

Dubai Islamic Bank P.J.S.C.

Review report and condensed consolidated interim financial information

for the nine-month period ended 30 September 2015

Dubai Islamic Bank P.J.S.C.

Review report and condensed consolidated interim financial information (Unaudited) *for the nine-month period ended 30 September 2015*

	Pages
Independent auditors' report on review of the condensed consolidated interim financial information	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of profit or loss	3
Condensed consolidated interim statement of other comprehensive income	4
Condensed consolidated interim statement of changes in equity	5
Condensed consolidated interim statement of cash flows	6 - 7
Notes to the condensed consolidated interim financial information	8 – 28



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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

The Shareholders
Dubai Islamic Bank P.J.S.C.

Introduction

We have reviewed the accompanying 30 September 2015 condensed consolidated interim financial information of Dubai Islamic Bank P.J.S.C. (the "Bank") and its subsidiaries (collectively referred to as the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 September 2015;
- the condensed consolidated interim statement of profit or loss for the three-month and nine-month periods ended 30 September 2015;
- the condensed consolidated interim statement of other comprehensive income for the three-month and nine-month periods ended 30 September 2015;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2015;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2015; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2015 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited
Muhammad Tariq
Registration No: 793
Date: 28 October 2015

Dubai Islamic Bank P.J.S.C.

Condensed consolidated interim statement of financial position as at 30 September 2015

		(Unaudited) 30 September 2015 AED'000	(Audited) 31 December 2014 AED'000
	Note		
ASSETS			
Cash and balances with central banks	5	17,095,831	16,317,405
Due from banks and financial institutions	6	5,532,118	4,316,452
Islamic financing and investing assets, net	7	92,303,484	73,976,602
Investments in Islamic sukuk measured at amortised cost	8	19,015,739	16,118,782
Other investments measured at fair value	9	1,884,299	2,036,697
Investments in associates and joint ventures	10	1,931,603	1,873,065
Properties held for development and sale		1,534,743	1,511,815
Investment properties	11	2,336,181	2,041,856
Receivables and other assets		5,154,596	5,113,913
Property and equipment		683,841	580,772
Total assets		147,472,435	123,887,359
LIABILITIES AND EQUITY			
LIABILITIES			
Customers' deposits	12	109,302,921	92,345,468
Due to banks and financial institutions		3,181,262	3,939,653
Sukuks issued	13	5,601,925	2,847,175
Payables and other liabilities		7,300,148	6,854,498
Zakat payable		-	194,481
Total liabilities		125,386,256	106,181,275
EQUITY			
Share capital	14	3,953,751	3,953,751
Tier 1 sukuks	15	7,346,000	3,673,000
Other reserves and treasury shares		5,494,117	5,494,117
Investments fair value reserve		(604,451)	(567,806)
Exchange translation reserve		(311,682)	(280,383)
Retained earnings		4,052,182	3,252,192
Equity attributable to owners of the Bank		19,929,917	15,524,871
Non-controlling interests		2,156,262	2,181,213
Total equity		22,086,179	17,706,084
Total liabilities and equity		147,472,435	123,887,359


H.E. Mohammad Ibrahim Al Shaibani
Chairman


Abdulla Ali Al Hamli
Managing Director


Dr. Adnan Chilwan
Group Chief Executive Officer

The notes on pages 8 to 28 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Dubai Islamic Bank P.J.S.C.

Condensed consolidated interim statement of profit or loss (Unaudited) for the nine-month period ended 30 September 2015

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000
NET INCOME				
Income from Islamic financing and investing transactions	1,428,622	1,151,508	4,042,991	3,236,999
Commissions, fees and foreign exchange income	346,099	249,521	974,665	779,727
Income from other investments measured at fair value, net	7,089	3,891	36,169	30,594
Income from properties held for development and sale, net	72,029	25,778	171,522	201,104
Income from investment properties	18,005	18,395	92,717	64,858
Share of profit from associates and joint ventures	23,800	11,294	152,295	49,714
Other income	7,747	147,988	55,771	250,712
Total income	1,903,391	1,608,375	5,526,130	4,613,708
Less: depositors' and sukuk holders' share of profit	(279,137)	(207,530)	(737,768)	(604,332)
Net income	1,624,254	1,400,845	4,788,362	4,009,376
OPERATING EXPENSES				
Personnel expenses	(371,807)	(318,762)	(1,092,956)	(898,563)
General and administrative expenses	(148,867)	(138,001)	(433,337)	(395,307)
Depreciation of investment properties	(5,995)	(9,384)	(21,955)	(27,847)
Depreciation of property and equipment	(29,618)	(25,056)	(85,904)	(72,865)
Total operating expenses	(556,287)	(491,203)	(1,634,152)	(1,394,582)
Net operating income before impairment charges	1,067,967	909,642	3,154,210	2,614,794
Impairment charges, net	(64,921)	(182,499)	(340,775)	(537,683)
Net profit for the period before income tax expense	1,003,046	727,143	2,813,435	2,077,111
Income tax expense	(2,399)	(4,166)	(12,064)	(17,129)
Net profit for the period	1,000,647	722,977	2,801,371	2,059,982
Attributable to:				
Owners of the Bank	972,105	676,807	2,690,815	1,954,362
Non-controlling interests	28,542	46,170	110,556	105,620
Net profit for the period	1,000,647	722,977	2,801,371	2,059,982
Basic and diluted earnings per share (AED per share) (note 18)	0.19	0.14	0.59	0.44

The notes on pages 8 to 28 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Dubai Islamic Bank P.J.S.C.

