Press Release

DIB repays Tamweel liabilities 2 years ahead of maturity

- *Robust Capitalization and ample liquidity allows for early settlement of all Tamweel liabilities*
- *Strong synergies achieved in business model through merger*
- *Tamweel delisting process initiated with concerned regulatory authorities*

Dubai, September 18, 2013: Dubai Islamic Bank (DIB) today announced that it has settled all bilateral liabilities of Tamweel amounting to approximately AED 4 billion, two years ahead of scheduled maturity. The bank cited robust capitalization and ample liquidity as the reason for early repayment. These outstanding obligations of Tamweel comprised of the liabilities which were a part of a 5 year moratorium agreed with creditors in late 2010 and were to mature in October 2015. Following the support of the the Government of Dubai, Central Bank of UAE, Ministry of Economy, SCA and other counterparties, DIB increased its stake in Tamweel to 58% in November 2010.

With this enhanced stake, DIB implemented a well-defined strategy to establish an efficient operation within the entity, extract synergies for both institutions and offset the liquidity constraints faced by the company at that time. With funding constraints removed, Tamweel returned to the market with renewed vigour and in a much better competitive position than before. With the recent takeover and merging of operations, the entire mortgage business is now funded by DIB's balance sheet.

Having brought the company back to a growth oriented, profitable franchise, DIB announced a tender offer to acquire outstanding shares of Tamweel in March 2013. Following the closure of the tender offer by the bank, DIB now owns close to 90% of the entity and has already initiated the process to delist the company from Dubai Financial Market.

“This move is a key milestone in bringing us closer towards the culmination of our strategy for Tamweel” said Dr. Adnan Chilwan, Chief Executive Officer, DIB. “Right from the onset, we had a very clear vision with respect to the franchise which effectively revolved around three core areas - stability of operations, rationalization of costs and return to profitability.”

Dr. Chilwan added “Creating an efficient balance sheet is a critical component of DIB’s growth strategy. Given our significant liquidity and low cost of funds, the early repayment is perfectly aligned towards progressively building an even more effective and efficient business. This step allows the bank to optimize its liquidity and rationalize cost of funds and is similar to the full repayment of Ministry of Finance deposit in April 2013 amounting to AED 3.75 billion, well ahead of maturity.”

With the process of delisting initiated, Tamweel operations have now been completely merged with Dubai Islamic Bank giving rise to significant synergies across the organization.

-ends

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 85 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 100 branches across 36 major cities in Pakistan. DIB has also started operations in Jordan, with the establishment of Jordan Dubai Islamic Bank.

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.

DIB has earned the respect of its peers around the world for many years, and its leading position has been reaffirmed by the 104 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. The bank's most recent awards include being named "Best Islamic Retail Bank, UAE", "Best Sukuk Arranger" and "Best Islamic Credit Card" by *Banker Middle East* magazines, and being named "Best Sukuk House" by EMEA Finance Middle East Banking Awards 2012.

For further information, please contact:
Rawan El Saleh / Kanishk Mishra
DABO & CO
Dubai, UAE
Tel: +9714-344-4901
Email: rawan.e@daboandco.com / kanishk.m@daboandco.com