DIB announces H1 net profit of AED 707 million, a 56% increase

Total assets reach AED 50.2 billion, up by 50%

Dubai, July 18, 2006: Dubai Islamic Bank (DIB) today announced a 56% increase in its 1st half yearly net profit at the close of 30th June 2006 to reach AED 707 million, compared to AED 454 million for the same period last year.

The net profit including depositors' share of profit touched AED 1,446 million, compared to AED 902 million in the corresponding period of 2005.

DIB's total assets grew by a record 50% to AED 50.2 billion at the end of H1 2006, as compared to AED 33.5 billion at the end of H1 2005. The Financing and Investing activity achieved a significant increase of 43% to reach AED 27 billion, compared to AED 18.9 billion at the end of H1 2005.

Customer deposits also showed strong growth of 37% to reach AED 38 billion in H1 2006 as compared to AED 27.8 billion in H1 2005.

Dr. Mohamed Khalfan bin Kharbash, UAE Minister of State for Finance and Industry and Chairman of DIB, said: "The Bank's impressive performance during the first six months of this year reflects the success of our strategy to diversify our products and services to meet market dynamics. The results reflect the sustainable growth that DIB has achieved for the past few years. We will continue to roll out new products, strengthen our quality of services, and provide specialized financial solutions to corporates through strategic alliances & partnerships on the local and international scene. This approach has enabled us to deliver another sterling performance."

"We plan to aggressively expand our branch network in the UAE which should touch 53 branches by the end of 2007. Thus by the end of 2007, our branch network will have grown 340% since 2002, making us the fastest growing bank in the UAE. In line with this expansion, DIB has also taken another pioneering decision to install 97 next-generation ATMs which will double its self service banking network within the UAE. This step reflects DIB's strategy to invest in technology and continuously upgrade its IT infrastructure to provide a more convenient, secure transaction environment to our customers," he added.

DIB's branch expansion will also assist our strong commitment to Emiratisation which is one of our top priorities. We believe that Emiratisation will provide tremendous opportunities for our staff to grow and shape their career. Currently all our branch managers are UAE Nationals and we have reached 80% Emiratisation across our branches. DIB has made significant investment in the training & developing of UAE Nationals through various programs & initiatives which has resulted in achieving the highest Emiratization ratio of 43% amongst all banks.

Dr. Kharbash said: "Concurrently, DIB has ambitious expansion plans for international operations. These would be primarily in new markets and in sectors focusing on the GCC & the region supported by our strategic alliances and partners."

He noted: "The bank continues to consolidate its leadership position in the banking and finance sector by lead managing and arranging a series of landmark deals together worth AED 100 billion in various economic and business sectors during the last 16 months. The Bank also announced the US $5 billion family of sector specific private equity funds in partnership with Dubai World, which will be launched over the next 18 months."

In order to achieve higher growth and to provide high returns to its investors, DIB launched a series of investment funds during the first six month of 2006. These included "Al Islami Shipping Fund", Al Islami Capital Protected Note, Al Islami Saving Scheme, and Pan European Real Estate Fund.

As recognition for its efforts, DIB received the coveted Best Islamic Bank in the Middle East award and the Best Global Sukuk House award at the Euromoney 2006 Islamic Finance Awards. DIB also recently won the Euromoney's "Best Debt House in the UAE" Award.

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