Condensed consolidated interim statement of other comprehensive income (Unaudited) for the nine-month period ended 30 September 2015

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000
Net profit for the period	1,000,647	722,977	2,801,371	2,059,982
Other comprehensive income / (loss) items				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Fair value (loss) / gain on other investments carried at FVTOCI, net	(48,736)	81,512	(28,314)	111,618
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations, net	8,962	6,684	(31,299)	(7,284)
Other comprehensive income / (loss) for the period	(39,774)	88,196	(59,613)	104,334
Total comprehensive income for the period	960,873	811,173	2,741,758	2,164,316
Attributable to:				
Owners of the Bank	932,551	764,689	2,632,363	2,054,994
Non-controlling interests	28,322	46,484	109,395	109,322
Total comprehensive income for the period	960,873	811,173	2,741,758	2,164,316

The notes on page 8 to 28 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Dubai Islamic Bank P.J.S.C.

Condensed consolidated interim statement of changes in equity (Unaudited)

for the nine-month period ended 30 September 2015

	Equity attributable to owners of the Bank								
	Share capital	Tier 1 sukuk	Other reserves and treasury shares	Investments fair value reserve	Exchange translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2014	3,953,751	3,673,000	5,495,696	(563,850)	(280,833)	2,013,921	14,291,685	2,050,504	16,342,189
Net profit for the period	-	-	-	-	-	1,954,362	1,954,362	105,620	2,059,982
Other comprehensive income for the period	-	-	-	107,916	(7,284)	-	100,632	3,702	104,334
Total comprehensive income for the period	-	-	-	107,916	(7,284)	1,954,362	2,054,994	109,322	2,164,316
Transactions with owners directly in equity:									
Dividend paid (note 24)	-	-	-	-	-	(986,526)	(986,526)	(10,362)	(996,888)
Treasury shares	-	-	(1,580)	-	-	1,366	(214)	214	-
Zakat adjustment	-	-	-	-	-	72	72	-	72
Tier 1 sukuk profit distribution (note 15)	-	-	-	-	-	(229,562)	(229,562)	-	(229,562)
Tier 1 sukuk issuance cost	-	-	-	-	-	(45)	(45)	-	(45)
Transfer on disposal/reclassification of other investments carried at FVTOCI	-	-	-	(10,921)	-	10,921	-	-	-
Board of Directors' remuneration	-	-	-	-	-	(5,150)	(5,150)	-	(5,150)
Balance at 30 September 2014	3,953,751	3,673,000	5,494,116	(466,855)	(288,117)	2,759,359	15,125,254	2,149,678	17,274,932
Balance at 1 January 2015	3,953,751	3,673,000	5,494,117	(567,806)	(280,383)	3,252,192	15,524,871	2,181,213	17,706,084
Net profit for the period	-	-	-	-	-	2,690,815	2,690,815	110,556	2,801,371
Other comprehensive income / (loss) for the period	-	-	-	(27,153)	(31,299)	-	(58,452)	(1,161)	(59,613)
Total comprehensive income for the period	-	-	-	(27,153)	(31,299)	2,690,815	2,632,363	109,395	2,741,758
Transaction with owners directly in equity:									
Dividend paid (note 24)	-	-	-	-	-	(1,578,090)	(1,578,090)	(8,832)	(1,586,922)
Zakat	-	-	-	-	-	-	-	-	-
Tier 1 sukuk issuance	-	3,673,000	-	-	-	-	3,673,000	-	3,673,000
Tier 1 sukuk issuance cost	-	-	-	-	-	(14,319)	(14,319)	-	(14,319)
Gain on buy back of Tier 1 sukuk	-	-	-	-	-	217	217	-	217
Tier 1 sukuk profit distribution (note 15)	-	-	-	-	-	(353,526)	(353,526)	-	(353,526)
Transfer on disposal/reclassification of other investments carried at FVTOCI	-	-	-	(9,492)	-	9,492	-	-	-
Board of Directors' remuneration	-	-	-	-	-	(4,500)	(4,500)	-	(4,500)
Acquisition of non-controlling interest	-	-	-	-	-	49,901	49,901	(125,514)	(75,613)
Balance at 30 September 2015	3,953,751	7,346,000	5,494,117	(604,451)	(311,682)	4,052,182	19,929,917	2,156,262	22,086,179

The notes on page 8 to 28 form an integral part of these condensed consolidated interim financial information.

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Dubai Islamic Bank P.J.S.C.

Condensed consolidated interim statement of cash flows (Unaudited) for the nine-month period ended 30 September 2015

	Nine-month period ended 30 September	
	2015	2014
	AED'000	AED'000
Operating activities		
Profit for the period before income tax expense	2,813,435	2,077,111
Adjustments for:		
Share of profit of associates and joint ventures	(152,295)	(49,714)
Income from properties held for development and sale	(171,522)	(201,104)
Dividend income	(35,995)	(30,874)
Gain on reclassification of investment in associates to other investment	-	(42,841)
Gain on disposal of investment property	(41,337)	(16,000)
(Gain) / loss on disposal of other investments	(57)	210
Revaluation of investments at fair value through profit or loss	-	69
Gain on sale of investments in Islamic sukuk	(3,215)	(31,173)
Depreciation of property and equipment	85,904	72,865
Gain on disposal of investment in associates and jointly controlled entities	(11,674)	-
Gain on disposal of property and equipment	(48)	(527)
Depreciation of investment properties	21,955	27,847
Write off of property and equipment	12	111
Provision for employees' end-of-services benefit	30,168	17,129
Impairment charge for the period, net	340,775	537,683
Operating cash flow before changes in operating assets and liabilities	2,876,106	2,360,792
Decrease in due from banks and financial institutions with over three months maturity	360,565	3,480,446
Increase in Islamic financing and investing assets	(18,817,568)	(15,441,213)
Increase in receivables and other assets	(354,444)	(1,054,059)
Increase in customers' deposits	17,098,059	16,367,934
(Decrease) / increase in due to banks and other financial institutions	(753,407)	1,664,783
Increase / (decrease) in payables and other liabilities	218,970	(3,899,191)
Cash generated from operations	628,281	3,479,492
Employees' end-of-services benefit paid	(6,256)	(16,319)
Tax paid	(11,741)	(5,453)
Net cash generated from operating activities	610,284	3,457,720
Investing activities		
Net movement in investments in Islamic sukuk measured at amortised cost	(2,923,468)	(3,284,976)
Purchase of investment properties	(94,682)	(3,441)
Proceeds from sale of investment properties	222,857	120,942
Purchase of property and equipment, net	(191,229)	(105,464)
Proceeds from disposal of properties held for development and sale	333,410	904,188
Net movement in other investments measured at fair value	121,813	206,178
Dividend received	35,995	52,987
Additions to properties held for development and sale	(239,121)	(58,168)
Net movement in investments in associates and joint ventures	106,328	(109,549)
Net cash used in investing activities	(2,628,097)	(2,277,303)

The notes on page 8 to 28 form an integral part of these condensed consolidated interim financial information.
The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Dubai Islamic Bank P.J.S.C.

