دبي الإسلامي
DIB

Annual Report 2025

# Rich legacy, Exciting future

# At the crossroads of a rich legacy and an exciting future.

Since 1975, DIB has helped shape the course of ethical banking by offering Sharia-compliant financial services that now reach more than 5 million customers, with operations spanning seven countries across three continents.

Reflecting on its remarkable journey, DIB unveiled a new corporate brand identity that captures the essence of the Bank's pioneering legacy and its bold vision for the future...

*Progress Never Stops*


In 2025, DIB celebrated its Golden Jubilee – a historic milestone for the bank and for Islamic finance globally.

To mark this occasion and honour the Bank's achievements over five decades, the Central Bank of the UAE issued commemorative silver coins.

# Looking back with pride...

Founded under the guidance of the Late His Highness Sheikh Rashid bin Saeed Al Maktoum, and brought to life by the foresight of Haj Saeed bin Ahmed Lootah, DIB began as an ambitious idea to align modern banking with Islamic principles.

# ...and forward with a bold vision

Today, the Bank is recognised globally as a reference point in the industry, and it is often cited for its pioneering role in establishing Islamic banking frameworks worldwide.

At a Glance

# Our values

Our organisational values are the essence of our identity and define our culture. Our **ICARE** values serve as a compass, guiding our actions and decisions in good times and challenging moments. By articulating them, we are creating a shared sense of purpose and identity.

**I**

## INCLUSIVE

Accessible to all and most importantly, without bias.

**C**

## COLLABORATIVE

Connected together as a team to deliver banking with ease.

**A**

## AGILE

Deliver faster solutions and provide happy experiences.

**R**

## RESPONSIBLE

Fair, transparent and accountable in making responsible decisions.

**E**

## ENGAGED

Passionate and committed to delivering fulfilling journeys.

At a Glance

# Our purpose

To instil simplicity and convenience in all our offerings through a personal and engaging experience aligned to global sustainable practices for a better future.

# Our vision

To be the most progressive Islamic financial institution in the world.

**#1**
Islamic Bank in the UAE by assets

**AED 67 Bn**
Market capitalisation as of 31 Dec' 2025

**Ratings**

**A3** Stable
**Moody's**

**A** Stable
**Fitch**

**A+** Stable
**IIRA***

**A**
**MSCI****

* Islamic International Rating Agency
** ESG Rating

# Contents



## Strategic Report




## Governance



## Financial statements

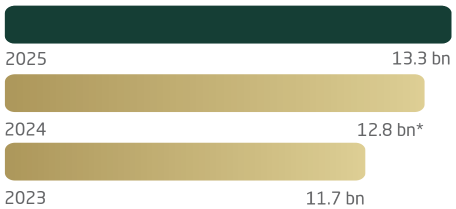
Financial Highlights

# Earnings momentum backed by solid asset growth

**Operating Revenue (AED)**

## 13.3 Bn

+ 5% YoY




**Operating Profit (AED)**

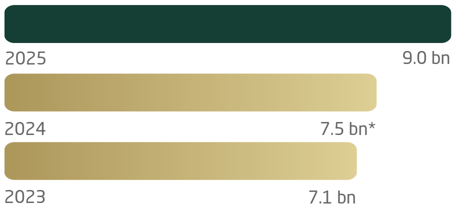
## 9.5 Bn

+ 4% YoY


**Net Profit (Before Tax) (AED)**

## 9.0 Bn

+ 20% YoY

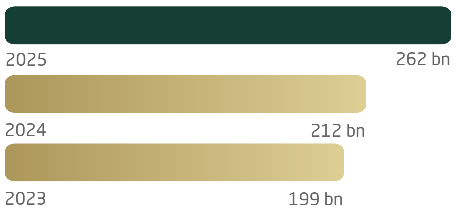



- The Bank delivered solid revenue momentum while achieving strong profitability growth. Continued efficiency and disciplined risk management supported strengthening of bottom-line performance.

**Net Financing Assets (AED)**

## 262 Bn

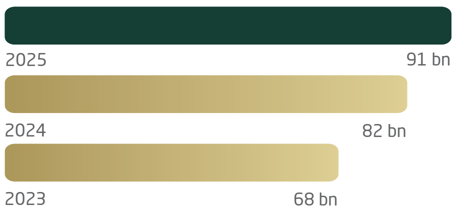
+ 23% YoY




**Sukuk Investments (AED)**

## 91 Bn

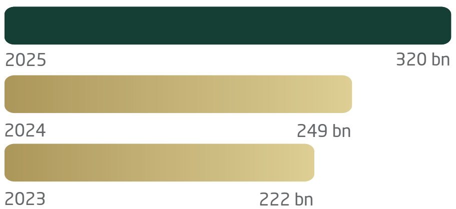
+ 10% YoY




**Customer Deposits (AED)**

## 320 Bn

+ 29% YoY




- Balance sheet growth remained robust across all core metrics, reflecting sustained business momentum and a strong customer franchise. Expansion in financing assets and sukuk investments was supported by particularly strong deposit growth, reinforcing liquidity and funding strength.

* Normalised for impact of one-off recovery in FY'24.

Operational and ESG Highlights

# Build future-ready franchise

### Total Active UAE Customers (#)

**1.7 Mn**

↑ 8%

Growth driven by digital channels as enhancements on digital platforms continued to be focused upon by the bank. Additionally, targeted marketing campaigns highlighting DIB's customer propositions also contributed to the growth

### Digital Banking Transactions

**8.0 Mn**

↑ 15%

Deeper customer engagement and sustained adoption of digital channels continue to underpin higher digital usage, contributing to higher operational efficiency.

### Digital Penetration

**80%**

↑ 100 bps

Increasing number of digital users reflecting sustained adoption and deeper engagement across the bank's digital platforms.

### DCM Transactions Executed

**AED 209 Bn**

↑ 55%

Robust growth in DCM deals during the year completing deals across the region in key sectors such as utilities, aviation, financial institutions and sovereigns.

### Sustainable Finance Portfolio

**AED 19.5 Bn**

↑ 105%

Portfolio growth driven by introduction of sustainability-linked finance and dedicated focus on commercial growth. The bank undertook several landmark transactions across the Real Estate, Utilities, and Aviation sectors, supporting advances in Clean Transportation, Energy Efficiency, and Green Buildings.

### Sustainability-linked Sukuk issued

**AED 3.7 Bn**

Inaugural

First issuance of its kind for DIB, which allocates the proceeds to client facilities with ESG KPIs and sustainability performance targets. This builds on the Bank's earlier achievement of being the first Islamic institution to establish a Sustainability-Linked Finance Facilities Financing (SLFFF) Framework.

### Allocation of Sustainable Sukuk Proceeds

**AED 10.1 Bn**

↑ 27%

All of DIB's outstanding Sustainable Sukuk proceeds have been allocated with surplus to Green and Social projects under the Sustainable Finance Framework.

### Premises meeting LEED standards

**11**

↑ 22%

Eight branches were renovated or upgraded in 2025 to meet LEED Gold requirements and submitted for certification. At the end of 2025, 10 premises were LEED Gold certified, one LEED Platinum.

All growth percentages are YoY.

# Steadfast leadership, sustainable progress.

**His Excellency Mohammed Ibrahim Al Shaibani**
**Director General of His Highness The Dubai Ruler’s Court**
**Chairman, DIB**

The year 2025 stands as another defining chapter in DIB’s journey of purposeful growth and leadership. Guided by a clear vision and disciplined governance, the Bank further strengthened its position as one of the most influential Islamic financial institutions globally, advancing with the same conviction and integrity that have underpinned its success for five decades.

## Chairman's Message continued

Throughout the year, DIB remained focused on endurance, responsible growth, and innovation. The Bank's strong financial performance, prudent balance sheet management, and operational excellence reflected its ability to navigate an increasingly complex global environment. Profitability remained robust, with disciplined cost control and steady income growth across business segments, underscoring the effectiveness of the Bank's strategy and execution.

The international environment in 2025 was marked by continued geopolitical tension and economic uncertainty. Global trade routes experienced disruptions, commodity markets remained volatile, and inflationary pressures persisted in major economies. Yet amid these challenges, the United Arab Emirates demonstrated remarkable resilience. According to the Central Bank of the UAE, national GDP is projected to grow 5% driven by strong non-oil sector performance, higher energy output, and expanding investment flows. These achievements reaffirm the strength of the UAE's economic model and its capacity to maintain stability in a rapidly evolving world.

Within this environment, the UAE banking sector continued to play a pivotal role in sustaining national progress. Supported by sound regulation, high capital adequacy, and strong liquidity positions, the sector remains among the most stable in the world. Islamic finance, in particular, continues to expand its global footprint, reinforcing the UAE's leadership as a hub for Sharia-compliant innovation and sustainable investment.

At DIB, transformation remains central to our long-term vision. During 2025, the Bank advanced its digital agenda, modernising core systems and embedding data-driven capabilities that enhance agility, service quality, and operational efficiency. These investments ensure that DIB continues to meet the evolving expectations of customers while strengthening the Bank's ability to respond to emerging opportunities.

Equally significant this year was the unveiling of DIB's new corporate identity and slogan, ***Progress Never Stops***. This milestone represents more than a rebrand; it reflects the spirit of continuous evolution that defines DIB's journey. The new identity symbolises our commitment to innovation, inclusion, and sustainability, values that align with the UAE's vision for a diversified, knowledge-based economy, and reaffirm DIB's role as a catalyst for financial progress across communities and markets.

Sustainability remains an integral pillar of DIB's strategy. The Bank continued to align with the UAE's Net Zero by 2050 pathway, expanding green and social Sukuk programmes and embedding ESG principles across governance and risk frameworks. Through these efforts, DIB contributes to the nation's broader environmental and social objectives while ensuring that long-term value creation remains at the heart of its business model.

DIB's Board of Directors and Group Chief Executive Officer at the 50th anniversary celebration held in May 2025, marking five decades of institutional progress and strategic transformation.

Looking ahead, DIB will continue to build on its heritage of resilience and reliability. The Bank's priorities will remain focused on maintaining a resilient balance sheet, fostering innovation, and advancing responsible growth in alignment with national aspirations. Guided by Sharia principles and a commitment to transparency and accountability, DIB will continue to shape the future of Islamic finance and support the UAE's journey of sustainable development.

