Dubai Islamic Bank بنك دبي الإسلامي

Press Release:

Dubai Islamic Bank successfully closes USD 750 million AT1 Perpetual Sukuk

The landmark issuance was subscribed nearly 5 times with around 40% interest generated from Asian and European investors

Dubai, UAE; January 24, 2019. Dubai Islamic Bank PJSC ("DIB"), rated A3 by Moody's (stable) and A by Fitch (stable), successfully closed a USD 750 million Additional Tier 1 (AT1) Perpetual Non-Call 6yrs Sukuk with a profit rate of 6.25% per annum, which is equivalent to 366.4bps over the implied 6-year US Treasury yield. The transaction, was only the second AT1 Sukuk under the new Basel III capital guidelines issued by the Central Bank of UAE ("CBUAE") in 2018. This was also the first hybrid capital issuance from the GCC in 2019.

The success of this transaction came on the back of an extensive marketing strategy aimed at updating international and regional investors with DIB's strategy and continued strong financial performance. As a result, DIB achieved one of the largest and high quality orderbooks from a GCC bank in over a year at USD 3.7bn from 168 investors, representing a 4.9x oversubscription. The investor base was well diversified with 62% of the Sukuk allocated to Middle East investors, 19% to UK/Europe, 18% to Asia and 1% to US offshore.

Dr. Adnan Chilwan, Group Chief Executive Officer of DIB, commented "We are very pleased with the success of this transaction and, in particular the confidence shown by international investors in the Bank's performance and strategic direction. The issuance attracted a diverse local, regional and international investor base, which helped us achieve the lowest possible pricing (6.25%) of any Basel III compliant AT1 instruments issued under the new capital guidelines from the UAE. With nearly 40% interest coming from outside of region, it is clear that our investor engagement strategy is on the right track and we will continue to maintain the open communication and level of transparency with the investor community from across the globe."

Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, J.P. Morgan, KFH Capital, Sharjah Islamic Bank and Standard Chartered Bank acted as Joint Lead Managers and Joint Bookrunners on the Sukuk.

About Dubai Islamic Bank:

Established in 1975, Dubai Islamic Bank is the largest Islamic bank in the UAE by assets and a public joint stock company listed on the Dubai Financial Market. Spearheading the evolution of the global Islamic finance industry, DIB is also the world's first full service Islamic bank and the second largest Islamic bank in the world. The Bank currently operates around 70 branches and more than 550 ATMs across the UAE, is present in seven markets worldwide and is expanding its global footprint to further grow and develop the industry. Serving close to 1.9 million customers, DIB offers its growing consumer base an increasing range of innovative Sharia compliant products and services.

In addition to being the first and largest Islamic bank in the UAE, DIB has a significant international presence as a torchbearer in promoting Shari'ah-compliant financial services across a number of markets worldwide. The bank has established DIB Pakistan Limited, a wholly owned subsidiary which is the first Islamic bank in Pakistan to offer Priority & Platinum Banking, as well as the most extensive and innovative portfolio of Alternate Distribution Channels. The launch of Panin Dubai Syariah Bank in Indonesia early in 2017 marks DIB's first foray in the Far East, the bank owns a nearly 40% stake in the Indonesian bank. Additionally, in May 2017, Dubai Islamic Bank PJSC was given the license by the Central Bank of Kenya (CBK) to operate its subsidiary, DIB Kenya Ltd.

The Bank's ultimate goal is to make Islamic finance the norm, rather than an alternative to conventional banking worldwide. DIB has won a range of accolades that are testament to these efforts across diversified areas, including retail, corporate and investment banking, as well as CSR and consultancy services. A clear indication of the bank's leadership position in the Islamic finance sector, DIB has been named the Best Islamic Bank in the various prestigious ceremonies. Recognizing its outstanding performance amongst the world's Islamic retail banks, the bank was recently named as the "Strongest Islamic Bank in the World" during the Islamic Retail Banking Awards 2018. Reflective of its leadership in the global Islamic finance industry, DIB has also been recognized with a number of accolades including Banker Middle East Awards, Dubai Service Excellence Scheme, Global Finance, The Banker and Islamic Finance News Awards.

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