Condensed consolidated interim statement of cash flows (Unaudited) (continued) for the nine-month period ended 30 September 2015

	Nine-month period ended 30 September	
	2015	2014
	AED'000	AED'000
Financing activities		
Dividend paid	(1,586,922)	(996,888)
Tier 1 sukuk issued during the period	3,673,000	-
Tier 1 sukuk profit distribution	(353,526)	(229,562)
Issuance of sukuks, net	2,754,750	39,572
Acquisition of non-controlling interest	(68,088)	-
Tier 1 sukuk issuance cost, net	(14,319)	(45)
Net cash generated from / (used in) financing activities	4,404,895	(1,186,923)
Net increase in cash and cash equivalents	2,387,082	(6,506)
Cash and cash equivalents at the beginning of the period	12,664,553	17,369,132
Effect of exchange rate changes on the balance of cash held in foreign currencies	(32,424)	50,202
Cash and cash equivalents at the end of the period (note 19)	15,019,211	17,412,828
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The notes on page 8 to 28 form an integral part of these condensed consolidated interim financial information.
The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information

for the nine-month period ended 30 September 2015

1. General information

Dubai Islamic Bank (Public Joint Stock Company) (“the Bank”) was incorporated by an Amiri Decree issued on 29 Safar 1395 Hijri, corresponding to 12 March 1975 by His Highness, the Ruler of Dubai, to provide banking and related services based on Islamic Sharia’a principles. It was subsequently registered under the Commercial Companies Law number 8 of 1984 (as amended) as a Public Joint Stock Company.

This condensed consolidated interim financial information combine the activities of the Bank and its subsidiaries as disclosed in Note 26 to these condensed consolidated interim financial information (together referred to as the “Group”).

The Bank is listed on the Dubai Financial Market (Ticker: “DIB”).

The registered head office of the Bank is at P.O. Box 1080, Dubai, United Arab Emirates (“U.A.E.”).

2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial information

The following revised IFRSs have been adopted in these condensed consolidated interim financial information. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements:

- Amendments to IAS 19 Defined Benefit Plans: Employee Contribution;
- Amendments to IFRS 2 Share based payments – amendments relating to meaning of “vesting conditions”;
- Amendments to IFRS 3 Business Combinations – amendments relating to classification and measurement of contingent considerations and scope exclusion for the formation of joint arrangements;
- Amendments to IFRS 8 Operating Segments – amendments relating to disclosures on the aggregation of operating segments;
- Amendments to IFRS 13 Fair Value Measurement – amendments relating to measurement of short-term receivables and payables and scope of portfolio exception;
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – amendments relating to restatement of accumulated depreciation (amortisation) on revaluation;
- Amendments to IAS 24 Related Party Disclosures – amendments relating to definition of a related party.
- Amendments to IAS 40 Investment Property – amendments relating to inter-relationships of IFRS 3 and IAS 40.

2.2 New and revised standards in issue but not yet effective

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective:

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
▪ Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – amendments relating to sale or contribution of Assets between an Investor and its Associate or Joint Venture.	1 January 2016
▪ IFRS 15 Revenue from contracts with customers – it specifies how and when entities should recognise revenue and requiring the entities to provide users of financial statements with more informative, relevant disclosures.	1 January 2017

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised standards in issue but not yet effective (continued)

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
▪ Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – amendments relating to changes in method for disposal.	1 January 2016
▪ Amendments to IFRS 7 Financial Instruments: Disclosures – amendments relating to ‘continuing involvement’ for servicing contracts.	1 January 2016
▪ Amendments to IAS 34 Interim Financial Reporting – amendments relating to disclosure of information ‘elsewhere in the interim financial report’.	1 January 2016
▪ Amendments to IAS 1 Presentation of Financial Statements – amendments relating to additional disclosures for users of the Financial Statements.	1 January 2016
▪ Amendments to IAS 16 Property, Plant and Equipment – Amendments regarding the clarification of acceptable methods of depreciation and amortisation.	1 January 2016
▪ Amendments to IAS 38 Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation.	1 January 2016
▪ IFRS 9 Financial Instruments – Revised guidance on classification of financial assets, guidance on classification of financial liabilities, impairment on financial assets and rules for hedge accounting.	1 January 2018

As of date of issuance of this condensed consolidated interim financial information, management are still in the process of evaluating the impact of these new and revised standards on the condensed consolidated interim financial information.

3. Basis of preparation

3.1 Statement of compliance

These condensed consolidated interim financial information are prepared in accordance with International Accounting Standard 34, “*Interim Financial Reporting*” issued by the International Accounting Standards Board and also complies with the applicable requirements of the laws in the U.A.E.

These condensed consolidated interim financial information do not include all the information required for a complete set of IFRS consolidated financial statements and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 December 2014. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual audited consolidated financial statements as at and for the year ended 31 December 2014.

3.2 Judgments and estimates

The preparation of these condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, equity, income and expense. Actual amount may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimates uncertainty were the same as those which were applied to the audited consolidated audited financial statements as at and for the year ended 31 December 2014.