Total assets rose to

**AED 416 Bn**

supported by a diversified financing portfolio and a solid deposit base.

Chairman's Message continued

On behalf of the Board of Directors, I wish to express my deepest gratitude to **His Highness Sheikh Mohamed bin Zayed Al Nahyan**, President of the UAE and Ruler of Abu Dhabi, and **His Highness Sheikh Mohammed bin Rashid Al Maktoum**, Vice President and Prime Minister of the UAE and Ruler of Dubai, for their visionary leadership and enduring support. Their guidance continues to inspire our mission and our contribution to the nation's progress.

I extend my sincere appreciation to our Board of Directors, Group Chief Executive Officer, management team, and employees for their unwavering dedication. I also thank our shareholders, customers, and partners for their trust and confidence. Together, we remain committed to strengthening DIB's legacy, championing sustainable growth, and ensuring that, true to our identity, ***Progress Never Stops.***

**H.E. Mohammed Ibrahim Al Shaibani**
Director General of His Highness The Dubai Ruler's Court
Chairman, DIB


His Excellency Mohammed Ibrahim Al Shaibani delivering a heartfelt address to DIB employees during the Golden Jubilee celebration, honouring DIB's 50-year legacy and the people who shaped its journey.

Group Chief Executive Officer’s Message

# From legacy to leadership - *Progress Never Stops*

**Dr. Adnan Chilwan,**
**Group Chief Executive Officer, DIB**

The year 2025 represents a turning point in DIB’s evolution. At the midpoint between our past and the next frontier, we embraced with resolve the responsibility of not just preserving our legacy, but defining what the next 50 years of Islamic finance will look like.

Group Chief Executive Officer's Message continued

Our new corporate identity and slogan, ***Progress Never Stops***, is not mere branding; it encapsulates our cultural ethos, our operational ambition, and our promise to stakeholders: **to continuously advance, adapt, and lead**.

## Performance and Financial Momentum

In 2025, DIB reaffirmed its position as a market leader, delivering strong results across all key performance indicators. Operating revenues rose to AED 13.3 billion, supported by a balanced and diversified business mix, while pre-tax profits increased by 20% YoY* to reach AED 9 billion, reflecting disciplined growth, strategic portfolio management, and sustained cost efficiency. Total assets grew to AED 416 billion, underpinned by robust financing and deposit growth, a resilient funding base, and solid capital and liquidity buffers that continue to exceed regulatory benchmarks. These results reinforce DIB's position as a trusted financial institution, built on strong governance, strategic foresight, and a commitment to long-term stability.

Such outcomes attest to prudent balance sheet management, cost discipline, and an ability to generate diversified income streams across retail, corporate, and investment banking lines. They also reflect the success of our efforts to modernise processes, optimise operations, and harness data analytics to drive decision-making.

## Strategic Deals: Sovereign, Aviation, and Agribusiness

DIB further strengthened its standing in global capital markets, ranking third worldwide in the International Sukuk Bookrunner League Table, according to Cbonds. This recognition reflects the Bank's growing influence in international Islamic finance and its strategic role in shaping the global Sukuk landscape.

During the year, DIB completed several landmark transactions that expanded international footprint across key sectors. Among the most notable was a USD 1 billion sovereign financing facility, structured as a Sharia-compliant commodity Murabaha. DIB served as the Sole Islamic Global Coordinator and Joint Mandated Lead Arranger, with approximately 89% of the total facility structured under Islamic principles. The transaction strengthened our position in sovereign capital markets and affirmed the trust placed in DIB by institutional and governmental partners worldwide.

In aviation, DIB completed a Sharia-compliant aircraft financing under a long-term Ijarah lease arrangement. This first engagement with the airline marked a milestone for the Bank, reinforcing confidence in our ability to deliver cross-border, asset-backed Islamic finance structures.

Dr. Adnan Chilwan, Group Chief Executive Officer, addressing colleagues, the Chairman of the Board and the Board of Directors during his keynote at DIB's 50th anniversary celebration.

Within agribusiness, DIB acted as Senior Mandated Lead Arranger and Investment Agent for the Islamic tranche of a dual-tranche syndicated financing, supporting a global agriculture group. The transaction reflected the Bank's leadership in extending Sharia-compliant financing to the real economy and its role in advancing sustainable sectors such as food security.

Collectively, these and other mandates highlight DIB's institutional and international capabilities, from sovereign financing to corporate and sector-specific partnerships, cementing its position as a trusted global partner in Islamic finance and a leading force in advancing Sharia-compliant financial innovation.

* Normalised for impact of one-off recovery in FY'24.

Group Chief Executive Officer's Message continued

## Transformation and Technology

Transformation at DIB is more than a headline; it is central to how we operate. In 2025, we accelerated our digital agenda through several key milestones:

- Migration to upgraded core banking systems, enabling faster and more resilient transaction processing with a modular, scalable architecture.
- Deployment of advanced data analytics and AI-driven models to enhance customer insight, financing decisioning, fraud detection, and next-best-offer capabilities.
- Expansion of digital service channels with greater personalisation and seamless user journeys across mobile and web platforms.
- Continued investment in cybersecurity, cloud infrastructure, and governance frameworks to ensure robustness, data privacy, and risk resilience.

These advancements are not optional; they are essential to sustaining relevance in an environment where competitiveness is defined as much by technological capability as by financial strength. At DIB, transformation is not a project but a mindset, ensuring that our ethos is more than aspirational; it is operational.

## Sustainability, Governance, and Purpose

At DIB, sustainability is not a parallel pursuit; it is an expression of our faith and responsibility. Grounded in Sharia principles of balance, fairness, and stewardship, our approach to Environmental, Social, and Governance (ESG) integration is guided by purpose rather than obligation.

In 2025, we advanced this agenda across several fronts, expanding our sustainable finance portfolio through green and social Sukuk that channel capital toward initiatives aligned with the UAE's Net Zero by 2050 vision. We strengthened ESG governance by embedding measurable sustainability metrics within risk frameworks, leadership accountability, and performance management, ensuring that every level of decision making reflects our broader responsibility. Simultaneously, DIB scaled community-focused programmes supporting financial inclusion, education financing, and social development, reaffirming our role as an institution that exists to enable progress for people, not just profits.

Our governance model remained a cornerstone of confidence and discipline. The depth of Board engagement, the clarity of oversight, and the consistency of ethical conduct ensure that growth at DIB continues to reflect not only financial resilience but also the values we stand for.

## Bridging 50 Years and the Next Era

From our founding in 1975 as a pioneer of modern Islamic banking, DIB has grown in scale, complexity, and global ambition. Over five decades, we introduced norms, structured products, and stakeholder trust that today define industry standards. Yet, our ambition cannot rest on legacy alone. Looking ahead to the next 50 years, we aim to ascend from regional leadership toward global stewardship. Our aspirations include:

- Expanding selectively into markets that align with our risk-return thresholds and cultural synergy.
- Deepening our digital and product platforms — from wealth tech, digital banking, and embedded finance to impact investing and Islamic fintech.
- Leading in financial inclusion and microfinance within Islamic frameworks, thereby democratising access to banking services in underserved markets.
- Shaping the ecosystem around responsible Islamic finance, advocating standardisation, interoperability, and capacity-building across jurisdictions.

This is not a distant vision; we are already laying the groundwork through partnerships, innovation labs, and cross-border deal execution.

## Looking Ahead

While global markets continue to navigate uncertainty, driven by geopolitical tensions, supply chain disruptions, and macro volatility, DIB enters the future from a position of strength. Our clarity of strategy,

**Operating Revenues**

**AED 13.3 Bn**

↑ 5%* YoY

robust capital base, diversified portfolio, and purpose-driven identity provide the ballast needed in shifting conditions.

In 2026 and beyond, we will remain disciplined in capital deployment, vigilant in risk oversight, and relentless in pursuing innovation. We will deepen customer relationships, invest in ecosystems, and broaden our international reach, always grounded in Sharia principles and guided by our core values.

## Gratitude and Commitment

I offer profound thanks to His Excellency the Chairman and the Board for their vision, stewardship, and trust. To the leadership team and all colleagues, your dedication defines DIB's success. To our shareholders, customers, and partners, thank you for your faith in our capabilities and mission.

Aligned with our foundational premise and future purpose, we stand united: ***Progress Never Stops***. We will build the future of Islamic finance, fulfilling our responsibility to stakeholders, communities, and generations to come.

**Dr. Adnan Chilwan**
Group Chief Executive Officer
DIB

* Normalised for impact of one-off recovery in FY'24.

Awards

# Celebrating excellence in 2025

## MEA Finance SME Summit and Awards 2025

Best Islamic Bank for SMEs

## Islamic Finance News Awards

**Among the 18 awards bestowed on DIB at this ceremony were:**

Sukuk Deal of the Year
Best Islamic Investment Bank
Best Islamic Bank for Trade Finance

## 28th Emirates Environmental Group Annual Corporate Gala

Cultivating Sustainability Award

## SHRM MENA Conference and Expo 2025

SHRM Emirati Development Program Felicitation

## Centre of Assessments for Excellence

DIB Complaints Management Department ISO Certification

## Mohammed Bin Rashid Housing Establishment

Strategic Partner Award

## MEA Finance Banking Technology Summit & Awards

Best Innovation in User Experience in Islamic Finance
Best Islamic Banking System Implementation - alt

## Forbes Middle East

Among the Top 100 Listed Companies 2025

## MEA Business Achievement Awards 2025

50 Years of Excellence - Anniversary Milestone (Achievement) Award

## Employee Happiness Award 2025 UAE

Best Leadership Succession Strategy (Gold Category)

## SHRM MENA Star Awards 2025

Excellence in Leadership Development (Silver Category)

## Dubai Municipality

Strategic Partner Award


Our Global Operations

# Amongst the top three Islamic banks globally

We are one of the world's largest Islamic banks by total assets, with an extensive network spanning the Middle East, Asia, and Africa.


**540+**
Branches

**900+**
ATMs

Our Value Creation Story

# A high-quality franchise delivering sustainable value

Powered by market-leading Islamic banking expertise, a clear strategic roadmap, strong financial foundation, proven track record of shareholder value creation with focus on long-term future growth.

