Dubai Islamic Bank P.J.S.C.

**Consolidated primary financial statements
for the year ended 31 December 2017**

Dubai Islamic Bank P.J.S.C.

Consolidated statement of financial position
as at 31 December 2017

	Note	2017 AED'000	2016 AED'000
ASSETS			
Cash and balances with central banks	7	**27,885,248**	16,654,681
Due from banks and financial institutions	8	**4,676,952**	4,546,197
Islamic financing and investing assets, net	9	**133,334,227**	114,967,622
Investments in Islamic sukuk measured at amortised cost	10	**24,022,680**	23,408,660
Other investments measured at fair value	11	**1,961,733**	1,717,311
Investments in associates and joint ventures	12	**2,135,931**	2,034,472
Properties held for development and sale	13	**1,274,406**	1,348,130
Investment properties	14	**3,570,154**	3,058,315
Receivables and other assets	15	**7,339,199**	6,307,506
Property and equipment	16	**1,136,479**	927,611
Total assets		**207,337,009**	174,970,505
LIABILITIES AND EQUITY			
LIABILITIES			
Customers' deposits	18	**147,180,951**	122,376,950
Due to banks and financial institutions	19	**14,877,554**	10,417,918
Sukuk issued	20	**8,658,707**	7,695,155
Payables and other liabilities	21	**7,458,907**	6,968,977
Zakat payable	23	**280,372**	242,289
Total liabilities		**178,456,491**	147,701,289
EQUITY			
Share capital	24	**4,942,189**	4,942,189
Tier 1 sukuk	25	**7,346,000**	7,346,000
Other reserves and treasury shares	26	**7,785,557**	7,785,557
Investments fair value reserve	27	**(615,389)**	(751,672)
Exchange translation reserve	28	**(484,615)**	(462,774)
Retained earnings		**6,964,089**	5,641,061
Equity attributable to owners of the Bank		**25,937,831**	24,500,361
Non-controlling interests	17.3	**2,942,687**	2,768,855
Total equity		**28,880,518**	27,269,216
Total liabilities and equity		**207,337,009**	174,970,505

H.E. Mohammad Ibrahim Al Shaibani
Chairman

Abdulla Ali Al Hamli
Managing Director

Dr. Adnan Chilwan
Group Chief Executive Officer

Consolidated statement of profit or loss
for the year ended 31 December 2017

	Note	2017 AED'000	2016 AED'000
NET INCOME			
Income from Islamic financing and investing transactions	*31*	**7,794,582**	6,520,896
Commissions, fees and foreign exchange income	*32*	**1,406,507**	1,425,031
Income from other investments measured at fair value, net	*33*	**31,038**	35,548
Income from properties held for development and sale, net	*34*	**196,629**	159,390
Income from investment properties	*35*	**118,637**	75,354
Share of profit from associates and joint ventures	*12.5*	**122,050**	176,555
Other income	*36*	**529,342**	243,187
Total income		**10,198,785**	8,635,961
Less: depositors' and sukuk holders' share of profit	*37*	**(2,511,671)**	(1,874,962)
Net income		**7,687,114**	6,760,999
OPERATING EXPENSES			
Personnel expenses	*38*	**(1,568,090)**	(1,564,577)
General and administrative expenses	*39*	**(602,378)**	(574,894)
Depreciation of investment properties	*14.1*	**(45,723)**	(38,348)
Depreciation of property and equipment	*16*	**(119,451)**	(119,487)
Total operating expenses		**(2,335,642)**	(2,297,306)
Net operating income before net impairment charges and taxation		**5,351,472**	4,463,693
Impairment charges, net	*40*	**(823,453)**	(391,806)
Profit for the year before income tax expense		**4,528,019**	4,071,887
Income tax expense	*22.3*	**(24,439)**	(21,836)
Net profit for the year		**4,503,580**	4,050,051
Attributable to:			
Owners of the Bank		**4,322,195**	3,596,678
Non-controlling interests	*17.3*	**181,385**	453,373
Net profit for the year		**4,503,580**	4,050,051
Basic and diluted earnings per share (AED per share)	*41*	**0.78**	0.67

