



Pillar 3 Disclosures Report

For the nine-month period ended 30 September 2025



Table of Contents

1. Overview and Introduction.....2

1.1. Scope of reporting2

1.2. Basel Regulatory Framework.....2

1.3. Implementation and Compliance of Basel Framework.....2

1.4. Internal review and verification2

2. Key metrics of the Group (KM1)3

3. Overview of RWA (OV1).....5

4. Leverage ratio6

4.1. Summary comparison of accounting assets vs leverage ratio exposure measure (LR1).....6

4.2. Leverage ratio common disclosure template (LR2)7

5. Liquidity Risk9

5.1. Liquidity Coverage Ratio – LCR (LIQ1)9

1. Overview and Introduction

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

The Pillar 3 disclosures report also 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.

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 I - defines the regulatory minimum capital requirements by providing rules and regulations for measurement of credit risk, market risk and operational risk.
- Pillar II - 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 III - 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 (CET1), Tier 1 and overall regulatory Capital.

- CET1 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 the above 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 0.0065% for DIB with respect to credit exposures in jurisdictions attracting counter-cyclical buffer.

CBUAE has increased the CCyB requirement on the private sector credit exposures in the UAE from 0% to 0.50%. The requirement will be effective on 1 January 2026 with a phase-in period of 12 months, beginning on 1 January 2025.

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. Internal review and verification

This document, Pillar III disclosures report for the nine-month period ended 30 September 2025, has been audited by Group Internal Audit (GIA).

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 2025 AED 000	30 Jun 2025 AED 000	31 Mar 2025 AED 000	31 Dec 2024 AED 000	30 Sep 2024 AED 000
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	39,076,846	36,835,002	35,634,702	34,035,967	36,053,021
1a	Fully loaded ECL accounting model	-	-	-	-	-
2	Tier 1	46,422,846	44,181,002	42,980,702	44,136,717	44,317,271
2a	Fully loaded ECL accounting model Tier 1	-	-	-	-	-
3	Total capital	48,609,501	47,413,515	46,010,113	47,062,141	47,273,652
3a	Fully loaded ECL accounting model total capital	-	-	-	-	-
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	292,416,000	283,852,030	266,545,023	257,207,564	258,677,801
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	13.4%	13.0%	13.4%	13.2%	13.9%
5a	Fully loaded ECL accounting model CET1 (%)	-	-	-	-	-
6	Tier 1 ratio (%)	15.9%	15.6%	16.1%	17.2%	17.1%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	-	-	-	-	-
7	Total capital ratio (%)	16.6%	16.7%	17.3%	18.3%	18.3%
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	0.0%	0.0%	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)	3.0%	3.0%	3.0%	3.0%	3.0%
12	CET1 available after meeting the bank's minimum capital requirements (%)	6.1%	6.0%	6.4%	6.2%	6.9%

S. No.	Particulars	30 Sep 2025 AED 000	30 Jun 2025 AED 000	31 Mar 2025 AED 000	31 Dec 2024 AED 000	30 Sep 2024 AED 000
	Leverage Ratio					
13	Total leverage ratio measure	409,043,500	389,731,523	370,709,994	359,668,206	345,187,023
14	Leverage ratio (%) (row 2/row 13)	11.3%	11.3%	11.6%	12.3%	12.8%
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)	-	-	-	-	-
	Liquidity Coverage Ratio ²					
15	Total HQLA	62,493,801	57,519,870	59,220,568	61,496,995	48,438,757
16	Total net cash outflow	43,427,534	44,810,848	44,323,982	38,591,203	34,526,926
17	LCR ratio (%)	143.9%	128.4%	133.6%	159.4%	140.3%
	Net Stable Funding Ratio ²					
18	Total available stable funding	272,200,842	258,386,399	236,085,365	240,737,338	223,443,867
19	Total required stable funding	252,101,441	242,050,850	224,754,568	215,718,155	212,757,741
20	NSFR ratio (%)	108.0%	106.7%	105.0%	111.6%	105.0%
	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 (%)	-	-	-	-	-

¹CCyB is at 0.0065% for 30 September 2025 (0.0066% for 30 June 2025).

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

³ELAR is not applicable.

⁴ASRR is not applicable.

3. Overview of RWA (OV1)

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

S. No	Particulars	Risk weighted assets (RWA)		Minimum capital requirements ¹	
		30 Sep 2025 AED '000'	30 Jun 2025 AED '000'	30 Sep 2025 AED '000'	30 Jun 2025 AED '000'
1	Credit risk (excluding counterparty credit risk) ²	263,493,330	256,011,191	27,666,800	26,881,174
2	Of which: standardised approach (SA)	263,493,330	256,011,191	27,666,800	26,881,174
6	Counterparty credit risk (CCR)	1,901,736	1,849,515	199,682	194,199
7	Of which: standardised approach for counterparty credit risk	1,901,736	1,849,515	199,682	194,199
12	Equity investments in funds - look-through approach	-	-	-	-
13	Equity investments in funds - mandate-based approach	429,589	460,496	45,107	48,352
14	Equity investments in funds - fallback approach	279,815	279,815	29,381	29,381
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	3,601,753	3,404,967	378,184	357,522
21	Of which: standardised approach (SA)	3,601,753	3,404,967	378,184	357,522
23	Operational risk	22,709,777	21,846,046	2,384,527	2,293,835
26	Total (1+6+12+13+14+15+16+20+23)	292,416,000	283,852,030	30,703,680	29,804,463

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 3.006% (including CCyB) to CET 1.