## A leading Islamic banking franchise

**Top 3**
Islamic Bank by Total Assets

**#1**
Islamic Bank in the UAE by assets

**1.7 Mn**
Customers in the UAE serviced by 56 branches and over 530 ATMs.

## Clear strategy & focused execution

Focused growth, underpinned by strong underwriting

Cost discipline ensuring high operational efficiencies

**4.6x**
Bank assets' strong and consistent growth over last 15 years

## Solid fundamentals

Highly Rated "D-SIB" bank.
"A" Fitch
"A3" Moody's

Healthy Asset Quality with low NPF ratio and high Coverage Ratio

Strong Regulatory Capital Ratios with healthy capital buffers

* Domestic Systemically Important Bank

## Consistent shareholder value creation

**9.7x**
Growth in the Bank's Net Profit over the last 15 years

**5.2x**
Increase in Share Price over the last 15 years

Proven commitment to sustainable dividend distributions

## Investing in the future

**"A"**
ESG MSCI rating shows ESG truly embedded in the Bank's DNA

Sizeable investments in technology infrastructure

Focused on Building AI/ML capabilities

Our Value Creation Story continued

# Creating impact for our stakeholders

Integrating capital, people, technology, and Sharia-compliant solutions to deliver meaningful impact across every part of our ecosystem

## Upstream

**Đ Investment**

- Providers of capital
- Providers of goods and services
- Providers of rules/ guidance
- Partnerships

**Đ Dividends**

## Own Operations

**Đ Financing**

- Employees
- Offices and branches
- Infrastructure & Technology
- Subsidiaries, JVs & Associates

**Đ Payments**

**Đ Deposits**

## Downstream

Consumer Banking

For more see page 30

Corporate Banking

For more see page 33

Investment Banking

For more see page 36

Treasury

For more see page 39

## Stakeholders

**Society & Environment**
**Investors**
**Regulators**
**Suppliers**

**Society & Environment**
**Employees**
**Group Entities**

**Society & Environment**
**Clients**

Our Value Creation Story continued

# Building strong and enduring relationships

## Transparent, proactive and continuous engagement that strengthens governance, resilience, and long-term value creation.

| Stakeholder group | Description | How we create value | Engagement methods |
|---|---|---|---|
| **Investors** | Institutional and retail shareholders holding DIB shares and participating in capital market activities. | Delivering strong, sustainable returns supported by disciplined growth, prudent risk management, and best-in-class governance. | Financial disclosures, investor roadshows, AGM, analyst briefings, and ongoing IR engagement. |
| **Clients** | More than 5 million retail, corporate, and institutional clients relying on Sharia-compliant financial solutions. | Providing inclusive, accessible, and competitive financial products and services that meet evolving needs, backed by service excellence and digital innovation. | Customer feedback channels, service centres, digital platforms, surveys, and experience assessments. |
| **Employees** | A diverse workforce of over 12,000 professionals supported by a strong leadership team and culture. | Offering a high-performance environment, career development, competitive rewards, and a culture rooted in values, empowerment, and well-being. | Internal communications, training programmes, employee engagement surveys, performance reviews, and leadership forums. |
| **Group Entities** | Subsidiaries, joint ventures, and associates operating across key markets in the Middle East, Asia, and Africa. | Strengthening Group presence through strategic alignment, operational collaboration, and shared governance frameworks. | Governance committees, strategic review meetings, and cross-entity coordination. |
| **Regulators** | Government bodies and regulatory authorities setting frameworks, policies, and expectations for Islamic financial institutions. | Ensuring full compliance with regulatory requirements, contributing to industry development, and upholding the highest Sharia governance standards. | Regulatory submissions, industry consultations, forums, working groups, and bilateral engagements. |
| **Society & Environment** | Communities and the broader environment affected by and engaged with the Bank's operations and sustainability initiatives. | Supporting national development, financial inclusion, community welfare, and environmental stewardship through responsible practices. | CSR programmes, community outreach, environmental partnerships, and sustainability reporting. |

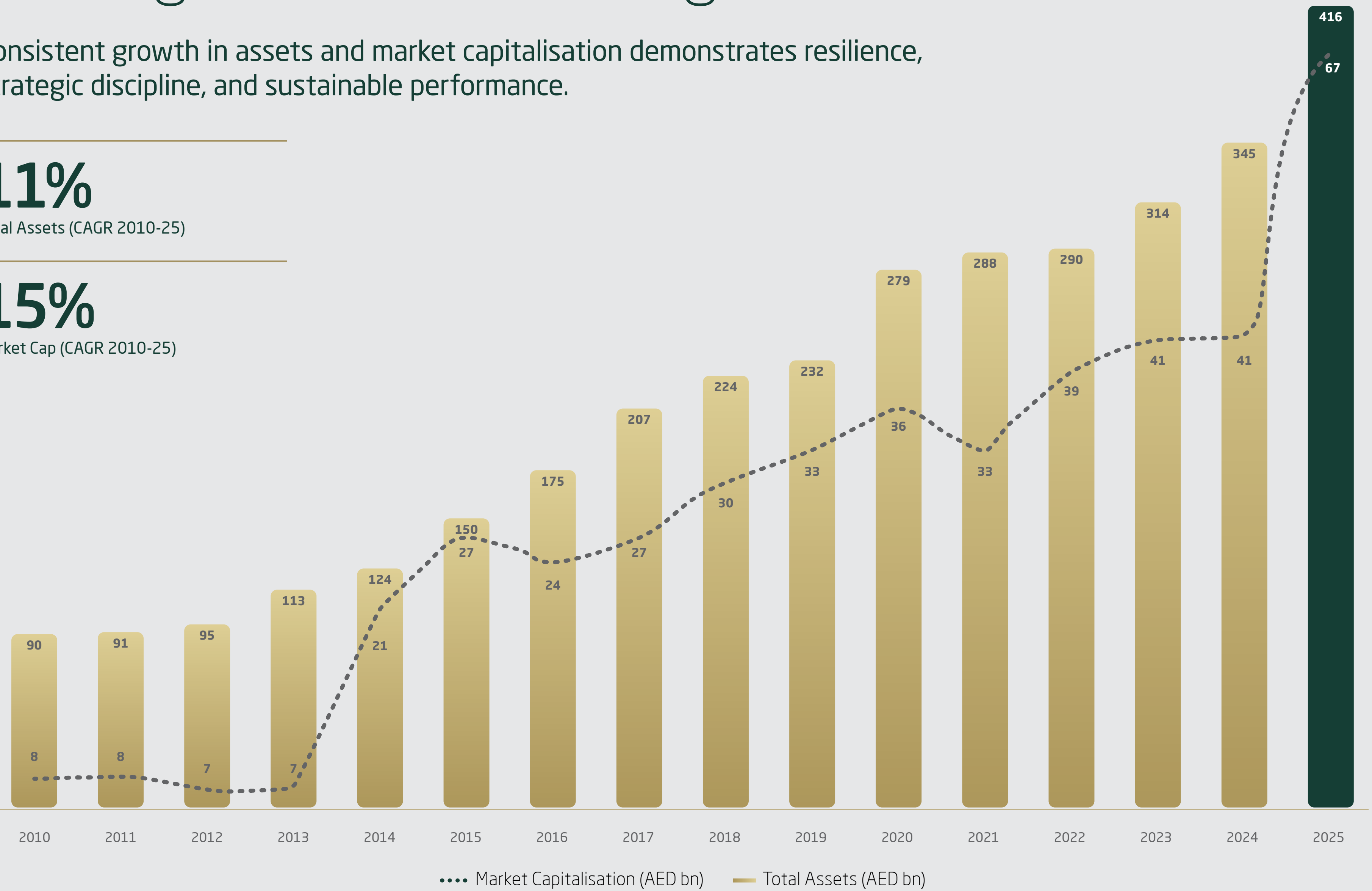
Our Value Creation Story continued

# Building scale and delivering value over time

## Consistent growth in assets and market capitalisation demonstrates resilience, strategic discipline, and sustainable performance.

**11%**
Total Assets (CAGR 2010-25)

**15%**
Market Cap (CAGR 2010-25)



Our Strategy

# Future-focused strategic direction

DIB continues to deliver on its strategic priorities through disciplined execution and a clear focus on operational excellence and customer experience. With "Strengthen" and "Grow" driving progress since 2022, the Bank remains committed to sustainable, profitable growth and maintaining a resilient, customer-focused franchise.

## 5-Year Strategy (2022-26)

### D — DIGITAL TRANSFORMATION

- Launch of a new digital proposition
- Enhance digital channels and capabilities
- Seamless and intuitive customer journeys
- Uptake in digital sourcing and transactions
- Focus on reducing cost and increasing revenue
- AI-driven Predictive Banking

### R — ROBUST FOUNDATION

- Enhance Asset Quality – Arrest NPL and Build Coverage
- Zero Tolerance Compliance Environment
- Overhaul Technology Infrastructure
- Data Remediation, Integrity and Governance
- Diversify CRWA and Reduce Real Estate
- Active Management of Capital and low-cost liquidity

### I — INCREASE VALUE

- Acquisition of New-to-Bank customers
- Increase market share in profit-earning assets
- Enhance profitability of international operations and explore new geographies
- Build ancillary business and newer revenue streams from existing propositions
- Nurture portfolio through Customer Lifecycle Management
- Continue track record of delivering promised value to stakeholders

### V — VERSATILE OPERATIONS

- Stabilise and improve IT infrastructure
- Manage efficiencies by maintaining robust Cost to Income Ratio
- Ensure compliance with spectrum of regulatory-driven changes
- High quality and timely execution of key business priorities
- Embed ESG across the group
- Operational efficiencies and agility

### E — ENGAGING EXPERIENCES

- Simple, transparent and unified Customer interaction across touchpoints
- Ensure Customer Voice is actively incorporated in business decisions
- Foster better internal collaboration to deliver seamless and consistent experience
- Brand positioning for best-in-class customer experience
- Build a customer-centric organisation
- Leverage DIB to graduate into Lifebrand

**Strengthen** | **Grow**

Our Strategy continued

# Delivering on strategic priorities since 2022

## Key 2025 Initiatives

**Repositioning of Transformation Management Office**
- Focused execution of bank-wide programs to drive innovation and efficiency
- TMO team beefed up with focus on delivering strategic projects

**Creation of Commercial Banking Division**
- Driving focus on servicing SMEs and Middle Market corporates
- Creating tailored products and services aimed at meeting the specific needs of this client base