Consolidated statement of comprehensive income
for the year ended 31 December 2017

	2017 AED'000	2016 AED'000
Net profit for the year	**4,503,580**	4,050,051
Other comprehensive income / (loss) items		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations, net	**(21,841)**	(107,945)
Items that will not be reclassified subsequently to profit or loss:		
Fair value income / (loss) on other investments carried at FVTOCI, net	**134,942**	(95,246)
Other comprehensive income / (loss) for the year	**113,101**	(203,191)
Total comprehensive income for the year	**4,616,681**	3,846,860
Attributable to:		
Owners of the Bank	**4,436,603**	3,394,428
Non-controlling interests	**180,078**	452,432
Total comprehensive income for the year	**4,616,681**	3,846,860

Consolidated statement of changes in equity

for the year ended 31 December 2017

	Equity attributable to owners of the Bank								
	Share capital AED'000	Tier 1 sukuk AED'000	Other reserves and treasury shares AED'000	Investments fair value reserve AED'000	Exchange translation reserve AED'000	Retained earnings AED'000	Total AED'000	Non-controlling interests AED'000	Total equity AED'000
Balance at 1 January 2016	3,953,751	7,346,000	5,617,539	(657,367)	(354,829)	4,563,734	20,468,828	2,324,700	22,793,528
Net profit for the year	-	-	-	-	-	3,596,678	3,596,678	453,373	4,050,051
Other comprehensive loss for the year	-	-	-	(94,305)	(107,945)	-	(202,250)	(941)	(203,191)
Total comprehensive income / (loss) for the year	-	-	-	(94,305)	(107,945)	3,596,678	3,394,428	452,432	3,846,860
Transaction with owners directly in equity:									
Dividend paid (note 29)	-	-	-	-	-	(1,775,526)	(1,775,526)	(4,360)	(1,779,886)
Zakat (note 23)	-	-	-	-	-	(242,750)	(242,750)	(3,191)	(245,941)
Issue of right shares (note 24)	988,438	-	2,168,018	-	-	(1,460)	3,154,996	-	3,154,996
Tier 1 sukuk profit distribution	-	-	-	-	-	(477,490)	(477,490)	-	(477,490)
Board of Directors' remuneration	-	-	-	-	-	(22,500)	(22,500)	-	(22,500)
Acquisition of non-controlling interest	-	-	-	-	-	375	375	(726)	(351)
Balance at 31 December 2016	4,942,189	7,346,000	7,785,557	(751,672)	(462,774)	5,641,061	24,500,361	2,768,855	27,269,216
Balance at 1 January 2017	**4,942,189**	**7,346,000**	**7,785,557**	**(751,672)**	**(462,774)**	**5,641,061**	**24,500,361**	**2,768,855**	**27,269,216**
Net profit for the year	**-**	**-**	**-**	**-**	**-**	**4,322,195**	**4,322,195**	**181,385**	**4,503,580**
Other comprehensive income / (loss) for the year	**-**	**-**	**-**	**136,249**	**(21,841)**	**-**	**114,408**	**(1,307)**	**113,101**
Total comprehensive income / (loss) for the year	**-**	**-**	**-**	**136,249**	**(21,841)**	**4,322,195**	**4,436,603**	**180,078**	**4,616,681**
Transaction with owners directly in equity:									
Dividend paid (note 29)	**-**	**-**	**-**	**-**	**-**	**(2,219,403)**	**(2,219,403)**	**(3,112)**	**(2,222,515)**
Zakat (note 23)	**-**	**-**	**-**	**-**	**-**	**(282,880)**	**(282,880)**	**(3,187)**	**(286,067)**
Tier 1 sukuk profit distribution	**-**	**-**	**-**	**-**	**-**	**(477,490)**	**(477,490)**	**-**	**(477,490)**
Board of Directors' remuneration	**-**	**-**	**-**	**-**	**-**	**(19,360)**	**(19,360)**	**-**	**(19,360)**
Transfer on disposal of other investments carried at FVTOCI	**-**	**-**	**-**	**34**	**-**	**(34)**	**-**	**53**	**53**
Balance at 31 December 2017	**4,942,189**	**7,346,000**	**7,785,557**	**(615,389)**	**(484,615)**	**6,964,089**	**25,937,831**	**2,942,687**	**28,880,518**
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Consolidated statement of cash flows
for the year ended 31 December 2017

