



بنك دبي الإسلامي
Dubai Islamic Bank

Dubai Islamic Bank: A Leader of the Global Islamic Finance Industry

Nearly 40 years after it pioneered the concept, Dubai Islamic Bank continues to set the benchmark for the global Islamic finance industry.

Four Glorious Decades

Dubai Islamic Bank (DIB) created history in 1975 when a decree issued by the late Ruler of Dubai, the late H.H. Sheikh Rashid bin Saeed Al Maktoum, established the first modern commercial Islamic bank in the world. Sheikh Rashid had been approached in the preceding years by Haj Saeed Ahmed Lootah, a leading local businessman and a man of vision, with the idea that a bank should be established in the Emirate which would operate according to the tenets of Islam.

Before this, customers had no choice but to use conventional banks for all their financial requirements. By incorporating Shari'a principles into all its operations, DIB pioneered an alternative based on fairness and transparency. Nearly 40 years later, DIB has established itself as the undisputed leader in its field, setting the standards for others to follow, as the concept of Islamic banking has gathered momentum in the Arab world and internationally.

Across the world, DIB is recognised as a leader in the creation of high quality, flexible and accessible Islamic banking products. DIB's products and services are not only Shari'a compliant, but also competitive with con-

ventional products offered by other banks. Today, DIB services retail, commercial, corporate and institutional clients through dedicated divisions staffed by the industry's best professionals.

With its strong emphasis on providing unparalleled customer experience, DIB consistently upgrades its services to meet the evolving needs of its customers respective to their age, gender and their financial profile. With its Johara ladies banking and Wajaha wealth management divisions, in addition to standalone Al Islami Private Banking branches, the bank possesses specialised units for women and high net worth individuals respectively. The bank recently launched Shaatir Savings Account, a unique account just for children, which will help them understand banking from a young age and develop the mindset to plan for their future

Time and again, DIB has shown itself to be a bank of firsts. The bank launched Emirates REIT, Dubai's first real estate investment trust, and was an arranger in the first UAE Islamic bank aircraft financing deal for the purchase of an A340-500 by Emirates Airline. Today, DIB stands as the largest Islamic bank in the country with its footprint

across all business segments, including consumer, wholesale, debt capital markets and investment banking.

Through its commercial and corporate banking operations, DIB is proud to support the ongoing economic development of the UAE by providing financing in key sectors such as aviation, real estate, shipping, tourism, hospitality, and infrastructure.

As part of its strategy to expand in select niche Islamic markets in the Middle East, Africa and Asia, in 2006, DIB established DIB Pakistan Ltd, a 100% owned subsidiary, to offer Islamic banking services in Pakistan. DIB then acquired a 20.8% stake in Jordan Dubai Islamic Bank in 2009. Illustrating its appetite for further growth and the success of its franchise, DIB is also looking to expand into Indonesia, East Africa, Oman, Qatar and Saudi Arabia to name a few.

Additionally, DIB has incorporated several subsidiaries, including Deyaar Development in 2002, DIB Capital Limited in 2006, and Dar Al Sharia Legal & Financial Consultancy LLC in 2008. In 2013, the bank enhanced its stake in Tamweel, the largest home finance provider in the UAE, merging the operations with the bank and realizing significant financial and operational synergies.

The Largest Islamic Bank in the UAE

Through its focus on innovation and excellence, DIB has gone from pioneer of Islamic finance to attaining the status of the UAE's largest Islamic bank with a customer base of over 1.4 million and a wide network of more than 85 branches located conveniently across the country.

As DIB's branch network has expanded, so too have the number of alternative banking channels available to customers, such as internet banking, telephone banking and e-branches. DIB offers online and mobile telephone banking facilities, giving customers greater flexibility to manage their relationship with the bank by offering a range of banking and financial services. In April 2012, DIB introduced an Arabic on-line interface to its internet banking service in order to allow all of its on-line transactions to be conducted in Arabic as well as English.

In DIB's virtual branches, customers can utilise banking services from basic inquiries, to cash withdrawals and cash/cheque deposits. Furthermore, DIB expanded the alternative banking channels available to customers with the launch of its Express Banking Terminals, giving customers 24-hour access to a wide range of banking services usually only available in branches, online or through phone banking.

DIB's focus on innovation, diversification and managed growth enabled it to report strong financial results announcing full year net profit of AED1.72 billion for the year ended December 31, 2013, an increase of 42% compared to AED1.21 billion for 2012. At the same

time, the bank's customer base continued to expand steadily, with customer deposits' reaching AED79.1 billion, up 19% compared with AED66.7 billion at the end of 2012. Current and Savings Account (CASA) book focus has been instrumental providing a stable low cost base as the CASA component represents 43% of this deposit base. Overall assets were up 15% at AED113.3 billion compared to AED98.6 billion at the end of 2012 while total funds deployed in earning assets stood at AED97.9 billion, an increase of 15% over last year. Simultaneously, gross financing and Sukuk portfolio stood at AED 72.3 billion at the end of 2013.