**Formation of Centre of Customer Excellence**
- Executing the strategy of Customer Service excellence across the Bank
- Embedding "Customer Centricity" in Bank's DNA

**Constitution of AI Committee**
- Focusing to centralise and unify AI efforts
- Driving AI adoption and elevating AI maturity

**Modernisation and upgrade of IT platforms**
- Modernising Core Banking, Analytics platform
- Upgrading CRM platform, cards platform and data warehouse

**Customer experience**
- Transformation of 30+ customer journeys across products and customer lifecycle
- Increase in services on Digital and Self-service channels

## Tangible Outcomes: 2022 onwards

| | 2021 | 2025 | CAGR |
|---|---|---|---|
| Net Financing (AED Bn) | 187 | 262 | ↑9% |
| Sukuk Investments (AED Bn) | 42 | 91 | ↑21% |
| Total Deposits (AED Bn) | 206 | 320 | ↑12% |
| CASA Balances (AED Bn) | 90 | 110 | ↑5% |
| Operating Revenue (AED Bn) | 9.4 | 13.3 | ↑9% |
| Net Profit (Before Tax) (AED Bn) | 4.4 | 9.0 | ↑19% |

2021 figures refer to EoP balance as of 31/12/21 or beginning of period as of 01/01/22

Market Overview

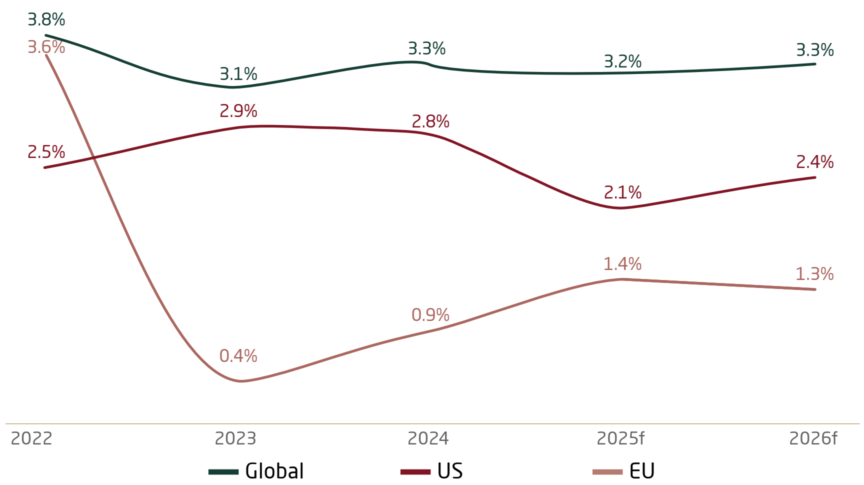
# Steering through tough macro headwinds and geopolitical uncertainties

## Global Economic Overview

Following a resilient 2024, the global economy remained subdued in 2025 and showed signs of a moderate growth trajectory amid persistent policy uncertainties, new policy measures and diverging regional trends. Geopolitical tensions, energy market disruptions, and shifts in trade policy continued to create a more fragmented environment for global finance.

Global GDP is projected to expand by 3.2% in 2025, supported by easing supply chain pressures and continued consumer demand in the advanced economies. However, global trade has softened relative to output, with the World Bank projecting world trade volume growth of just 1.7%, signalling a slowdown in cross-border demand.

### GDP Growth by Major Economies

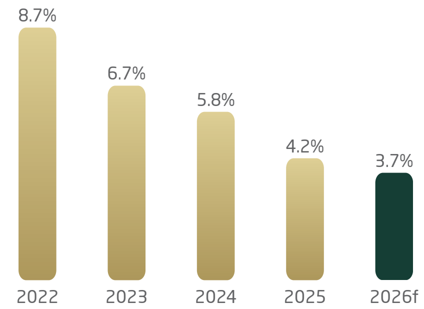



Inflation, although easing from its 2022–2023 peak levels, remained above target in several major economies, prompting central banks to maintain a cautious stance on monetary easing. The U.S. Federal Reserve and European Central Bank started limited rate cuts, but continued to emphasise data dependency given the risk of inflation persistence. Real interest rates remain elevated relative to pre-pandemic norms, tightening global financial conditions and affecting capital flows to the emerging markets.

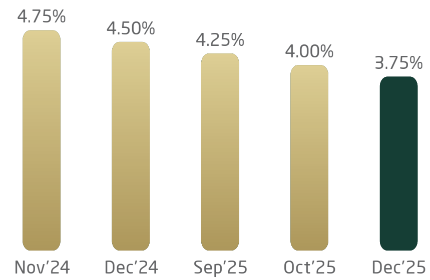
Despite the global macro-economic environment, the emerging markets in Asia, the Middle East, and Africa continued to benefit from increased infrastructure investment, reshoring of manufacturing, and stronger domestic consumption, providing the much-needed balance to weaker growth in the advanced economies.

Key risks to future global outlook include prolonged policy uncertainty, slowdown in growth trajectory of the global economy, renewed inflation shocks, a sharper-than-expected slowdown in the U.S. or China, restrictive immigration policies, and financial instability in leveraged sectors. Conversely, structural tailwinds from AI adoption, energy transition investment, and digital infrastructure spending provide long-term growth potential.

### Global Inflation




### US Federal Funds Rates



Market Overview continued

## GCC Economic Overview

Economies in the Gulf Co-operation Council (GCC) continued to demonstrate resilience, underpinned by robust fiscal positions, sovereign wealth fund assets, and proactive diversification strategies. While oil remained the dominant source of revenue, non-oil sectors increasingly drove growth, supported by government investments, reforms, and tourism and logistics expansion.

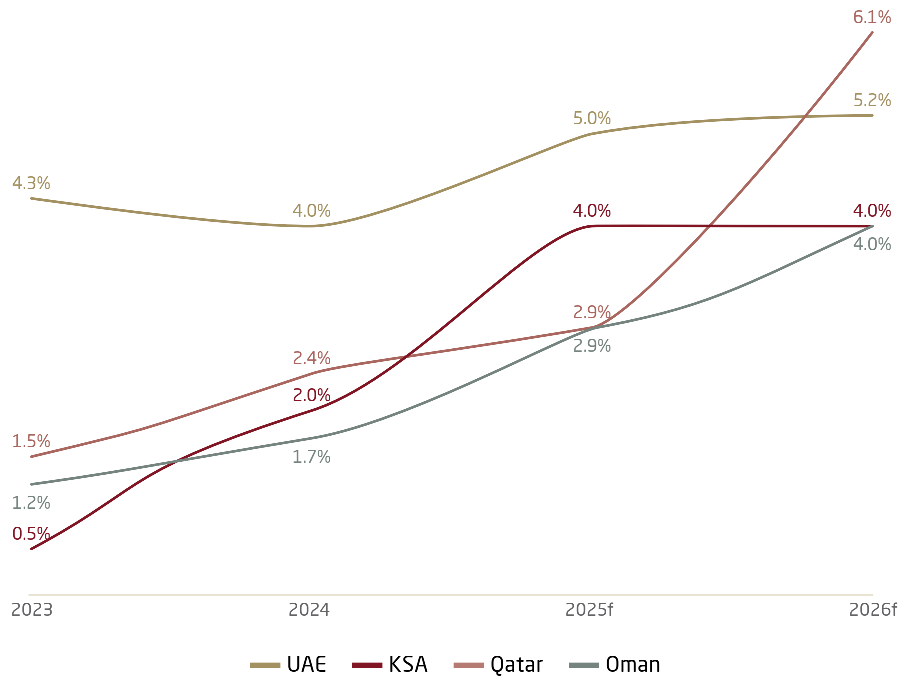
Economic growth across the GCC region is projected to grow around 4.0% in 2025, increasing to 4.5% in 2026*, driven by the expected roll-back of OPEC oil production cuts and the robust expansion of non-oil sectors. Oil production is projected to rise modestly as OPEC+ output cuts ease, contributing to stronger headline growth, while non-oil activity remains buoyant, particularly in Saudi Arabia, the UAE, and Qatar.

Fiscal balances remained comfortable for most GCC states given moderate oil prices, and inflation stabilised at around 2 to 3%, enabling governments to sustain capital spending on diversification projects. As global economic slowdown remains a downside risk for the region, the GCC economies need to accelerate economic diversification reforms and strengthen regional trade.

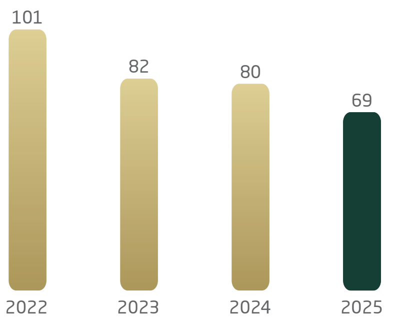
Non-oil GDP across the GCC is forecast to expand by over 4%, reflecting continued progress under long-term transformation agendas such as Saudi Vision 2030, UAE Centennial Plan, Oman Vision 2040, and Kuwait Vision 2035. Key engines for the projected growth encompass construction, manufacturing, renewable energy, tourism, and logistics, supported by large public investment programmes.