	2017 AED'000	2016 AED'000
Operating activities		
Profit for the year before income tax expense	**4,528,019**	4,071,887
Adjustments for:		
Share of profit of associates and joint ventures	**(122,050)**	(176,555)
Gain from disposal of properties held for development and sale	**(196,629)**	(159,390)
Dividend income	**(31,682)**	(35,965)
Loss on disposal of other investments measured at fair value	**650**	548
Revaluation of investments at fair value through profit or loss	**24**	(40)
Gain on sale of investments in Islamic sukuk	**(276,510)**	(89,119)
Gain on disposal of property and equipment	**(180)**	(1,506)
Gain on disposal of investment properties	**(29,268)**	(2,181)
Gain on disposal of investment in associates and joint ventures	**-**	(39,258)
Depreciation of property and equipment	**119,451**	119,487
Depreciation of investment properties	**45,723**	38,348
Property and equipment written off	**-**	1,392
Amortisation of sukuk discount	**128**	-
Provision for employees' end-of-service benefits	**18,721**	24,512
Impairment charge for the year, net	**823,453**	391,806
Operating cash flow before changes in operating assets and liabilities	**4,879,850**	4,143,966
Decrease in deposits and international murabahas with over three months maturity	**-**	2,006,558
Increase in Islamic financing and investing assets	**(19,734,746)**	(18,829,581)
Increase in receivables and other assets	**(1,044,727)**	(282,171)
Increase in customers' deposits	**25,083,081**	12,374,423
Increase in due to banks and other financial institutions	**(584,608)**	2,403,463
Increase in payables and other liabilities and zakat payable	**231,870**	120,434
Cash generated from operations	**8,830,720**	1,937,092
Employees' end-of-service benefits paid	**(17,897)**	(11,876)
Tax paid	**(34,547)**	(20,556)
Net cash generated from operating activities	**8,778,276**	1,904,660
Investing activities		
Net movement in investments in Islamic sukuk measured at amortised cost	**(412,039)**	(3,249,891)
Net movement in other investments measured at fair value	**17,186**	12,574
Dividend received	**31,682**	35,965
Additions to properties held for development and sale	**(452,056)**	(134,082)
Proceeds from disposal of properties held for development and sale	**666,701**	319,393
Additions to investment properties	**(297,503)**	(284,771)
Movement in investments in associates and joint ventures	**21,373**	40,898
Additions of property and equipment	**(339,320)**	(218,546)
Proceeds from disposal of property and equipment	**-**	4,567
Proceeds from disposal of investment properties	**66,574**	29,137
Net cash used in investing activities	**(697,402)**	(3,444,756)

Consolidated statement of cash flows (continued)
for the year ended 31 December 2017

	2017	2016
	AED'000	AED'000
Financing activities		
Dividend paid	**(2,222,515)**	(1,779,886)
Right shares issuance, net	**-**	3,154,996
Tier 1 sukuk profit distribution	**(477,490)**	(477,490)
Issuance of sukuk	**3,810,599**	2,093,230
Payment of sukuk	**(2,847,175)**	-
Net cash (used in) / generated from financing activities	**(1,736,581)**	2,990,850
Net increase in cash and cash equivalents	**6,344,293**	1,450,754
Cash and cash equivalents at the beginning of the year	**15,411,356**	14,004,495
Effect of exchange rate changes on the balance of cash held in foreign currencies	**(27,215)**	(43,893)
Cash and cash equivalents at the end of the year (note 42)	**21,728,434**	15,411,356