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information *for the nine-month period ended 30 September 2015*

4. Significant accounting policies

The accounting policies used in the preparation of these condensed consolidated financial information are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 31 December 2014, except for changes in reportable segments as disclosed in Note 21.

Summary of significant accounting policies applied in the preparation of these condensed consolidated interim financial information are as follows:

4.1 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 31 December 2014.

4.2 Investments in Islamic Sukuk

Investments in Islamic Sukuk are measured at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Investments in Islamic Sukuk meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective yield basis less any impairment, with profit recognised on an effective yield basis in income from investments in Islamic Sukuk in the condensed consolidated interim statement of profit or loss.

4.3 Other investments

4.3.1 Investments measured at fair value through profit or loss ("FVTPL")

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) on initial recognition.

Financial assets (other than equity instruments) that do not meet the amortised cost criteria are measured at FVTPL. In addition, financial assets (other than equity instruments) that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. Financial assets (other than equity instruments) may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any financial assets (other than equity instruments) as at FVTPL.

Financial assets are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of financial assets (other than equity instruments) that are designated as at FVTPL on initial recognition is not allowed.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the condensed consolidated interim statement of profit or loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the condensed consolidated interim statement of profit or loss when the Group's right to receive the dividends is established in accordance with IAS 18 *Revenue* and is included in the condensed consolidated interim statement of profit or loss.

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information *for the nine-month period ended 30 September 2015*

4. Significant accounting policies (continued)

4.3 Other investments (continued)

4.3.2 Investments measured at fair value through other comprehensive income (“FVTOCI”)

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve in equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in condensed consolidated interim statement of profit or loss when the Group’s right to receive the dividends is established in accordance with IAS 18 *Revenue*, unless the dividends clearly represent a recovery of part of the cost of the investment.

4.4 Investment properties

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purposes). Investment properties are measured at cost less accumulated depreciation and impairment loss. Depreciation on investment in buildings is charged on a straight-line basis over 25 years.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the condensed consolidated interim statement of profit or loss in the period in which the property is derecognised.

Transfers to investment properties are made when, and only when there is change in use evidenced by ending of owner-occupation, or commencement of an operating lease to another party. Transfers from investment properties are made when, and only when, there is change in use evidenced by commencement of owner-occupation or commencement of development with a view to sale.

4.5 Investments in associates and joint ventures

The results and assets and liabilities of associates and joint ventures are incorporated in these condensed consolidated interim financial information using the equity method of accounting. Under the equity method, an investment in associates and joint ventures is initially recognised in the condensed consolidated interim statement of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associates and joint ventures. When the Group’s share of losses of associates and joint ventures exceeds the Group’s interest in that associates and joint ventures (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associates and joint ventures), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate and joint venture.

When a Group’s entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture is recognised in the Group’s condensed consolidated interim financial information only to the extent of interests in the associate or joint venture that are not related to the Group.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of acquisition over the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities of associates and joint ventures recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the condensed consolidated interim statement of profit or loss in the period in which the investment is acquired.

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information *for the nine-month period ended 30 September 2015*

4. Significant accounting policies (continued)

4.5 Investments in associates and joint ventures (continued)

The requirements of International Financial Reporting Standards are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associate and joint venture.

The Group discontinues the use of equity method from the date when the investment ceases to be an associate or a joint venture. The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in joint venture becomes an investment in an associate.

Upon disposal of associates and joint ventures that results in the Group losing significant influence over that associates and joint ventures, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IFRS 9. The difference between the previous carrying amount of the associates and joint ventures attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associates and joint ventures. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associates and joint ventures on the same basis as would be required if that associates and joint ventures had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associates and joint ventures would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associates and joint ventures.

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

5. Cash and balances with central banks

5.1 Analysis by category

		Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
	<i>Note</i>		
Cash on hand		1,900,551	2,146,676
Balances with the central banks:			
Current accounts		817,107	268,293
Reserve requirements with central banks	5.3	6,769,202	5,933,132
International murabihat with the Central Bank of the U.A.E.		7,608,971	7,969,304
Total		17,095,831 =====	16,317,405 =====

5.2 Analysis by geography

		Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Within the U.A.E.		16,736,585	15,979,844
Outside the U.A.E.		359,246	337,561
Total		17,095,831 =====	16,317,405 =====

5.3 Statutory cash reserve requirements

The reserve requirements are kept with the Central Banks of the U.A.E. and Pakistan in the respective local currencies and US Dollar. These reserves are not available for use in the Group's day to day operations, and cannot be withdrawn without the prior approval of the respective central banks. The level of reserve required changes every month in accordance with the requirements of the respective central banks' directives.

6. Due from banks and financial institutions

6.1 Analysis by geography

		Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Within the U.A.E.		2,908,318	2,421,820
Outside the U.A.E.		2,623,800	1,894,632
Total		5,532,118 =====	4,316,452 =====

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

7. Islamic financing and investing assets, net

7.1 Analysis by category

		Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
	<i>Note</i>		
Islamic financing assets			
Vehicles murabahas		10,034,699	8,306,263
Commodities murabahas		6,027,335	4,936,931
Real estate murabahas		2,188,106	3,200,523
International murabahas - long term		12,337,081	8,474,984
Total murabahas		30,587,221	24,918,701
Ijaras		24,395,677	17,937,087
Home finance ijarah		12,933,632	11,767,049
Salam finance		10,163,607	8,642,763
Istisna'a		2,954,935	4,123,091
Islamic credit cards		659,449	511,085
		81,694,521	67,899,776
Less: deferred income on murabahas		(2,131,014)	(1,881,610)
Less: contractors' and consultants' istisna'a contracts		(321,860)	(435,465)
Total Islamic financing assets		79,241,647	65,582,701
Islamic investing assets			
Musharakas		5,437,869	4,326,521
Mudarabas		9,650,213	6,058,634
Wakalas		2,937,308	3,155,790
Total Islamic investing assets		18,025,390	13,540,945
Total Islamic financing and investing assets		97,267,037	79,123,646
Less: provisions for impairment	7.3	(4,963,553)	(5,147,044)
Total Islamic financing and investing assets, net		92,303,484	73,976,602
		=====	=====