**4.5%**
Projected economic growth in GCC in 2026

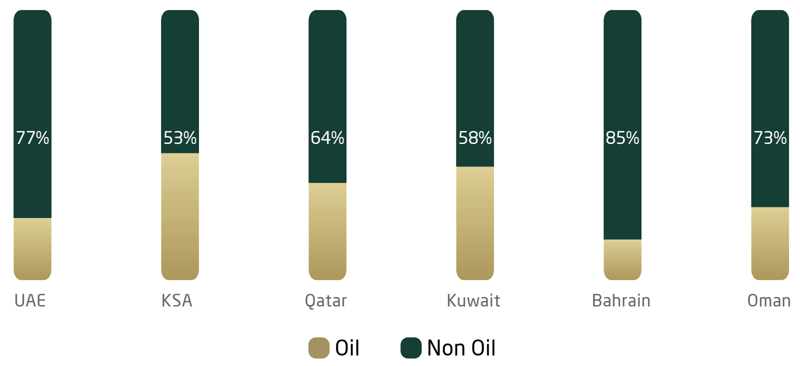
### GDP Growth by Major GCC Economies




### Brent Crude Prices Average (USD$ / barrel)




### Non-Oil GDP% by GCC Economy




* Source: CBUAE

Market Overview continued

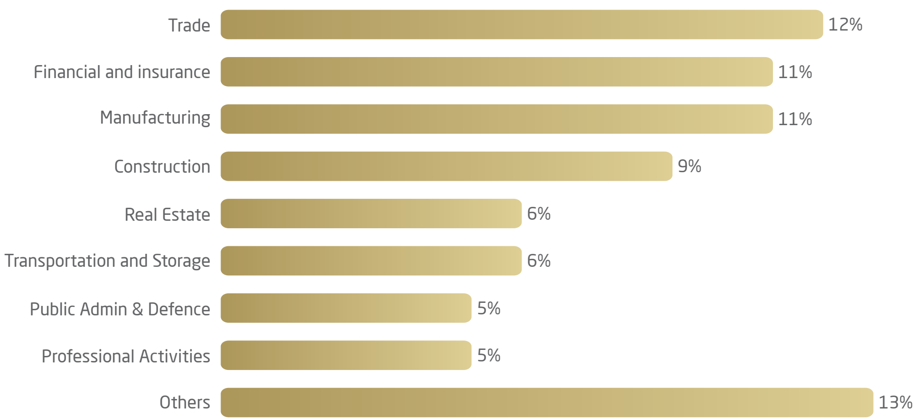
## UAE Economic Overview

UAE continues to stand out as one of the most diversified and dynamic economies in the region. Supported by prudent fiscal management, a strong external position, and a vibrant non-oil economy, the country has maintained a steady growth momentum, being the fastest-growing economy in the Gulf region amid global uncertainty.

According to the World Bank, UAE's real GDP is on track to record economic growth of 5% in 2025, driven primarily by non-oil sectors and due to higher oil production. Inflation is expected to remain contained at below 2%, supported by stable energy prices and strong supply conditions. The Central Bank of the UAE (CBUAE) estimates non-hydrocarbon GDP growth of around ~4.9%, reflecting sustained expansion in the manufacturing, trade, logistics, construction, real estate, tourism, and financial services. UAE, which is primarily a top oil exporter, has accelerated plans to diversify its economy with the non-hydrocarbon sector accounting for a larger portion of the total GDP.

**5%**
Projected real GDP growth in UAE in 2025

### UAE Non-Oil GDP composition by sector (H1 2025)




## Dubai Economic Overview

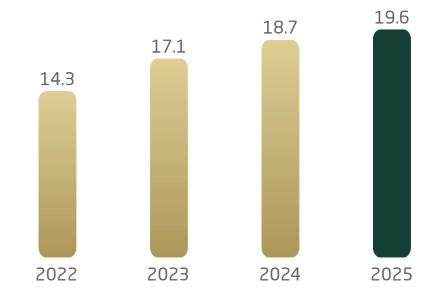
The economy of Dubai continues to show remarkable resilience and forward momentum, supported by a diversified non-oil growth model, sustained foreign investment and a steady rise in business formation. Dubai's diversification is one of its greatest strategic strengths.

Dubai continues to lead as a service-driven economy, contributing significantly to the UAE's non-oil GDP, with growth remains anchored in trade, logistics, tourism, and real estate, and well supported by steady inflows of foreign investment and residents.

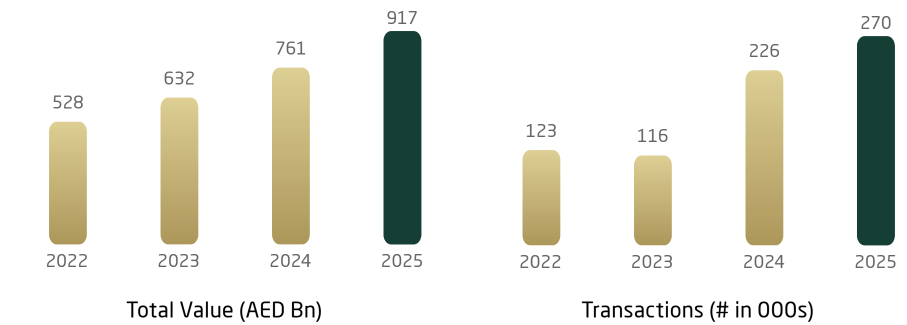
Dubai's GDP expanded by around more than 4% during 9M 2025, with expectations of stronger growth in 2026 as tourism and construction activity further intensify. Key growth areas in Dubai include tourism, real estate, logistics, and technology. Even as geopolitical tensions, interest rate cycles and global trade volatility persist, the emirate's strengthened fundamentals enable it to withstand global and regional headwinds.

**4.7% YoY**
Growth in Dubai during 9M 2025

### Dubai Annual Visitors




### Dubai Real Estate



Market Overview continued

## UAE Banking Sector Overview

The banking sector in UAE continues to demonstrate robust growth and profitability, strong capital adequacy, sound asset quality, healthy financing activity, strong deposit growth and solid liquidity conditions, reinforcing its position as a cornerstone of the country's economic success.

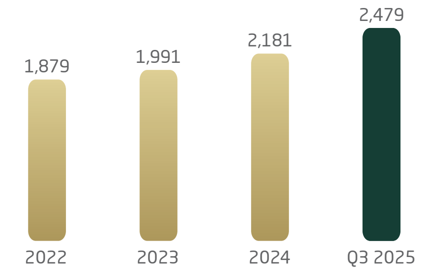
Total banking assets reached approximately AED 5.2 trillion by nine months of 2025, expanding by around 18% year-on-year, with continued growth expected in 2026 driven by higher financing demand. Profitability remained strong with the top UAE banks reporting strong and healthy profitability metrics and ratios during the year. The system's average capital adequacy ratio remains well above regulatory minimums, while liquidity and funding indicators showcase a well-buffered system. Non-performing finances are estimated to decline below 4% in 2025, supported by improved corporate performance and effective risk management.

The banks in UAE have maintained a strong upward trajectory in investments, financing, and deposits, highlighting the sector's sustained resilience and its ability to support the nation's evolving economic landscape. With a stable macroeconomic outlook and the ongoing reforms, the sector is well placed to play a pivotal role in financing strategic sectors, sustaining the country's non-oil growth and supporting the government's broader economic diversification agenda.

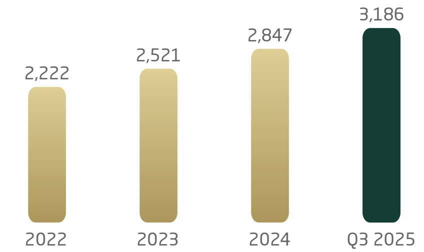
Its contribution is visible across channels: in financing non-oil expansion, infrastructure and mega-project financing, trade finance, innovation and financial inclusion, and serving as a liquidity and confidence anchor for the investors.

Although challenges such as potential margin compression as policy rates normalise and selective credit risk in cyclical sectors remain, the overall outlook of the banking sector remains positive. The Central Bank's strong supervision and prudent macro policies are seen facilitating financial stability and ensuring that the banking system continues to underpin UAE's economic growth trajectory.

### Banks' Financing (AED Bn)




### Banks' Deposits (AED Bn)




### Outlook: 2026 and Beyond

Looking ahead, the UAE and wider GCC economies are expected to maintain solid medium-term growth, supported by non-oil diversification, fiscal buffers, and continued investment in infrastructure and innovation.

While global growth is projected around 3.2%, with moderate recovery in trade, growth in the GCC region is expected to strengthen to 4.5% in 2026. UAE's GDP is likely to grow around 5.2% range*, supported by expanding non-oil activity and gradual return of oil-related output growth. The banking sector shall continue to remain a key enabler of growth – channelling liquidity, managing risk, and financing the transition to a more digital and sustainable economy.

Risks remain from global uncertainties, oil-price volatility, and interest rate realignment, but the UAE's diversified base and stable financial system position it favourably for continued prosperity.

* Source: CBUAE

Financial Review

# Healthy fundamentals driving performance

During a year marked by financial market headwinds, including protracted geopolitical tensions and growing macroeconomic uncertainty, DIB continued to capitalise on the region's long-term prospects and fundamentals, while navigating short-term challenges. The Bank's differentiated, customer-focused business model continues to position it well for sustainable success.

In its Golden Jubilee year, DIB delivered its strongest performance to date, with operating revenues reaching a record AED 13.3 billion and pre-tax profit rising 20%* year-on-year to AED 9.0 billion, reflecting a resilient earnings trajectory despite a more competitive funding and financing environment. Total assets advanced 21% year-on-year to AED 416 billion, while customer deposits raced well ahead of the AED 300 billion milestone, rising 29% since December 2024, underscoring continued confidence from customers and counterparties in the DIB franchise.

## Earnings momentum supported by diversified income and disciplined risk management

The Bank's operating revenue grew 5% year-on-year, supported by higher business volumes, strong non-funded income and broadly stable margins. Management's focus on portfolio quality and proactive recoveries translated into 71%* reduction in impairment charges to AED 485 million. Operational efficiency remains a key competitive strength: cost-to-income stood at 28.4%, even as the Bank continues to invest in technology and talent to support future growth.

## Quality balance sheet growth with a focus on core intermediation

DIB's balance sheet expansion remains firmly anchored in financing the real economy and high-quality capital markets activity. Net financing assets and the Sukuk portfolio increased 20% year-on-year to AED 353 billion, driven by robust demand from both consumer and corporate clients. Net financing assets reached AED 262 billion while the Sukuk book rose to AED 91 billion.

Customer deposits grew strongly to AED 320 billion, up 29% since year-end 2024, with a healthy contribution from current and savings accounts (CASA), which increased 17% this year to AED 110 billion. This deposit mix underpins the Bank's ability to continue financing growth opportunities without compromising on liquidity or pricing discipline.

**RoTE (before tax)**

**22%**

**RoA (before tax)**

**2.4%**

**Cost Income Ratio**

**28.4%**

**Cost of Risk**

**0.14%**

* Normalised growth percentage vs 2024 figures.

Financial Review continued

## Further Strengthening of Asset Quality, Capital and Liquidity

Asset quality is now at its strongest level in recent years. The non-performing financing (NPF) ratio improved to 2.65% this year, a 135-basis-point reduction since December 2024, reflecting a combination of disciplined underwriting, active portfolio management and recoveries of legacy positions. Total coverage ratio and cash coverage ratio strengthened further, providing robust buffers against potential stress.