² Including CVA but excluding equity investment in funds and Settlement 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 2025 AED '000'	30 Jun 2025 AED '000'
1	Total consolidated assets as per published financial statements	392,952,529	373,479,349
2	Adjustments for investments in banking, financial, Insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(4,081,759)	(3,904,332)
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	1,658,128	1,398,850
9	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-	-
10	Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	17,795,701	18,123,198
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-
12	Other adjustments	718,900	634,458
13	Leverage ratio exposure measure	409,043,500	389,731,523

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 2025 AED '000'	30 Jun 2025 AED '000'
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding Sharia-compliant derivatives and securities financing transactions (SFTs), but including collateral) ¹	388,590,423	369,088,417
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)	(457,713)	(437,446)
7	Total on-balance sheet exposures (excluding Sharia-compliant derivatives and SFTs) (sum of rows 1 to 6)	388,132,710	368,650,971
	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)	1,525,737	1,568,309
9	Add-on amounts for PFE associated with all Sharia-compliant derivative transactions	1,589,352	1,389,045
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)	3,115,089	2,957,354
	Securities financing transactions		
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of rows 14 to 17)	-	-
	Other off-balance sheet exposures		
19	Off-balance sheet exposure at gross notional amount	37,511,808	38,589,501
20	(Adjustments for conversion to credit equivalent amounts)	(19,716,107)	(20,466,303)
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)	17,795,701	18,123,198
	Capital and total exposures		
23	Tier 1 capital	46,422,846	44,181,002
24	Total exposures (sum of rows 7, 13, 18 and 22)	409,043,500	389,731,523

	Leverage ratio		
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	11.3%	11.3%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.3%	11.3%
26	CBUAE minimum leverage ratio requirement	3.5%	3.5%
27	Applicable leverage buffers	-	-

¹ The On-balance sheet exposure increased in 'September 2025' from 'June 2025', mainly due to increase in exposure to financing and sukuk.

5. Liquidity Risk

5.1. Liquidity Coverage Ratio – LCR (LIQ1)

30 September 2025 – AED ‘000’

S. No	Particulars	Total unweighted value (average)	Total weighted value (average)
	High-quality liquid assets		
1	Total HQLA		62,184,874
	Cash outflows		
2	Retail deposits and deposits from small business customers, of which:	58,069,291	4,113,604
3	Stable deposits	33,866,493	1,693,325
4	Less stable deposits	24,202,798	2,420,280
5	Unsecured wholesale funding, of which:	87,609,334	34,742,886
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	22,371,160	5,592,790
7	Non-operational deposits (all counterparties)	65,238,173	29,150,095
8	Unsecured debt	-	-
9	Secured wholesale funding		-
10	Additional requirements, of which:	38,404,908	6,004,851
11	Outflows related to Sharia-compliant derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding of debt products	-	-
13	Credit and liquidity facilities	38,404,908	6,004,851
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	-	-
16	TOTAL CASH OUTFLOWS		44,861,341
	Cash inflows		
17	Secured lending (e.g. reverse repo)	-	-
18	Inflows from fully performing exposures	3,359,212	1,679,606
19	Other cash inflows	2,496,572	2,496,572
20	TOTAL CASH INFLOWS	5,855,784	4,176,178
	Total adjusted value		
21	Total HQLA		62,184,874
22	Total net cash outflows		40,685,163
23	Liquidity coverage ratio (%)		153.6%

30 June 2025 – AED ‘000’

S. No	Particulars	Total unweighted value (average)	Total weighted value (average)
	High-quality liquid assets		
1	Total HQLA		61,260,814
	Cash outflows		
2	Retail deposits and deposits from small business customers, of which:	55,870,807	4,531,223
3	Stable deposits	21,117,150	1,055,858
4	Less stable deposits	34,753,657	3,475,366
5	Unsecured wholesale funding, of which:	88,178,711	35,427,345
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	19,598,709	4,899,677
7	Non-operational deposits (all counterparties)	68,580,002	30,527,667
8	Unsecured debt	-	-
9	Secured wholesale funding		-
10	Additional requirements, of which:	36,978,500	5,679,419
11	Outflows related to Sharia-compliant derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding of debt products	-	-
13	Credit and liquidity facilities	36,978,500	5,679,419
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	-	-
16	TOTAL CASH OUTFLOWS		45,637,987
	Cash inflows		
17	Secured lending (e.g. reverse repo)	-	-
18	Inflows from fully performing exposures	3,432,297	1,716,148
19	Other cash inflows	2,394,951	2,394,951
20	TOTAL CASH INFLOWS	5,827,248	4,111,100
	Total adjusted value		
21	Total HQLA		61,260,814
22	Total net cash outflows		41,526,887
23	Liquidity coverage ratio (%)		148.0%

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 2025 was 143.9% (30th June 2025 was 128.4%) whereas the average LCR ratio for the quarter ended 30th September 2025 was 153.6% (30th June 2025 was 148.0%). LCR both spot and average are higher than CBUAE current minimum requirement of LCR 100%.



dib.ae

Dubai Islamic Bank (Public Joint Stock Company)