دبي الإسلامي
DIB

Pillar 3 Disclosures Report

For the nine-month period ended 30 September 2026

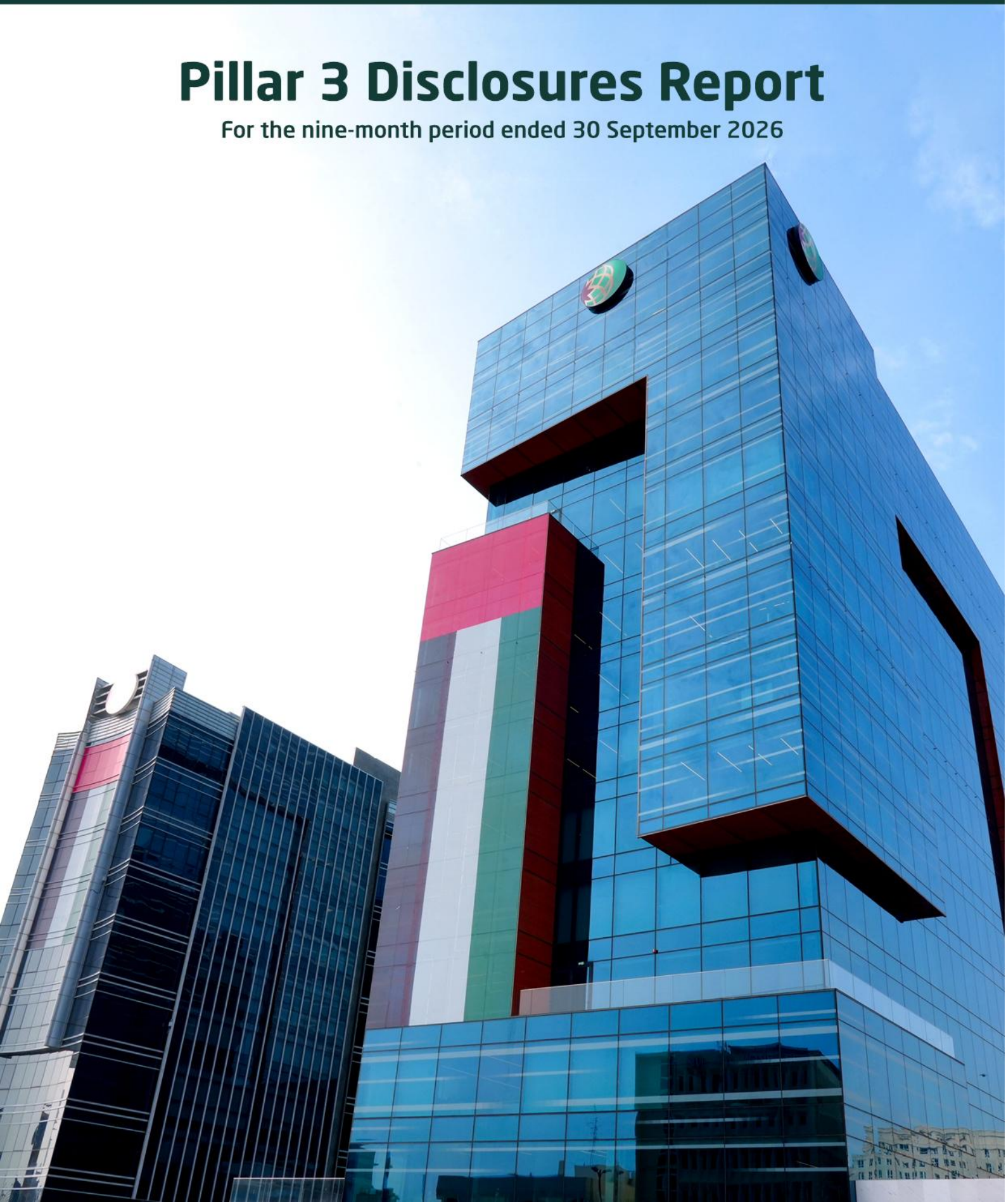


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1. Overview and Introduction

This document (as "Pillar 3 disclosures report"), in line with the requirements and guidelines of Central Bank of the UAE (the "CBUAE"), presents Pillar 3 disclosures of Dubai Islamic Bank (Public Joint Stock Company) including its banking and financial subsidiaries (as the "Bank") and all other subsidiaries (as the "Group").