The Bank's capital and liquidity metrics remain well above regulatory minima. The CET1 ratio stood at 12.3% and total CAR ratio at 15.5%, demonstrating strong organic capital generation through retained earnings while supporting double-digit balance sheet growth. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) of 157% and 109% respectively, reflecting prudent balance sheet management and a diversified funding base.

## Broad-based Business Momentum Demonstrates the Effectiveness of the Strategy

Growth in 2025 was broad-based across key businesses, evidencing the successful execution of DIB's strategic agenda of quality diversified and sustainable growth. New gross financing and Sukuk investments exceeded AED 120 billion in 2025.

- Consumer Banking
  The consumer portfolio expanded 22% in 2025 to AED 77 billion, supported by strong demand across the Bank's core retail propositions as the business added more than 90,000 new customers, reflecting the strength of DIB's brand, its digital capabilities and its tailored propositions for mass and affluent segments.
- Corporate & Investment Banking
  Local and cross-border corporate financing portfolios grew to AED 185 billion, up 24% year-on-year, with broad-based growth across key sectors including aviation, manufacturing, financial institutions and utilities, reinforcing DIB's role as a leading financier of strategic sectors in the UAE and across its regional footprint. DIB further consolidated its leadership in Islamic capital markets, facilitating approximately USD 56 billion of Sukuk issuances during the period and participating in landmark sovereign and corporate transactions across Pakistan, Egypt, Türkiye and other key markets. This performance reflects the Bank's deliberate strategy of disciplined sector diversification, a sharpened focus on high-quality counterparties and cross-border origination.
- Treasury
  The treasury division continued to provide strong support to the Bank's balance sheet through disciplined liquidity management and prudent deployment into high-quality Sukuk. The Sukuk portfolio grew to AED 91 billion, remaining heavily weighted toward high-quality sovereigns and FIs, ensuring stable income and conservative risk profile.

## In Conclusion

The continued momentum in 2025 demonstrates that the Bank's strategy – centred on quality balance sheet expansion, disciplined risk management, sector and geographic diversification, sustainable finance and digital transformation – is translating into sustained value creation for shareholders. With a resilient earnings profile, high returns on tangible equity and a robust balance sheet, DIB remains well positioned to sustain its growth trajectory and continue supporting the UAE's long-term economic ambitions.

**NPF Ratio**
**2.65%**

**Total Coverage**
**160%**

**CET1 Ratio**
**12.3%**

**CAR Ratio**
**15.5%**

Business Review

# Our business segments


## Consumer Banking

→ For more information go to page 30

## Corporate Banking

→ For more information go to page 33

## Investment Banking

→ For more information go to page 36

## Treasury

→ For more information go to page 39

Business Review continued

# Consumer Banking

Consumer Banking serves the retail customers in the market through its broad and diversified range of products and services, including Auto Finance, Cards, Home Finance, Personal Finance and Green Offerings. With a fast-growing highly diversified customer base across the country, Consumer Banking offers a comprehensive suite of Sharia-compliant financial products and services, which are tailored to meet the banking needs of the UAE residents.

**AED 77 Bn**

Net Financing Assets +22% YoY

Business Review continued

# Customer engagement driving consumer banking growth

DIB's Consumer Banking franchise delivered a strong, broad-based performance in 2025, underpinned by sustained growth in its retail funding base, robust financing activity, successful campaign execution, and continued expansion of its digital ecosystem. With a nationwide presence of 56 branches, more than 530 ATMs and CDMs, and industry-leading digital channels, the Bank continues to offer customers seamless and convenient access to its growing suite of products and services.


## Deposits & Accounts

Retail funding remained a cornerstone of Consumer Banking, driving liquidity, deepening customer relationships, and supporting portfolio expansion. The year saw a healthy increase of AED 12 billion in the funding base, including AED 2.3 billion in Current and savings account (CASA) balances. Customer acquisition accelerated sharply, with nearly 14,000 new-to-bank CASA customers onboarded each month, driven largely by enhanced digital onboarding journeys, with 80% sourced through the ALT digital platform.

This momentum was supported by a series of well-designed campaigns:

- The DIB XTRA Campaign delivered a 44% uplift in salary transfer acquisitions, strengthening CASA deepening and cross-sell.
- The CASA & FX "Dream Bigger" Campaign generated AED 1.8 billion in incremental CASA growth and drove a jump in monthly FX income.
- The Fiesta 50 Campaign, commemorating DIB's 50th anniversary, enhanced loyalty and retention through AED 10 million in prize-linked rewards.
- Tailored Employer Propositions and segment-specific offerings targeted priority customer groups – teachers, real estate professionals, and Johara Ladies – expanding penetration and driving sustained CASA inflows.

## Financing Products

The **Personal Finance** business also delivered exceptional results with:

- 21% volume growth of AED 25.0 billion
- 43% increase in booking volume growth of AED 14.4 billion
- Average monthly bookings of AED 1.2 billion
- 0.90% reduction in financing losses

Execution was strengthened through liability settlement campaigns, employer-level activations, and enhanced digital journeys. New propositions – including Flexi Salary Finance and DIB Care for people of determination are expected to further strengthen engagement.

## Business Review continued

**Home Finance** benefited from strong market demand, with high average monthly acquisition volumes, asset balances growth, and improved eligibility and onboarding journeys for Golden Visa holders, non-residents, and self-employed customers.

The key achievements in 2025 for Home Finance included:

- Average monthly acquisition of AED 919 million, up by 52% compared to 2024
- Balances grew 23% to AED 33 billion
- DIB Nest volumes of AED 167 million
- Non-Resident and Self-Employed policy enhanced
- Extended age eligibility up to 70 years for Golden Visa Holders
- End-to-end onboarding journey streamlined for new MBHRE programme

Key 2026 initiatives include deeper partnerships with housing programmes and the introduction of developer financing.

**Auto Finance** continued to reinforce its long-standing leadership position. As of December 2025, the portfolio reported 25% increase in balance, 18% rise in bookings, and 8% reduction in NFL.

These results were achieved because:

- Partnerships with key OEMs
- Dealership campaigns
- Leverage on new market trends
- System integration with key automotive players
- Process digitalisation and automation

The **Cards** business recorded strong business growth, with cards spends growing 20%, balances surpassing AED 4.2 bn and delivering robust engagement through multiple reward-based campaigns, enhanced digital acquisition, and expanded mobile redemption capabilities.

Some of the key initiatives undertaken:

- Bonus Skywards Miles Campaign
- Wala'a Rewards Campaign
- Digital Acquisition Campaign with accelerated cashback for UAE Nationals
- DIB Millionaire Campaign & DIB Summer Millionaire campaign
- Launch of Rewards redemption options on Mobile App

Looking ahead to 2026, the Consumer Banking franchise will continue to focus on accelerating CASA growth, strengthening digital acquisition, introducing innovative savings propositions, and deepening priority segment value propositions, ensuring continued profitability and long-term sustainable growth.

**23%**
Growth of Home Finance portfolio during the year


# Corporate Banking

Corporate Banking offers a range of Sharia-compliant solutions to corporate banking clients in the UAE across major key economic sectors. The business has an in-depth understanding of the clients' business providing comprehensive financial solutions and product advisory such as cash management, transaction banking and trade finance solutions to cater to the growing needs of corporate clients.

**AED 145 Bn**

Net financing assets, +13% YoY

Business Review continued

# Serving the evolving needs of UAE businesses

## Corporate Banking business offers a comprehensive suite of corporate banking products and services designed to meet the diverse needs of businesses in the UAE, and serving a wide range of clients across the public and private sectors.

DIB's Corporate Banking division provides a comprehensive suite of modern Islamic financing solutions, including financing products, trade finance services, transaction banking solutions, and other credit facilities, alongside deposit and current accounts that are specifically tailored for its corporate and institutional clients.

The Corporate Banking segment plays a pivotal role in leveraging its strong client relationships to cross-sell other offerings, such as investment banking, debt capital market solutions and treasury services.

| Key Products & Services under Corporate Banking | |
|---|---|
| **Financing Solutions** | This includes Murabaha, Mudaraba, Istisna and Musharaka products tailored to the needs of the Group's wholesale banking customers. |
| **Transaction Banking Services** | This includes flexible cash management solutions to help corporates optimise their financial operations. |
| **Trade Finance** | This includes customisable products and services to handle all aspects of local and international business trade requirements. |
| **Foreign Exchange Solutions** | This includes innovative solutions for complex foreign exchange requirements at competitive rates. |

### Key Highlights of 2025

The Corporate Banking division, including Cross-Border, witnessed remarkable growth in 2025, driven by sustained developments in the domestic economy and the region. Gross new corporate and cross-border financing amounted to AED 67 bn, a solid rise of more than 100% YoY, attributed to the business strengthening its position across the public and the private sector.

In the public sector, the Bank continued to execute key transactions and build relationships with essential players in the energy and aviation sectors, which also included financing of several new aircrafts to further boost domestic tourism.

In the private sector, the Bank supported the growth aspirations of large corporates within the key sectors of education, automobile and hospitality through its financing options as well as bilateral and syndicated financing transactions.

### Key upgrades and enhancements

Several initiatives and critical technological upgrades and enhancements were carried out during the year which acted as an enabler for Corporate Banking in strengthening the internal processes and helped support the overall performance of the segment. A key challenge faced by DIB's corporate customers was that of real-time tracking of payments. This undermines DIB's vision to improve customer experience, deliver customer satisfaction, and gain unwarranted social media attention.

To address this challenge, SWIFT GPI tracking API is in the process of being implemented on Corporate Internet Banking to track Swift-based payments for any enquiries or dispute resolutions. The implementation of the SWIFT GPI tracking tool will allow its corporate customers to view and track payments at any point of time. The prime benefit of this tool is the ease of processing transactions and a significantly improved turnaround time (TAT).

Also, to eliminate obtaining approvals and manual processing for account credit transactions, the Bank introduced real-time account credit for cash deposits in Smart Cash Deposit Machines (SCDM), which resulted in improved TAT and enabled customers to manage their liquidity in an efficient manner. This also ensures that the funds are available to be utilised immediately by the customers.