7.2 Analysis by geography

		Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Within the U.A.E.		91,176,537	74,205,557
Outside the U.A.E.		6,090,500	4,918,089
Total Islamic financing and investing assets		97,267,037	79,123,646
Less: provisions for impairment	7.3	(4,963,553)	(5,147,044)
Total Islamic financing and investing assets, net		92,303,484	73,976,602
		=====	=====

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

7. Islamic financing and investing assets, net (continued)

7.3 Provision for impairment

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Balance at the beginning of the period / year	5,147,044	4,573,273
Charge for the period / year	991,063	1,106,021
Release to consolidated statement of profit or loss	(650,934)	(545,372)
Write-off	(296,492)	(10,012)
Others	(224,389)	20,245
Foreign exchange effect	(2,739)	2,889
Balance at the end of the period / year	4,963,553 =====	5,147,044 =====

Others include a reclassification of provision for impairment amounting to AED 195 million relating to a customer whose property was acquired and classified to investment properties.

8. Investments in Islamic sukuk measured at amortised cost

8.1 Analysis by geography

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Within the U.A.E.	12,708,396	12,017,716
Other G.C.C. Countries	766,341	799,493
Rest of the world	5,541,002	3,301,573
Total	19,015,739 =====	16,118,782 =====

Investments in Islamic sukuk measured at amortised cost within the U.A.E. include investments in bilateral governmental sukuk amounting to AED 3.3 billion as at 30 September 2015 (31 December 2014: AED 3.3 billion).

9. Other investments measured at fair value

9.1 Analysis by category and geography

	Within the U.A.E. AED'000	Other G.C.C. countries AED'000	Rest of the world AED'000	Total AED'000
30 September 2015 (Unaudited)				
Investments measured at fair value through other comprehensive income				
Quoted equity instruments	738,676	134,698	2,756	876,130
Unquoted equity instruments and funds	664,431	41,701	302,037	1,008,169
	1,403,107	176,399	304,793	1,884,299
Total	1,403,107 =====	176,399 =====	304,793 =====	1,884,299 =====

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

9. Other investments measured at fair value (continued)

9.1 Analysis by category and geography (continued)

	Within the U.A.E. AED'000	Other G.C.C. countries AED'000	Rest of the world AED'000	Total AED'000
31 December 2014 (Audited)				
Investments measured at fair value through other comprehensive income				
Quoted equity instruments	827,917	149,631	11,557	989,105
Unquoted equity instruments and funds	697,004	43,229	307,359	1,047,592
	<u>1,524,921</u>	<u>192,860</u>	<u>318,916</u>	<u>2,036,697</u>
Total	<u>1,524,921</u>	<u>192,860</u>	<u>318,916</u>	<u>2,036,697</u>

10. Investments in associates and joint ventures

During the year ended 31 December 2014, the Group acquired 24.9% of PT Bank Panin Syariah Tbk, Indonesia by acquiring 2,427,750,000 shares. The Group has obtained regulatory approval for "Controlling shareholder status" and is now in process of increasing its stake to 40%.

11. Investment properties

11.1 Analysis by category and geography

	Other real estate AED'000	Investment properties under construction AED'000	Land AED'000	Total AED'000
30 September 2015 (Unaudited)				
Carrying Amount:				
Within the U.A.E.	341,861	675,185	1,072,284	2,089,330
Outside the U.A.E.	195,138	-	51,713	246,851
Total	<u>536,999</u>	<u>675,185</u>	<u>1,123,997</u>	<u>2,336,181</u>
31 December 2014 (Audited)				
Carrying Amount:				
Within the U.A.E.	350,825	637,060	792,844	1,780,729
Outside the U.A.E.	209,394	-	51,733	261,127
Total	<u>560,219</u>	<u>637,060</u>	<u>844,577</u>	<u>2,041,856</u>

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

12 Customers' deposits

12.1 Analysis by category

	<i>Note</i>	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Current accounts		27,694,040	26,910,231
Saving accounts		15,803,625	14,432,950
Investment deposits		64,995,889	50,335,179
Margin accounts		606,234	464,089
Depositors' investment risk reserve	12.2	104,198	105,365
Depositors' share of profit payable		98,935	97,654
Total		109,302,921 =====	92,345,468 =====

12.2 Depositors' investment risk reserve

Depositors' investment risk reserve represents a portion of the depositors' share of profits set aside as a reserve. This reserve is paid to the depositors with the approval of the Bank's Fatwa and Sharia'a Supervisory Board.

13. Sukuks issued

The analysis of the Sukuk instruments issued by the Group is as follows:

	Expected annual profit rate	Maturity	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Sukuk issued by the Bank	4.75%	May 2017	1,836,500	1,836,500
Sukuk issued by the Bank	2.921%	June 2020	2,754,750	-
Sukuk issued by a subsidiary	5.15%	January 2017	1,010,675	1,010,675
Total			5,601,925 =====	2,847,175 =====

During the period, the Bank, through a Sharia compliant structure, has issued second series of trust certificates amounting to US\$ 750 million (equivalent to AED 2.75 billion). This issue forms part of an overall programme of US\$ 2,500 million. Profit distributions are to be serviced on a semi-annual basis. The issue is listed on DFM and Irish Stock Exchange.

14. Share capital

As at 30 September 2015, 3,953,751,107 authorised ordinary shares of AED 1 each (31 December 2014: 3,953,751,107 ordinary shares of AED 1 each) were fully issued and paid up.