The Pillar 3 disclosures report provides in-depth information about the Group's regulatory capital structure, sources and its adequacy, risk exposures, liquidity position, risk management objectives, policies and assessment processes.

The Pillar 3 disclosures report aims to provide information to the users of this report, in a clear, concise, and consistent manner. It enables market users to access key information about the Group in a transparent manner which can be easily compared with other market participants.

There have been no material changes to the Bank's Pillar 3 Disclosure Policy during the reporting period.

1.1. Scope of reporting

This report has been prepared on the consolidated basis, comprising of the parent, its banking and other financial subsidiaries, except where specifically mentioned otherwise.

1.2. Basel Regulatory Framework

The Basel Regulatory Accord framework consists of the following three main pillars:

- Pillar 1 - defines the regulatory minimum capital requirements by providing rules and regulations for measurement of credit risk, market risk and operational risk.
- Pillar 2 - addresses the Bank's Internal Capital Adequacy Assessment Process ("ICAAP") for assessing the overall capital adequacy in addition to Pillar I. Pillar II also introduces the Supervisory Review and Evaluation Process ("SREP"), which is used as a tool to assess the internal capital adequacy of banks; and
- Pillar 3 - complements the other two pillars and focuses on enhanced transparency in information disclosure, covering risk and capital management, including capital adequacy which encourages market discipline and allows market participants to assess specific information.

CBUAE has established regulatory thresholds for Common Equity Tier 1, Tier 1 and overall regulatory Capital.

- CET 1 must be at least 7.0% of risk-weighted assets (RWA).
- Tier 1 Capital must be at least 8.5% of RWA.
- Total Capital must be at least 10.5% of RWA.

On top of this minimum capital requirement, CBUAE has also mandated all the banks to keep additional buffers i.e., capital conservation buffer (CCB) of 2.5% of RWAs and a specific "D-SIB" buffer of 0.5% of RWA for DIB. The banks are also subject to counter-cyclical buffer (CCyB) that varies between zero and 2.5% of total risk-weighted assets. CCyB is currently at 0.086% for DIB with respect to credit exposures in jurisdictions attracting counter-cyclical buffer.

In March 2026, the Central Bank of the UAE issued resilience package for financial institutions. The Financial Institution Resilience Package covers five key pillars allowing banks to access monetary liquidity and provides additional flexibility to utilize excess liquidity and capital buffers to support the UAE economy. Effective 17th March 2026, CBUAE has reduced the CCyB requirement to 0% on private sector credit exposures in the UAE.

1.3. Implementation and Compliance of Basel Framework

The Bank has been in compliance with Basel Accord guidelines since December 2007, in accordance with CBUAE directives on the Standardised Approach for Credit, Market and Operational Risk.

In compliance with the CBUAE guidelines and Basel accords, these disclosures include information on the Group's risk management objectives and policies, risk assessment processes and computation, capital management and capital adequacy.

The Bank will ensure the smooth implementation of any forthcoming new guidelines and disclosure requirements from the regulator.

1.4. Macroeconomic and operating environment

The first nine months of 2026 were marked by regional geopolitical tensions and continued uncertainty across global markets. Against this backdrop, DIB remained firmly focused on serving its customers, delivering high-quality products and services, and maintaining disciplined execution of its strategy, supported by a strong and resilient financial position. The Bank's financial performance reflects these priorities.

Total assets reached AED 427.0 billion, while its capital adequacy ratio (CAR) strengthened to 16.5%. These results demonstrate the strength of DIB's business model and its capacity to sustain growth, support customers and pursue new opportunities while maintaining sound financial fundamentals.

1.5. Internal review and verification

This document, Pillar 3 disclosures report for the nine-month period ended 30th September 2026, has been reviewed by Group Internal Audit (GIA) and approved by Group CEO.

2. Key metrics of the Group (KM1)

The below table provides an overview of the Bank's key prudential metrics related to regulatory capital, capital adequacy, minimum capital ratio requirement, additional buffers, leverage ratio and liquidity ratios.