Further, to enable the Bank to process transactions more efficiently at a reduced cost, a Host to Host (H2H) SFTP Service was introduced in order to enhance transfers and supplier payments.

Business Review continued

## Modernising Corporate Banking through Tailored Financing Structures

Emirates District Cooling (Emicool) LLC, owned by Dubai Investments PJSC and Actis Infrastructure Holding Company Limited, is one of UAE's largest district cooling companies with 355,000 tons of refrigeration (TR) capacity, offering district cooling services to over 30,000 customers. Emicool enjoys sole district cooling distribution rights in two major communities in Dubai (Dubai Investment Park (DIP) and Motor City), besides other communities such as Dubai Sports City and Uptown Mirdif (pictured).

DIB successfully led the 12-year Green Financing Syndication of AED 2.25 billion, a sustainability-linked transaction for refinancing existing bilateral facilities and future expansion, capex and acquisition needs.

DIB had a 60% participation (AED 1.40 billion) in the transaction. The new syndicated facilities will help Emicool align its cash flows for tapping the capital markets, but also in expanding its footprint, increasing market presence, future capex plans and in strategic acquisitions.

**AED 2.25 Bn**
Syndicated deal value

# Investment Banking

The Investment Banking division is a leading regional and global participant in the Islamic finance markets, assisting its clients, which include sovereigns, government-related entities, corporates and financial institutions, with every aspect of their funding requirements. The Bank's dedicated professionals offer innovative Sharia-compliant capital raising and financing solutions, in line with the evolving client needs and market conditions.

**AED 40 Bn**

Net Financing Assets +83% YoY

Business Review continued

# A leading player in the global Islamic markets space

**Funds raised through 56 deals**

**Debt Capital Markets**

**USD 57 Bn**

55% YoY growth

**Cross-border Financing**

**USD 29 Bn**

10% YoY growth

In 2025, DIB continued to be at the forefront of the Islamic debt capital markets, and completed over 56 deals raising USD 57 billion in debt capital markets and USD 29 billion in cross-border financing for its clients.

## Investment Banking acts as the financial advisor and dealmaker for a diversified base of DIB's clients including sovereigns, quasi-sovereigns, large corporates, and financial institutions.

The Investment Banking team assists its customers in raising funds in the form of Sukuk, syndicated, club or bilateral financing, asset finance, structured and project finance as well as raising equity funding through Initial Public Offerings (IPOs) in UAE capital markets, facilitating complex financial transactions to achieve the strategic objectives of these clients. The Investment Banking segment also manages the Bank's cross-border coverage and financing of non-UAE clients, which is a key pillar of DIB's growth strategy.

### Murabaha deal with Turkcell


Advancing critical infrastructure and accelerating tech transformation, DIB signed a USD 150 million Murabaha financing agreement with Türkiye's leading telecommunications and technology services provider - Turkcell - continuing to foster cross-border partnerships that drive sustainable, innovation-led development and enabling the Bank to unleash its true potential. The partnership aligns with DIB's mission to advance sustainable impact through Sharia-compliant finance and enables Turkcell to advance critical infrastructure in areas such as data centres, cloud technologies, and renewable energy - further solidifying its role as a leading force in Türkiye's evolving digital economy.

With the deal, DIB demonstrates its support for a business that understands the future: digital, decentralised, and inclusive essentially, a future that it fully believes in. The Bank is driving infrastructure growth and diversifying capital access for Türkiye's leading digital operator, reflecting its expanding role in financing real economies and enabling digital expansion.

**Benefiting all the stakeholders**

- Strengthening financial and commercial connectivity between the UAE and Türkiye.
- Offering Turkcell increased access to Islamic financial mechanisms and structures, by accelerating investment into strategic and sustainability-linked technologies.
- Establishing and shaping meaningful connections between geographies and sectors.

Business Review continued

# Key divisions under Investment Banking

## Cross-border Origination

The Cross-border Origination (CBO) team serves as the client coverage function within Investment Banking. It leads client engagement and business development for all the corporate and institutional clients outside of the UAE. Through a deep understanding of client needs and markets, the CBO team drives the origination of financing opportunities and capital markets transactions across key geographies, including the GCC, Türkiye, Africa, Central Asia and ASEAN.

**The Primary Features of CBO**

- Ensures seamless client connectivity to DIB's full suite of products and solutions.
- By centralising client management, it enhances efficiency, ensures consistent client engagement and strengthens DIB's strategic positioning as a trusted partner for its clients.
- Plays a pivotal role in deepening regional connectivity and advancing the Bank's mission to be a leading Islamic Financial Institution with a global reach.

**Strategic Priorities of CBO**

Strengthening presence in high-growth international markets, with particular focus on ASEAN region

Broadening the client portfolio by targeting new sectors

## Debt Capital Markets

DIB reaffirmed its position as a global leader in Islamic Debt Capital Markets, combining its deep structuring expertise, robust investor distribution, and strong execution capabilities. Leveraging its Sharia-complaint credentials, the Bank played a pivotal role in shaping the global Sukuk market.

Ranked

**1st**

among the regional banks and

**3rd**

globally in 2024 and 2025

## Equity Capital Markets

DIB established a dedicated Equity Capital Markets franchise aligned with UAE's growing pipeline of public listings and the clients' increasing need for Sharia-compliant equity solutions. The ECM platform has three critical pillars, as explained.

**1. Execution capabilities to manage IPOs end to end**

**2. Investor distribution leveraging our Corporate and Private Banking channels**

**3. A research desk to support investor education and pre-IPO visibility**

## Financing Solutions

The Bank's Financing Solutions division acts as a hub for structuring and executing medium-to-large scale financing transactions for its diversified base of clients. The team helps the clients raise funding in the form of syndicated, club or bilateral financing, asset finance, structured and project finance, among others.

### Highlights of 2025

- Consistently Top 3 on the Bloomberg League Tables - International Sukuk
- Ranked #3 Globally 2025 & 2024 - Bloomberg DCM League Tables
- Led a landmark US$ 1bn sovereign financing for the Government of Pakistan
- Led the first sharia-compliant aircraft financing for Turkish Airlines and a syndicated financing for Avolon aircraft leasing in 2025

# Treasury

The Treasury division is a critical part of the Bank, managing the Bank's liquidity as well as funding requirements through the capital markets. Treasury also manages the Bank's Sukuk Investment book, along with enhancing business relationships with financial institutions across the globe.

Treasury provides a range of Sharia-compliant products including Foreign Exchange, Profit Rate Hedging, Commodity Hedging, Fixed Income Sales (Sukuk), and Structured Investment solutions.

**AED 91 Bn**
Sukuk Investments +10% YoY

Business Review continued

# Offering comprehensive solutions and risk advisory services

The Treasury Division at DIB plays a central role in strengthening the Bank's balance sheet, supporting liquidity needs, and delivering Sharia-compliant market solutions to a diverse client base that includes corporates, SMEs, financial institutions, government-related entities, and high-net-worth individuals. Throughout the year, Treasury worked closely with business lines across the Bank to provide risk mitigation tools, investment products, and market solutions aligned with the Bank's broader strategic objectives.

A core part of Treasury's mandate is enabling clients to manage exposure to fluctuations in foreign exchange, profit rates, and commodity prices. To support this, the Bank offers a range of Sharia-compliant structures. FX hedging is provided through a Wa'ad-based mechanism that allows clients to lock in exchange rates ethically and transparently. Profit rate risk is managed through Murabaha-based swap structures that replicate fixed-to-floating transitions without involving interest. Commodity Murabaha-based hedging solutions help clients manage exposure to changes in prices for key commodities required for business operations.

Treasury also continued to strengthen its leadership in Sharia-compliant investment products. Through its Sukuk desk, clients gained access to a broad universe of local, regional, and global Islamic fixed-income instruments. Sukuk offerings provide investors with ownership in underlying assets or businesses and remain one of the most sought-after investment avenues across client segments. Alongside Sukuk, Treasury continued to design structured investment products ranging from FX-linked structures to commodity and index-linked placements, each reviewed and approved by the Internal Sharia Supervision Committee to ensure full compliance.

On the funding side, Treasury is preparing to launch the Special Wakala Deposit, an upcoming offering designed to provide clients with higher-yielding investment options distributed across equities, commodities, currencies, profit rate structures, and hybrid exposures. The product is fully customisable across tenors and integrates ESG considerations, giving clients greater control over their investment strategy while aligning with responsible investing principles.

## During the year, Treasury recorded several key achievements.

The Bank expanded its cross-border capabilities by executing Islamic Cross-Currency Swaps and other advanced hedging structures for an expanding set of international clients.

The Bank also strengthened its commitment to responsible finance through the launch of new ESG-aligned Sharia-compliant investment products.

Digitisation efforts advanced meaningfully, enhancing client experience across Sukuk, FX, and structured products.

Client Sukuk sales grew by more than 3% YoY, reinforcing DIB's strong position in the Islamic fixed-income market.

FX volumes within Consumer Banking remained strong, reflecting higher engagement across retail segments.

The Sukuk business continued its upward trajectory across Wajaha, Aayan, Business Banking, and Corporate segments. In 2025, Sukuk investment income grew by 18% and FX transaction volumes increased by 44%. Sukuk client sales for Wajaha segment contributed more than 60% of overall volumes.

Business Review continued

Digital transformation efforts continued to progress. Treasury will soon enable fully digital journeys for Sukuk, fractional Sukuk, and FX, significantly improving accessibility, turnaround times, and overall user experience.

Organisational development also remained a priority. Treasury partnered with Human Resources to launch a "Train the Trainer" programme intended to equip frontline teams with a deeper understanding of Treasury products. This initiative enhances client servicing quality, reduces dependency on Treasury specialists, and mitigates the risk of mis-selling.

DIB's Asset and Liability Management (ALM) function manages liquidity across Intraday, Reserve, and Investable dimensions and ensures compliance with key regulatory ratios such as ADR, LCR, and NSFR. As a Domestic Systemically Important Bank (D-SIB), DIB maintains strong engagement with the Central Bank of the UAE, contributing to national liquidity and payments initiatives.

The Sukuk Investment team delivered strong performance in 2025, generating 18% revenue growth. The portfolio is predominantly composed of sovereign and supra-national issuances, which collectively represent two-thirds of total holdings. ESG Sukuk represented 11% of the portfolio at year-end, with the Bank targeting 12 to 15% by 2030. As a designated Primary Dealer, DIB supported the Federal Government in Sukuk issuance and distribution.

