Press Release

DIB profits exceed one billion Dirhams for 2004

Assets at AED30.8 billions and shareholders profit doubles

Dubai January 29, 2005: Dubai Islamic Bank (DIB) announced a 43 per cent rise in total revenue for the year ending 31st December 2004 at AED1.47 billion compared to AED1.02 billion for the previous year. Its net profit attributable to shareholders reported a record growth of 97 per cent to reach AED461 million compared to AED234 million in 2003.

Due to the significant growth in the bank's financing and investment portfolio which reported a 44 per cent rise to AED18 billion compared to AED12.5 billion in 2003, assets rose by 35 per cent from AED22.8 billion in 2003 to AED30.8 billion in 2004.

Meanwhile, customer deposits recorded a high growth of 26 per cent to reach AED 25 billion compared to AED19.9 billion in 2003. The net profit for the bank, including depositors' profits, reported a 36 per cent increase for the year ending December 2004 at AED1.02 billion compared to AED751 million for 2003.

The announcement of the results came after the meeting of the Board of Directors of the bank held yesterday to review and approve the accounts. Upon approval from the Central Bank these accounts will be presented at the Annual General Meeting to be held later.

Elaborating on the success stories and the excellent results of 2004, HE Dr. Mohammed Khalfan Bin Kharbash, Minister of State for Finance and Industry and Chairman of DIB, said: "Last year was an excellent year for the banks' history. With the loyalty and effort of all employees at DIB, we achieved remarkable financial results and excellent achievements in various fields to make 2004 an important turning point in the bank's progress."

"Our achievement last year included transactions and deals that are considered to be the largest and first of their kind in Islamic finance industry. These deals enhanced the bank's position as a world leader in Islamic finance, and revealed the bank's ability to create and structure various transactions that satisfy the increasing needs and requirements of industry on both local and regional levels," he said.

HE Dr. Kharbash indicated that a number of major operations conducted by the bank such as lead managing the largest ever US$1billion *Sukuk Al Ijara* for the Dubai Civil Aviation and arranging the record US$350 million *Ijara* syndication for Nakheel were its crown jewels of our achievements in 2004. He also highlighted the international recognition from the prestigious Euromoney magazine, which ranked DIB as the world's top Islamic deals lead manager.

HE Dr. Kharbash added: "Carrying forward DIB's journey to diversify its financial operations, we are taking a leading role in financing infrastructure projects and contributing to the business development within the UAE and the region. We have begun in 2004 to provide credit facilities to major local and regional contracting and construction companies."

HE Dr. Kharbash assured that the record growth in the bank's profits and assets in 2004 is evidence of the tremendous effort of the executive management and employees in executing the bank's strategy of diversifying and developing all the financing and investment operations while entering new fields that enhance the returns and assets of the bank. He also spoke about increasing DIB's levels of service orientation and developing distribution channels to provide the best in class banking experience to customers.

HE Dr. Kharbash pointed out that the record growth of investment and financing portfolios, which reached 44 per cent in 2004, is a strong indicator of the development by DIB of innovative investment and financial tools that will enhance the depositors' profits in 2005.

"To be able to capitalise on the achievement and to continue the growth DIB in 2005 and beyond will expand its activities and enter in to new regional markets through opening branches or representative offices and entering in to strategic alliances and partnership with leading local and international institutions."

Dr. Kharbash stressed that Emiratisation and the investment in the national human capital to enhance its efficiency is one of the bank's top priority. He added: "Within the UAE, we are rated as the Employer of Choice not only amongst the UAE national workers but also in the industry. With 40 per cent of our workforce is now UAE national, one of the highest in the industry."

HE Dr. Kharbash concluded by thanking corporate and individual clients and assuring them that the bank will strive to exceed expectations by constantly providing the finest services that satisfy evolving customer needs.

In addition to the brilliant financial results, DIB also won a clutch of industry awards and recognition in 2004. It won the JP Morgan Chase Bank's Quality Recognition Award for the outstanding quality of its funds transfer operations. It was accorded top recognition as an institution leading the region's Islamic finance industry forward through innovation at The GCC Banking Awards 2004 organized by Banker Middle East Magazine. Euromoney Institutional Investors IFW magazine awarded DIB with two prestigious awards for the best overall Islamic Retail Bank and the Best Islamic Bank for Women.