S. No.	Particulars	30 Sep 2026 AED '000'	30 Jun 2026 AED '000'	31 Mar 2026 AED '000'	31 Dec 2025 AED '000'	30 Sep 2025 AED '000'
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	41,839,002	40,220,712	38,523,956	36,897,720	39,076,846
1a	Fully loaded ECL accounting model	-	-	-	-	-
2	Tier 1	49,185,002	47,566,712	45,869,956	44,243,720	46,422,846
2a	Fully loaded ECL accounting model Tier 1	-	-	-	-	-
3	Total capital	51,437,817	49,907,492	48,095,853	46,349,806	48,609,501
3a	Fully loaded ECL accounting model total capital	-	-	-	-	-
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	311,151,165	309,882,541	305,003,237	298,907,266	292,416,000
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	13.4%	13.0%	12.6%	12.3%	13.4%
5a	Fully loaded ECL accounting model CET1 (%)	-	-	-	-	-
6	Tier 1 ratio (%)	15.8%	15.3%	15.0%	14.8%	15.9%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	-	-	-	-	-
7	Total capital ratio (%)	16.5%	16.1%	15.8%	15.5%	16.6%
7a	Fully loaded ECL accounting model total capital ratio (%)	-	-	-	-	-
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%) [1]	0.1%	0.1%	0.0%	0.0%	0.0%
10	Bank D-SIB additional requirements (%)	0.5%	0.5%	0.5%	0.5%	0.5%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	3.1%	3.1%	3.0%	3.0%	3.0%
12	CET1 available after meeting the bank's minimum capital requirements (%)	6.0%	5.6%	5.3%	5.0%	6.1%
	Leverage Ratio					
13	Total leverage ratio measure	445,267,270	441,949,461	437,132,708	432,787,442	409,043,500
14	Leverage ratio (%) (row 2/row 13)	11.0%	10.8%	10.5%	10.2%	11.3%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2a/row 13)	-	-	-	-	-
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	-	-	-	-	-

S. No.	Particulars	30 Sep 2026 AED '000'	30 Jun 2026 AED '000'	31 Mar 2026 AED '000'	31 Dec 2025 AED '000'	30 Sep 2025 AED '000'
	Liquidity Coverage Ratio [2]					
15	Total HQLA	65,440,968	65,935,225	68,741,269	76,481,287	62,493,801
16	Total net cash outflow	52,615,540	47,383,331	56,612,420	48,718,766	43,427,534
17	LCR ratio (%)	124.4%	139.2%	121.4%	157.0%	143.9%
	Net Stable Funding Ratio [2]					
18	Total available stable funding	292,202,509	285,305,398	284,372,986	282,903,056	272,200,842
19	Total required stable funding	278,015,125	272,230,225	267,007,504	260,073,517	252,101,441
20	NSFR ratio (%)	105.1%	104.8%	106.5%	108.8%	108.0%
	ELAR [3]					
21	Total HQLA	-	-	-	-	-
22	Total liabilities	-	-	-	-	-
23	Eligible Liquid Assets Ratio (ELAR) (%)	-	-	-	-	-
	ASRR [4]					
24	Total available stable funding	-	-	-	-	-
25	Total Advances	-	-	-	-	-
26	Advances to Stable Resources Ratio (%)	-	-	-	-	-

[1] CCyB is at 0.086% for 30th September 2026 (0.087% for 30th June 2026).

[2] LCR and NSFR are calculated as at the end of each period. For average LCR, refer to table LIQ1.

[3] ELAR is not applicable.

[4] ASRR is not applicable.

3. Overview of RWA (OV1)

The below table provides an overview of the total RWA(s) of the Bank (forming the denominator of the risk-based capital requirements).