Over the past year, DIB has been involved in several benchmark Islamic capital market transactions. In March 2013, DIB successfully raised a US\$1 billion Tier 1 capital-eligible issuance, with perpetual (non-call 6) maturity. The issuance, which carried a profit rate of 6.25%, represented the best yield ever achieved by a GCC bank on a public Tier 1 transaction and provided a significant boost to the bank's Tier 1 capital ratio. The issuance was extremely well received by investors across the globe, evidenced by the fact that it was oversubscribed 14 times. Earlier, the bank launched its own highly successful US\$500 million five-year sukuk in May 2012, which was oversubscribed more than four times, a notable achievement in light of volatile market conditions prevalent then.

DIB has also participated in a number of key transactions over the past year, having arranged a US\$750 million sukuk for the Government of Dubai and a US\$1 billion sukuk for the Dubai Electricity and Water Department. In addition, the Bank has been able to leverage its institutional relationships to lead a US\$ 1.75 billion equivalent dual currency syndication for Dubai Duty Free, and another worth US\$ 2.55 billion for the Investment Corporation of Dubai.

A Leader in Islamic Finance and the Wider Community

Alongside its accomplishments as a commercial organisation, DIB has always taken its responsibilities to society seriously. DIB understands that it has a wider role to play in society, given its charter as a major global Shari'a compliant organisation. 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.

DIB Foundation is working tirelessly to support thousands of disadvantaged people in the UAE and across the world, helping families with educational fees, rent and medical fees, as well as supplying medical and X-ray equipment to hospitals and health centres. In 2013, the Foundation was active in supporting appeal campaigns inside the UAE and overseas, distributing approximately AED175 million including zakat.

DIB supported the Mohammad Bin Rashid Charity and Humanitarian Establishment in its assistance to Libyan and Somalian refugees, and joined forces with the Noor Dubai Foundation (NDF) to support medical, surgical and preventive eye care in Asia and Africa. In 2011, DIB Foundation contributed AED10 million to Al Faraj Fund for releasing 30 insolvent national inmates through paying their bad debts and blood money (Diya).

The bank is also active in promoting Emiratisation, with a view to encouraging UAE nationals to participate in and improve the economy of the UAE. DIB has achieved 100% Emiratisation at branch manager level and, across the organisation, the figure stands at 46%. This achievement was recognised in 2013 when His Highness Sheikh Majid bin Mohammed bin Rashid Al Maktoum presented the Dubai Human Development Award to DIB for its proven track record of developing and nurturing UAE National talent.

World-Wide Recognition

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 120 local, regional and international accolades that it has won since 2008. DIB has won awards across diversified areas, including retail, corporate and investment banking, as well as CSR and consultancy services. In addition to the "Best Islamic Bank 2013" award at the Global Islamic Finance Awards, recent recognition includes being named "Best Islamic Retail Bank" at the Banker Middle East Industry Awards, "Best Sukuk House" at the EMEA Finance Middle East Banking Awards, as well as being chosen as the "Best Corporate Bank" and winning the awards for "Best Credit Card" and "Best Banking CSR Initiative" at the Islamic Business & Finance Awards. Dubai Islamic Bank has been also declared the winner of the "Best Islamic Bank, UAE – 2014" by World Finance - Islamic Finance Awards 2014.

Focused on the Future

While DIB is an institution that is deeply proud of its achievements, its success has always been built on looking towards the future. The consensus among most industry experts is that the global Islamic finance industry will expand significantly over the coming years. As such, DIB is strongly positioned to benefit from the increasing demand for the Islamic financial services locally, regionally and globally. While the retail segment will continue to be the key driver in the short to medium term, the resurgence of sukuk as a preferred mode of raising funds and further innovation in working capital finance structures and liquidity management offerings across wholesale segment represent yet another area that will give a significant boost to this already fast growing sector.

The recent announcement by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE, and Ruler of Dubai, sent

a clear message that Dubai is intent on becoming the global capital of the Islamic economy. Dubai Islamic Bank, with its vision to be the most progressive Islamic financial institution in the world, looks forward to lead and contribute in the success of this new initiative.

Since 1975, the landscape of the UAE has changed beyond recognition. New roads and bridges have sprung up everywhere, as have awe-inspiring hotels, shopping malls and real estate developments, including, of course, the world's tallest tower. One of the few constants amidst this sea of change has been Dubai Islamic Bank.

Nearly four decades after its creation, DIB can rightly take credit for pioneering the concept of Islamic banking and finance. Moreover, by successfully combining traditional Islamic values with the technology and innovation that characterise the best of modern banking, DIB today proudly competes on an equal basis with the world's largest conventional banks.

**For further information please visit
www.dib.ae**

