Press Release

Dubai Islamic Bank signs US$230 million aircraft financing deal with Air Arabia

Ijara facility covers delivery of six aircraft in 2015

Dubai, UAE; November 19, 2014: Dubai Islamic Bank (DIB) and Air Arabia announced today the signing of an aircraft financing deal to facilitate the delivery of six new Airbus A320 aircrafts in 2015.The signing ceremony was held in the DIB head office in the presence of senior executives from both parties. The US$230 million Ijara facility will finance the delivery of a new aircraft every two months starting January 2015, the program culminating with the final unit being handed over by the end of the year.

Commenting on this deal, Dr. Adnan Chilwan, CEO of Dubai Islamic Bank, said: "Though Islamic finance is fast gaining acceptance around the world in every facet of banking and finance sector, it is particularly seen to be prolific in driving the infrastructure development in key home markets. Aviation sector for any country forms a critical piece not just in supporting logistics, trade and tourism but also in giving a boost to the overall economy. Partnering with entities like Air Arabia which bring about an innovative mix of quality and affordability to the travel and tourism sector is closely aligned to our own strategic agenda of increasing the penetration of Islamic finance across all sectors of the economy. This Ijara facility is another milestone in our collaboration with Air Arabia, epitomising the bank's commitment to make Islamic finance a household name in every industry segment in the UAE and beyond. We are confident that this deal will contribute to the growth of the local economy by bringing value to both organisations and we look forward to supporting Air Arabia's expansion plans in the future".

Adel Ali, Group Chief Executive Officer, Air Arabia, said: "We are glad to have our 2015 aircraft financing requirement done through a local Islamic bank, which reflects the trust and confidence we have in the local banking and finance industry. Two key elements of Air Arabia’s successful business model are our modern fleet of aircraft and our efficient use of financing to support capital expenditure requirements. The facility arranged by DIB satisfies both requirements and will ensure we have the necessary infrastructure in place to serve our ever growing customer base across the region.”

Air Arabia has now received 29 of the 44 A320 aircraft it ordered from Airbus in 2007. Each new addition to the Air Arabia fleet is equipped with Sharklet wingtips made from light-weight composites that help to significantly reduce fuel burn and emissions by improving aerodynamics.

Being the first Shariah-compliant commercial bank, DIB leads a pioneering role in driving the global uptake on Islamic banking with an unmatched experience of over four decades. The award-winning Islamic bank has been recently presented with the Best Islamic Bank of the Year award by the 2014 Business Excellence Awards, the Best Sukuk House of the Year award by EMEA Finance Middle East, and the Deal of the Year award by the Islamic Finance News Awards among others thus recognising its solid expertise. Also capitalising on strong position in the corporate banking space, DIB was a lead arrangers and bookrunner on a number of facilities to the leading companies in the UAE. The bank offers a comprehensive suite of Shariah-compliant banking structures spanning a wide array of sectors underpinning the robust economic development in the UAE including the funding of commercial aircraft fleet.

Air Arabia, recently named amongst the Global Growth Companies (GGC) by the World Economic Forum, has seen its route network expand rapidly in 2014 with the addition on new routes such as Cairo in Egypt, Antalya in Turkey, Tbilisi in Georgia, and Samara in Russia. The low-cost airline pioneer now serves 100 destinations from its four hubs in the UAE, Morocco and Egypt.

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