S. No	Particulars	Risk-weighted assets (RWA)		Minimum capital requirements [1]	
		30 Sep 2026 AED '000'	30 Jun 2026 AED '000'	30 Sep 2026 AED '000'	30 Jun 2026 AED '000'
1	Credit risk (excluding counterparty credit risk) [2]	282,811,735	281,740,196	29,695,232	29,582,721
2	Of which: standardised approach (SA)	282,811,735	281,740,196	29,695,232	29,582,721
6	Counterparty credit risk (CCR)	914,332	1,383,126	96,005	145,228
7	Of which: standardised approach for counterparty credit risk	914,332	1,383,126	96,005	145,228
12	Equity investments in funds - look-through approach	-	-	-	-
13	Equity investments in funds - mandate-based approach	360,180	381,081	37,819	40,014
14	Equity investments in funds - fallback approach	20,828	20,946	2,187	2,199
15	Settlement risk	-	-	-	-
16	Securitisation exposures in the banking book	-	-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-	-
20	Market risk [3]	3,575,435	2,969,098	375,421	311,755
21	Of which: standardised approach (SA)	3,575,435	2,969,098	375,421	311,755
23	Operational risk	23,468,655	23,388,094	2,464,209	2,455,750
26	**Total (1+6+12+13+14+15+16+20+23)**	**311,151,165**	**309,882,541**	**32,670,873**	**32,537,667**

[1] The minimum capital requirement applied is 10.5% in line with the guidance of Pillar 3 disclosures. In addition to this, the Bank is required to maintain a combined buffer of 3.086% as of 30th September 2026 (3.087% as of 30th June 2026), including CCyB, to CET 1.

[2] Including CVA but excluding equity investment in funds and Settlement risk.

[3] Increase in Market RWA is primarily driven by increase in Specific risk.

4. Leverage ratio

4.1. Summary comparison of accounting assets vs leverage ratio exposure measure (LR1)

The below table provides reconciliation of the total assets in the published financial statements to the leverage ratio exposure measure.

S. No.	Particulars	30 Sep 2026 AED '000'	30 Jun 2026 AED '000'
1	Total consolidated assets as per published financial statements	427,006,963	423,169,651
2	Adjustments for investments in banking, financial, Insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(4,215,472)	(4,398,423)
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustments for eligible cash pooling transactions	-	-
8	Adjustments for Sharia-compliant derivative financial instruments	640,822	1,321,830
9	Adjustment for securities financing transactions (i.e. repos and similar secured financing)	417,160	463,360
10	Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	20,876,635	20,822,960
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-
12	Other adjustments	541,162	570,083
13	**Leverage ratio exposure measure**	**445,267,270**	**441,949,461**

4.2. Leverage ratio common disclosure template (LR2)

The below table provides a detailed breakdown of the components of the leverage ratio exposure, as well as information on the leverage ratio, minimum requirements and buffers.

S. No.	Particulars	30 Sep 2026 AED '000'	30 Jun 2026 AED '000'
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding Sharia-compliant derivatives and securities financing transactions (SFTs), but including collateral)	418,048,871	415,018,278
2	Gross-up for Sharia-compliant derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in Sharia-compliant derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(479,216)	(425,804)
7	**Total on-balance sheet exposures (excluding Sharia-compliant derivatives and SFTs) (sum of rows 1 to 6)**	**417,569,655**	**414,592,474**
	Sharia-compliant derivative exposures		
8	Replacement cost associated with all Sharia-compliant derivative transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	366,866	782,168
9	Add-on amounts for PFE associated with all Sharia-compliant derivative transactions	1,613,225	1,615,666
10	(Exempted CCP leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written Sharia-compliant credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written Sharia-compliant credit derivatives)	-	-
13	**Total Sharia-compliant derivative exposures (sum of rows 8 to 12)**	**1,980,091**	**2,397,834**
	Securities financing transactions		
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	4,423,729	3,672,834
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	417,160	463,359
17	Agent transaction exposures	-	-
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	**4,840,889**	**4,136,193**
	Other off-balance sheet exposures		
19	Off-balance sheet exposure at gross notional amount	45,081,559	44,674,518
20	(Adjustments for conversion to credit equivalent amounts)	(24,204,924)	(23,851,558)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	**Off-balance sheet items (sum of rows 19 to 21)**	**20,876,635**	**20,822,960**
	Capital and total exposures		
23	**Tier 1 capital**	**49,185,002**	**47,566,712**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**445,267,270**	**441,949,461**
	Leverage ratio		
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**11.0%**	**10.8%**
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.0%	10.8%
26	CBUAE minimum leverage ratio requirement	3.5%	3.5%
27	Applicable leverage buffers	-	-