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

15. Tier 1 sukuks

The Bank has issued Tier 1 Sukuks through Shari'a compliant structures with details mentioned in the table below. Tier 1 sukuks are perpetual security in respect of which there are no fixed redemption dates and constitutes direct, unsecured, subordinated obligations (senior only to share capital) of the Bank subject to the terms and conditions of the Mudaraba Agreement. At the Issuer's sole discretion, it may elect not to make any Mudaraba profit distributions and the event is not considered an event of default. In such event, the Mudaraba profit will not be accumulated but forfeited to the issuer. All sukuks are listed in Irish Stock Exchange and Dubai Financial Market.

SPV ("the Issuer")	Date of issuance	Issuance amount Equivalent AED '000	Discretionary profit rate	Callable period
DIB Tier 1 Sukuk Limited	March 2013	3,673,000 (US\$ 1 billion)	6.25% per annum to be paid semi-annually	On or after March 2019
DIB Tier 1 Sukuk (2) Limited	January 2015	3,673,000 (US\$ 1 billion)	6.75% per annum to be paid semi-annually	On or after January 2021

16. Contingent liabilities and commitments

The analysis of contingent liabilities and commitments as at 30 September 2015 and 31 December 2014 is as follows:

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Contingent liabilities:		
Letters of guarantee	9,391,666	8,071,148
Letters of credit	2,893,475	2,581,215
Total contingent liabilities	12,285,141	10,652,363
Commitments:		
Undrawn facilities	21,092,013	18,820,251
Capital expenditure	1,230,432	605,815
Total commitments	22,322,445	19,426,066
Total contingent liabilities and commitments	34,607,586 =====	30,078,429 =====

17. Impairment charges, net

Impairment charges include net impairment charge on Islamic financing and investing assets amounting to AED 340.13 million (refer note 7.3) (30 September 2014: AED 404.46 million), other financial assets amounting to AED 4.32 million (30 September 2014: AED 64.60 million) and release of impairment charge on non-financial assets amounting to AED 3.67 million (30 September 2014: Net charge of AED 68.62).

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

18. Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the profit for the period attributable to owners of the Bank, net of directors' remuneration and profit attributable to Tier 1 sukukholders by the weighted average number of shares outstanding during the period as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000
Profit for the period attributable to the owners of the Bank	972,105	676,807	2,690,815	1,954,362
Board of Directors' remuneration paid	-	-	(4,500)	(5,150)
Profit attributable to tier 1 sukukholders	(238,745)	(114,781)	(353,526)	(229,562)
	<u>733,360</u>	<u>562,026</u>	<u>2,332,789</u>	<u>1,719,650</u>
	=====	=====	=====	=====
Weighted average number of shares outstanding during the period (number of shares in thousands)	3,945,224	3,945,224	3,945,224	3,945,853
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Basic earnings per share (AED per share)	<u>0.19</u>	<u>0.14</u>	<u>0.59</u>	<u>0.44</u>
	=====	=====	=====	=====

19. Cash and cash equivalents

	Unaudited 30 September 2015 AED'000	Unaudited 30 September 2014 AED'000
Cash and balances with central banks	17,095,831	25,141,848
Due from banks and financial institutions	5,532,118	3,740,534
	<u>22,627,949</u>	<u>28,882,382</u>
Less: balances and deposits with banks and financial institutions with original maturity over three months	<u>(7,608,738)</u>	<u>(11,469,554)</u>
Total	<u><u>15,019,211</u></u>	<u><u>17,412,828</u></u>

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

20. Segmental information

20.1 Reportable segments

Reportable segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group's reportable segments are organised into five major segments as follows:

- | | |
|----------------------------|---|
| - Consumer banking: | Principally handling individual customers' deposits, providing consumer murabahats, salam, home finance, ijarah, credit cards and funds transfer facilities, priority banking, wealth management and trade finance facilities. |
| - Corporate banking: | Principally handling financing, other credit facilities, deposits, current accounts, cash management and risk management products for corporate and institutional customers. |
| - Real estate development: | Property development and other real estate investments by subsidiaries. |
| - Treasury: | Principally responsible for managing the Bank's overall liquidity and market risk and provides treasury services to customers. Treasury also runs its own Islamic sukuk and specialises financial instruments book to manage the above risks. |
| - Other: | Functions other than above core lines of businesses including investment banking services. |

The accounting policies of the above reportable segments are the same as the Group's accounting policies.

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

20. Segmental information (continued)

20.2 Segment profitability

The following table presents summarised condensed consolidated interim statement of profit or loss related to Group's reportable segments:

	Consumer banking		Corporate banking		Real estate development		Treasury		Other		Total	
	Nine-month period ended 30 September		Nine-month period ended 30 September		Nine-month period ended 30 September		Nine-month period ended 30 September		Nine-month period ended 30 September		Nine-month period ended 30 September	
	2015 (Unaudited) AED'000	2014 (Unaudited) AED'000	2015 (Unaudited) AED'000	2014 (Unaudited) AED'000	2015 (Unaudited) AED'000	2014 (Unaudited) AED'000	2015 (Unaudited) AED'000	2014 (Unaudited) AED'000	2015 (Unaudited) AED'000	2014 (Unaudited) AED'000	2015 (Unaudited) AED'000	2014 (Unaudited) AED'000
Net operating revenue	2,343,967	1,858,660	1,420,743	1,162,003	300,574	410,250	663,340	455,266	59,738	123,197	4,788,362	4,009,376
Operating expenses	(1,125,883)	(952,875)	(169,066)	(146,268)	(110,644)	(110,811)	(27,154)	(21,184)	(201,405)	(163,444)	(1,634,152)	(1,394,582)
Net operating income	1,218,084	905,785	1,251,677	1,015,735	189,930	299,439	636,186	434,082	(141,667)	(40,247)	3,154,210	2,614,794
Impairment (charge) / reversal for the period, net	(415,193)	(205,792)	75,808	(194,981)	-	(129,660)	-	-	(1,390)	(7,250)	(340,775)	(537,683)
Profit for the period before income tax expense	802,891	699,993	1,327,485	820,754	189,930	169,779	636,186	434,082	(143,057)	(47,497)	2,813,435	2,077,111
Income tax expense	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	(12,064)	(17,129)
Profit for the period											2,801,371	2,059,982
											=====	=====

