubai Islamic Bank (DIB) has been honored by H.E. Mariam bint Mohammed Khalfan Al Roumi, Minister 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.
- DIB Foundation, a non-profit social, humanitarian and charitable affiliate of Dubai Islamic Bank, has been also rewarded with "Private Sector Second Class Category" during the award ceremony held on December 2015 in Dubai. Organized by the Ministry of Social Affairs, the awards aim to recognize individuals, companies, private and government sector stakeholders for their commitment to developing the local community.
- New products and services launched for the quarter:
 - In December, DIB announced the launch of a new range of Emirati Family Banking services. Designed to allow individuals to bring multiple family members under a joint plan, the package has been created to make it more beneficial and convenient for families to carry out their banking needs.

- The bank rolled out an innovative Visa payWave technology to offer its cardholders contactless payments. Designed in line with the latest innovation in contactless payments, the Visa payWave technology allows customers to conduct transactions quickly and effortlessly with minimum time spent.
- A new 'Virtual Branch' facility was introduced, which will provide new and existing bank employees with the vital experience of the end to end business activities, in addition to cementing their understanding of banking operations. The initiative is also part of the bank's ongoing 'Customer First' philosophy and is designed to be in line with DIB's "Smart Bank" initiative, which aims to serve customers with superior services.
- A new innovative service was introduced in December through the launch of a new mobile app for Apple IOS & Android platforms with access to over 60 services. Created to be in line with the evolving needs of customers in the UAE, the new app features functionalities designed to help individuals better manage their personal finances.

Year to date Awards

Category		Sponsors
Dec 2015	"Best Retail Bank ME" "Best Corporate Bank ME" "Best Commercial Bank ME" "Best Sukuk Arranger ME" "Best Sukuk Deal" "Best Consultancy Service – [Dar Al Sharia]" "Outstanding Contribution to the Islamic Economy" Dr. Adnan Chilwan, DIB Group Chief Executive Officer	Islamic Business & Finance Awards 2015
Dec 2015	"Banking Innovation" Dr. Adnan Chilwan, DIB Group Chief Executive Officer	2015 Indian Innovator Awards
Dec 2015	"Private Sector First Class Category – Dubai Islamic Bank" "Private Sector Second Class Category – DIB Foundation"	Emirates Social Award
Dec 2015	"Top 20 Most In Demand Employers 2015 in MENA"	LinkedIn MENA
Nov 2015	"Financial Institution Financing Deal of the Year"	Bonds, Loans and Sukuk Awards Middle East.
Nov 2015	The Strongest Islamic Retail Bank in GCC	Islamic Retail Banking Awards 2015
Sept 2015	Best Islamic Bank 2015 Best Islamic Finance Consultancy 2015 [Dar Al Sharia]	Global Islamic Finance Awards
May 2015	"Best Retail Risk Management in the Middle East"	Asian Banker Middle East and Africa Country Awards 2015
May 2015	"Best Islamic Bank" "Best Sukuk Arranger" "Best Islamic Retail Bank - UAE" "Best Premium Bank - UAE" "Best Investment Bank"	Banker Middle East Industry Awards 2015
May 2015	"Best Islamic Card" "Best GCC Equity Fund"	Banker Middle East Product Awards 2015.
May 2015	"Most Established Islamic Bank" - UAE "Islamic Bank of the Year" - UAE	Business Excellence Awards 2015

May 2015	Dr. Adnan Chilwan ranked in the top 10 of Forbes 2015 "Top Indian Leaders in the Arab World"	Forbes Middle East
Mar 2015	"Mudarabah Deal of the Year" "Ijarah Deal of the Year" "Pakistan Deal of the Year"	Islamic Finance News (IFN) Awards
Mar 2015	Dr. Adnan Chilwan ranked 4th highest CEO amongst top 100 CEOs in the GCC Region	TRENDS magazine in conjunction with INSEAD Business School
Feb 2015	Most Overall Improved Bank in Customer Experience	10th Annual Bank Benchmark Index Awards

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 175 branches across 56 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 "Mudarabah 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 H.E. Mariam bint Mohammed Khalfan Al Roumi, Minister 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.