5. Liquidity Risk

5.1. Liquidity Coverage Ratio – LCR (LIQ1)

30 September 2026 – AED '000'

S. No	Particulars	Total unweighted value (average)	Total weighted value (average)
	High-quality liquid assets		
1	**Total HQLA**		**67,080,935**
	Cash outflows		
2	**Retail deposits and deposits from small business customers, of which:**	**59,649,040**	**3,226,603**
3	Stable deposits	54,766,026	2,738,301
4	Less stable deposits	4,883,014	488,301
5	**Unsecured wholesale funding, of which:**	**108,116,519**	**45,683,678**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	15,700,677	3,925,169
7	Non-operational deposits (all counterparties)	92,415,842	41,758,508
8	Unsecured debt	-	-
9	**Secured wholesale funding**		**-**
10	**Additional requirements, of which:**	**46,841,328**	**7,460,534**
11	Outflows related to Sharia-compliant derivative exposures and other collateral requirements	3,892,176	778,435
12	Outflows related to loss of funding of debt products	-	-
13	Credit and liquidity facilities	42,949,151	6,682,098
14	**Other contractual funding obligations**	**-**	**-**
15	**Other contingent funding obligations**	**-**	**-**
16	**TOTAL CASH OUTFLOWS**		**56,370,814**
	Cash inflows		
17	Secured financing (e.g. reverse repo)	-	-
18	Inflows from fully performing exposures	3,001,233	1,500,616
19	Other cash inflows	2,092,795	2,092,795
20	**TOTAL CASH INFLOWS**	**5,094,028**	**3,593,411**
	Total adjusted value		
21	**Total HQLA**		**67,080,935**
22	**Total net cash outflows**		**52,777,403**
23	**Liquidity coverage ratio (%)**		**127.54%**

30 June 2026 – AED '000'

S. No	Particulars	Total unweighted value (average)	Total weighted value (average)
	High-quality liquid assets		
1	**Total HQLA**		**67,298,989**
	Cash outflows		
2	**Retail deposits and deposits from small business customers, of which:**	**62,491,795**	**3,360,730**
3	Stable deposits	57,768,989	2,888,449
4	Less stable deposits	4,722,805	472,281
5	**Unsecured wholesale funding, of which:**	**109,396,612**	**47,819,252**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	17,560,805	4,390,201
7	Non-operational deposits (all counterparties)	91,835,807	43,429,051
8	Unsecured debt	-	-
9	**Secured wholesale funding**		**-**
10	**Additional requirements, of which:**	**42,941,254**	**6,811,764**
11	Outflows related to Sharia-compliant derivative exposures and other collateral requirements	1,695,210	339,042
12	Outflows related to loss of funding of debt products	-	-
13	Credit and liquidity facilities	41,246,043	6,472,722
14	**Other contractual funding obligations**	**-**	**-**
15	**Other contingent funding obligations**	**-**	**-**
16	**TOTAL CASH OUTFLOWS**		**57,991,746**
	Cash inflows		
17	Secured financing (e.g. reverse repo)	-	-
18	Inflows from fully performing exposures	3,500,818	1,750,409
19	Other cash inflows	3,606,308	3,606,308
20	**TOTAL CASH INFLOWS**	**7,107,126**	**5,356,717**
	Total adjusted value		
21	**Total HQLA**		**67,298,989**
22	**Total net cash outflows**		**52,635,029**
23	**Liquidity coverage ratio (%)**		**128.1%**

The LCR is designed to ensure that banks hold a sufficient reserve of high-quality liquid assets (HQLA) to allow them to survive a period of significant liquidity stress lasting 30 calendar days. LCR ratio of the Bank as at 30th September 2026 was 124.4% (30th June 2026 was 139.2%) whereas the average LCR ratio for the quarter ended 30th September 2026 was 127.5% (30th June 2026 was 128.1%). LCR both spot and average are higher than CBUAE current minimum requirement of LCR 100%.

Appendix 1: List of Tables not applicable for the Bank

Reference	Table name
ELAR	Eligible Liquid Assets Ratio
ASRR	Advances to Stables Resource Ratio



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Dubai Islamic Bank (Public Joint Stock Company)