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

20. Segmental information (continued)

20.3 Segment financial position

The following table presents assets and liabilities regarding the Group's reportable segments:

	Consumer banking		Corporate banking		Real estate development		Treasury		Other		Total	
	30 September 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000	30 September 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000	30 September 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000	30 September 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000	30 September 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000	30 September 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Segment assets	35,623,724 =====	32,130,828 =====	57,111,933 =====	43,861,527 =====	4,963,271 =====	5,314,135 =====	25,929,501 =====	20,000,420 =====	23,844,006 =====	22,580,449 =====	147,472,435 =====	123,887,359 =====
Segment liabilities	55,157,240 =====	53,978,844 =====	58,018,436 =====	42,160,826 =====	1,312,475 =====	1,452,919 =====	9,046,193 =====	6,579,213 =====	1,851,912 =====	2,009,473 =====	125,386,256 =====	106,181,275 =====

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

21. Related party transactions

- (a) The Group enters into arm's length transactions with shareholders, directors, key management personnel, their related concerns and the Group's associates and joint ventures in the ordinary course of business at commercial profit and commission rates.
- (b) As at 30 September 2015 and 31 December 2014, the major shareholder of the Bank is Investment Corporation of Dubai ("ICD"), a company in which the Government of Dubai is the majority shareholder.
- (c) Balances and transactions between the Bank and its subsidiaries, which are related parties of the Group, have been fully eliminated upon consolidation and they are not disclosed in this note.
- (d) The significant balances and transactions with related parties included in these condensed consolidated interim financial information are as follows:

	Major shareholders AED'000	Directors and key management personnel AED'000	Associates and joint ventures AED'000	Total AED'000
As at 30 September 2015 (Unaudited)				
Islamic financing and investing assets	2,271,139	9,685	6,654	2,287,478
Investment in sukuku	821,896	-	-	821,896
Customers' deposits	10,713,181	29,969	16,891	10,760,041
Contingent liabilities and commitments	-	3	14,120	14,123
As at 31 December 2014 (Audited)				
Islamic financing and investing assets	2,329,153	10,542	7,247	2,346,942
Customers' deposits	3,314,912	69,801	19,793	3,404,506
Contingent liabilities and commitments	-	6	563	569
For the nine-month period ended 30 September 2015 (Unaudited)				
Income from Islamic financing transactions	55,988	483	522	56,993
Income from Islamic sukuku	19,602	-	-	19,602
Depositors' and sukuk holders' share of profits	54,501	56	-	54,557
For the nine-month period ended 30 September 2014 (Unaudited)				
Income from Islamic financing transactions	29,609	2,891	2,009	34,509
Depositors' and sukuk holders' share of profits	53,064	100	-	53,164

- (e) No impairment allowances have been recognised against Islamic financing and investing assets extended to related parties or contingent liabilities and commitments issued in favour of the Group's related parties during the nine-month period ended 30 September 2015 (nine-month period ended 30 September 2014: Nil).

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

21. Related party transactions (continued)

- (f) The compensation paid to / accrued for key management personnel of the Bank during the nine-month period ended 30 September 2015 and 2014 was as follows:

	Unaudited 30 September 2015 AED'000	Unaudited 30 September 2014 AED'000
Salaries and other benefits	17,909	17,003
End of service benefits	1,540	614
	=====	=====

22. Fair value of financial instruments

22.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The table below summarises the Group's financial instruments' fair value according to fair value hierarchy:

30 September 2015 (Unaudited)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Investments carried at fair value through other comprehensive income				
Quoted equity instruments	876,130	-	-	876,130
Unquoted equity instruments and funds	-	-	1,008,169	1,008,169
Other assets				
Islamic derivative assets	-	147,287	-	147,287
Total financial assets measured at fair value	876,130	147,287	1,008,169	2,031,586
	=====	=====	=====	=====
Other liabilities				
Islamic derivative liabilities	-	96,249	-	96,249
	=====	=====	=====	=====

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

22. Fair value of financial instruments (continued)

22.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

31 December 2014 (Audited)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Investments carried at fair value through other comprehensive income				
Quoted equity instruments	989,105	-	-	989,105
Unquoted equity instruments and funds	-	-	1,047,592	1,047,592
Other assets				
Islamic derivative assets	-	97,554	-	97,554
Total financial assets measured at fair value	989,105	97,554	1,047,592	2,134,251
	=====	=====	=====	=====
Other liabilities				
Islamic derivative liabilities	-	77,174	-	77,174
	=====	=====	=====	=====

There were no transfers between Level 1 and 2 during the period ended 30 September 2015 and year ended 31 December 2014.

22.2 Fair value of financial instruments measured at amortised cost

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statement approximate their fair values.

	Carrying amount AED'000	Fair value			Total AED'000
		Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
30 September 2015 (Unaudited)					
<i>Financial assets:</i>					
Investments in Islamic sukuk measured at amortised cost	19,015,739	18,970,977	-	180,121	19,151,098
	=====	=====	=====	=====	=====
31 December 2014 (Audited)					
<i>Financial assets:</i>					
Investments in Islamic sukuk measured at amortised cost	16,118,782	16,289,728	-	135,653	16,425,381
	=====	=====	=====	=====	=====

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

23. Capital adequacy ratio

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Capital base		
Tier 1 Capital	19,377,190	15,025,929
Tier 2 Capital	650,105	522,353
Deductions from capital	(689,351)	(625,780)
Total capital base	19,337,944 =====	14,922,502 =====
Risk weighted assets		
Credit risk	108,912,893	91,782,080
Market risk	1,215,915	1,111,599
Operational risk	7,444,754	7,444,754
Total risk weighted assets	117,573,562 =====	100,338,433 =====
Capital Ratios		
Total regulatory capital expressed as a percentage of total risk weighted assets ("capital adequacy ratio")	16.5%	14.9%
Tier 1 capital to total risk weighted assets after deductions for associates	16.2%	14.7%

The capital adequacy ratio calculation is based on Basel II and the U.A.E. Central Bank rules and regulations.

24. Dividend

At the Annual General Meeting of the shareholders held on 1 March 2015, the shareholders approved a cash dividend of AED 0.40 per outstanding share for 31 December 2014 amounting to AED 1,578.0 million (for the year ended 31 December 2013: cash dividend of AED 0.25 per outstanding share amounting to AED 986.5 million).

25. Seasonality of results

No income of seasonal nature was recorded in the condensed consolidated interim statement of profit or loss for the nine-month periods ended 30 September 2015 and 2014.

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

26. Subsidiaries

(a) The Group's material interest held directly or indirectly in the subsidiaries is as follows:

	Name of subsidiary	Principal activity	Place of incorporation and operation	Ownership interest and voting power	
				30 September 2015	31 December 2014
1.	DIB Capital Limited (under liquidation)	Investments and financial services	DIFC, U.A.E.	95.5%	95.5%
2.	Dubai Islamic Bank Pakistan Ltd.	Banking	Pakistan	100.0%	100.0%
3.	Tamweel P.S.C (formerly Tamweel P.J.S.C)	Financing	U.A.E	91.9%	86.5%
4.	Dubai Islamic Financial Services L.L.C.	Brokerage services	U.A.E.	95.5%	95.5%
5.	Deyaar Development P.J.S.C.	Real estate development	U.A.E	44.9%	44.9%
6.	Dar al Shariah Financial & Legal Consultancy L.L.C.	Financial and legal advisory	U.A.E.	60.0%	60.0%
7.	Al Tanmyah Services L.L.C.	Labour services	U.A.E.	99.5%	99.5%
8.	Al Tatweer Al Hadith Real Estate	Real estate development	Egypt	100.0%	100.0%
9.	Al Tameer Modern Real Estate Investment	Real estate development	Egypt	100.0%	100.0%
10.	Al Tanmia Modern Real Estate Investment	Real estate development	Egypt	100.0%	100.0%
11.	Naseej Fabric Manufacturing L.L.C.	Textile Manufacturing	U.A.E.	99.0%	99.0%
12.	DIB Printing Press L.L.C.	Printing	U.A.E.	99.5%	99.5%
13.	Al Islami Real Estate Investments Ltd.	Investments	U.A.E.	100.0%	100.0%
14.	Emirates Automotive Leasing Company	Trading in motor vehicles	U.A.E.	100.0%	100.0%

(b) In addition to the registered ownership described above, the remaining equity in the entities 1, 4, 7, 11, and 12 are also beneficially held by the Bank through nominee arrangements.

Dubai Islamic Bank P.J.S.C.

Notes to the condensed consolidated interim financial information for the nine-month period ended 30 September 2015

26. Subsidiaries (continued)

- (c) The following Special Purpose Vehicles (“SPV”) were formed to manage specific transactions including funds, and are expected to be closed upon their completion.

Name of SPV	Principal activity	Place of incorporation and operation	Ownership interest and voting power	
			30 September 2015	31 December 2014
15. HoldInvest Real Estate Sarl	Investments	Luxembourg	100.0%	100.0%
16. France Invest Real Estate SAS	Investments	France	100.0%	100.0%
17. SARL Barbanniers	Investments	France	100.0%	100.0%
18. SCI le Sevine	Investments	France	100.0%	100.0%
19. Findi Real Estate SAS	Investments	France	100.0%	100.0%
20. PASR Einudzwanzigste Beteiligungsverwaltung GMBH	Investments	Austria	100.0%	100.0%
21. Al Islami German Holding Co. GMBH	Investments	Germany	100.0%	100.0%
22. Rhein Logistics GMBH	Investments	Germany	100.0%	100.0%
23. Jef Holdings BV	Investments	Netherlands	100.0%	100.0%
24. Al Islami Trade Finance FZ L.L.C.	Investments	U.A.E.	100.0%	100.0%
25. Gulf Atlantic FZ L.L.C.	Investments	U.A.E.	100.0%	100.0%
26. Al Islami Oceanic Shipping Co FZ L.L.C.	Investments	U.A.E.	100.0%	100.0%
27. Levant One Investment Limited	Investments	U.A.E.	100.0%	100.0%
28. Petra Limited	Investments	Cayman Islands	100.0%	100.0%
29. Sequia Investments L.L.C.	Investments	U.A.E.	99.0%	99.0%
30. Blue Nile Investments L.L.C.	Investments	U.A.E.	99.0%	99.0%

- (d) In addition to the registered ownership described above, the remaining equity in the entities 29 and 30 are also beneficially held by the Bank through nominee arrangements.
- (e) In 2010, the Bank embarked on a plan to fully acquire Tamweel PSC, in a phased manner. The acquisition was envisaged to unlock full value of the company by providing long term strategic support. As part of the plan, in November 2010, the Bank acquired 37.5% shares from then strategic shareholders by paying cash, to increase the shareholding to 58.3%. Subsequently in March 2013, the Bank further acquired 28.2% shares by offering share swap of Tamweel with DIB, thereby increasing Bank’s shareholding to 86.5%.

In April 2015, the Bank made an offer to the remaining holders of the non-controlling interest of Tamweel to acquire their shares at a consideration of AED 1.25 per share. The Bank acquired 5.42% shares thereby increasing the Bank’s ownership to 91.9%. The difference between the consideration paid and the fair value of the non-controlling interest acquired has been recognised in the statement of changes in equity.

27. Comparative information

Certain comparative amounts in condensed consolidated interim statement of profit or loss and notes to the condensed consolidated interim financial information have been adjusted to conform the current presentation.

28. Approval of the condensed consolidated interim financial information

The condensed consolidated interim financial information were approved by the Board of Directors and authorised for issue on 28 October 2015.