**11%**
share of ESG Sukuk in Sukuk Investment portfolio

## Sustainability-Linked Sukuk

In November 2025, DIB successfully priced its inaugural Sustainability-Linked Sukuk, a USD 1 billion transaction issued under the Bank's Sustainability-Linked Financing Framework supported by a Second-Party Opinion from ISS.

The five-year Sukuk carried a profit rate of 4.572% and represents DIB's transition from traditional use-of-proceeds structures to performance-linked sustainable financing. The Sukuk attracted an orderbook of USD 2 billion – achieving 2x oversubscription and drew demand from more than 80 institutional investors across MENA, Asia, Europe, and the UK.

Pricing tightened significantly from 120 bps to 90 bps over USTs, marking the highest Asian allocation ever for a DIB public Sukuk issuance.

Key Subsidiaries & Associates

# Rooted locally. Serving globally.

DIB also operates in Pakistan and Kenya through fully-owned banking subsidiaries. DIB also has investment in JVs and associates in markets such as Türkiye, Indonesia and Bosnia. These strategic investments enable DIB to serve diverse markets and drive growth of Islamic banking

## Dubai Islamic Bank Pakistan Limited

Since Dubai Islamic Bank Pakistan Limited (DIBPL) commenced operations in 2006, it has undertaken major initiatives to expand its branch network across the country. The Bank offers Sharia-compliant products that effectively fulfil its customers' needs.

**Developments in 2025:**

The Bank is working towards significantly expanding its branch network to 310 branches, up from 235 branches currently. During the year, more than 30 new branches have been opened throughout the country to cater to its growing customer base. In addition, the Bank is also working towards upgrading its technology infrastructure and redefining the brand experience with strong governance, values and customer focus. Some key initiatives launched during the year:

- Introduction of talking ATMs, further redefining accessibility.
- Signing a strategic MoU with Jazz Cash to boost remittance inflows and digital financial access for freelancers across Pakistan enabling secure and seamless payment solutions.
- Strategic partnership with PakWheels, a leading automotive platform introducing a structured and tech-enabled approach to vehicle appraisal services.

## DIB Kenya Bank Limited

Incorporated in 2014, DIB Bank Kenya Limited (DIBBKE) is an institution that combines the best of traditional Sharia values with technology and innovation, characterising modern banking. DIBBKE is backed by DIB's values of being Progressive, Innovative, Ethical and Reliable.

**Developments in 2025**

During 2025, DIB Kenya opened up two new branches and increased the number of ATMs to serve their growing customer base. The branches opened in the key cities of Mombasa and Nairobi reaffirming the Bank's commitment to accessible, reliable and customer-focused banking services. During the year, DIB Kenya also witnessed growth in their customer base by 6%. In addition, DIB Kenya appointed a new Managing Director (MD) as it continues to increase its market presence in the country.


## Deyaar Development PJSC

Deyaar Development PJSC was incorporated in 2007 and registered as a Public Joint Stock Company in the Emirate of Dubai, UAE. DIB is the Group's majority shareholder with 45% direct ownership. The Company's principal activities include property investment and development, leasing, facility management, property management, and hospitality related activities. The project portfolio includes multiple mid-sized community projects, as well as iconic residential and commercial tower developments. Deyaar recorded a total revenue of AED 1.9 billion and net profit (before tax) of AED 638 million in 2025.

**Developments in 2025:**

The Company's recent initiatives include development of commercial and residential projects across UAE as well as in some of the international markets.

Key Subsidiaries & Associates continued

## Key Associates of DIB

### TOM Digital Bank, Türkiye

TOM Digital Bank offers digital banking solutions to its customers through its application “HADI” and continues to expand its customer base through the concept of “buy now, pay later” or “buy now, pay in instalments”. The Bank’s strengthening financial performance steered it towards achieving breakeven in 2025, growing its customer base from 1.2 million to 3.2 million, delivering innovative products and continuing to maintain an adequate market share.

### Panin Dubai Syariah Bank, Indonesia

The Bank obtained the business licence in 2009 based on Sharia principles, and began operating as a Sharia General Bank in the same year. In 2015, DIB successfully ventured into the Far East through an acquisition in PT Bank Panin Syariah Tbk, marking DIB’s first entry into the Asia-Pacific region. The current holdings of DIB is at 25.1%.

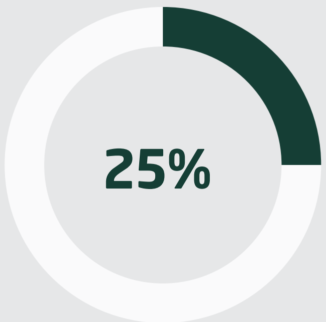
### Bosnia Bank International Sarajevo

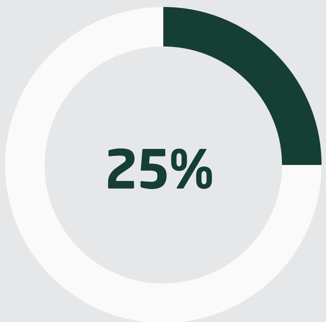
Founded in 2000, Bosnia Bank Int. is the fastest organically grown bank in Bosnia and Herzegovina, and the first operating in accordance with the Islamic financial principles, offering all types of banking products and services to its clients. It continues to build a strong financing book and a stable deposit base.

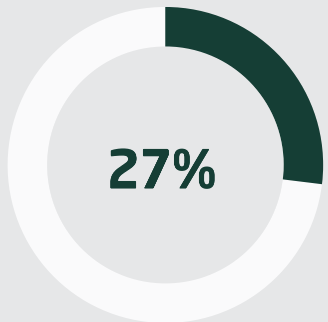
### Bank of Khartoum, Sudan

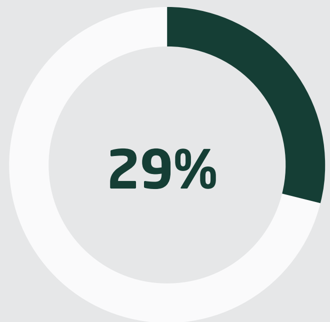
Established in 1913, the Bank of Khartoum is the largest banking group in Sudan under Islamic Banking Standards and Principles. Through innovative financial products in Corporate, SME, Retail and Investment, it continues to drive economic and financial development. The Bank continues to benefit from its strengthening Fx position and growing international presence.

### Ownership



Technology

# Unlocking new value

## 2025 was an impressive year that saw DIB receiving acknowledgement for its digital transformation and placed it on track to build a strong platform-led Bank.

The Bank is unlocking new value by laying the foundation for a strong digital mindset by being digital to the core, building a customer-centric organisation, and changing the culture within.

DIB is committed to strengthen and grow its foundations, with operational efficiency being the key to its growth and productivity. The Bank continues making investments in digital technology and innovation for transforming and sustainably improving its operational efficiency. With agility and resilience remaining at the core of the operating model, advanced technologies are well aligned with DIB's overarching business goals and deeply embedded within its business functions, enabling agile and insightful decision making.

The Bank's technology strategy is built on two foundational pillars: **Strengthen** and **Grow**. These pillars guide every initiative within the Bank's technology roadmap, ensuring that the investments are both future-ready and aligned with the Bank's strategic ambitions.

To support the Bank's **Strengthen** and **Grow** strategy, there are 12 strategic pillars guiding its technology transformation.

### Protect

- Cyber Security
- Quality & Controls
- Resiliency
- Architecture

### Build

- Collaborative Technologies
- Talent & Culture
- Operating Model
- Data & Analytics

### Flourish

- Mobility & Digital Capabilities
- Integrated Unified Platforms
- Superior Infrastructure
- APIs & Cognitive Technologies

These include the adoption of financial cloud, Big Data platforms, open finance, and instant payments aligned with UAE national strategies.

Strategic investments in blockchain and emerging technologies are enhancing the Bank's competitiveness and ecosystem partnerships.

### Key initiatives in Technology:

- The Bank is enhancing monitoring and incident management through real-time tools and robust response plans, while strengthening security measures with regular audits, data encryption, access controls, and AI-powered fraud detection systems.
- System integration is being improved by mapping interdependencies and implementing robust API management for seamless communication.
- The Bank is constantly evolving the operating model of technology to meet the expectations of the stakeholders.
- Modernised frameworks and methodologies associated with DevSecOps, AIOps and AgileOps are being deployed at scale.

Embedding technology deeply within business functions is resulting in an enhanced focus on Product deliveries vis-à-vis Project deliveries.

The Bank is also investing in talent and training through continuous skill development and strategic hiring to support its core banking and emerging technologies. Accountability is being enhanced through clear roles, KPIs, and transparent reporting mechanisms. Future enhancements are being planned with scalable system designs and integration of emerging technologies to future-proof the infrastructure.

Technology continued

# STRENGTHEN

## Building Resilience

**The Bank remains focused on modernising several foundational components:**

- Cloud enablement
- API Framework for internal and external customers
- Core product processors
- Compliance and risk solutions
- Enterprise workflows
- Advanced data & analytics

**Current initiatives:**
To deepen the Bank's resilience, it is advancing strategic programmes such as the Resiliency and Business Continuity Program, modernisation of IT monitoring and surveillance, and targeted enhancements to scalability and system recovery capabilities.

The Bank is also implementing Master Data Management (MDM) to improve data governance and quality, while strengthening its cybersecurity posture. Infrastructure modernisation and API governance are underway to ensure the Bank's systems remain robust, interoperable, and responsive to evolving business needs.

**Future initiatives:**

- Implementation of Zero Trust Architecture;
- Autonomous infrastructure management; and
- Quantum-resistant cryptography.

The Bank is also planning advanced disaster recovery orchestration and Green IT sustainability programmes to further reinforce its commitment to secure, scalable, and environmentally responsible technology operations.

# GROW

## Accelerating Innovation

**This reflects DIB's ambition to expand its digital footprint and accelerate innovation. The analytics platform has been modernised using Power BI, enabling more agile and insightful decision making across the enterprise.**

- **Upgrading legacy systems**
- **Automating processes**
- **Enhancing digital channels**

**Current initiatives:**
Development of an API management and monetisation framework, the rollout of a data-driven event platform, and the deployment of advanced analytics and AI models.

Building retail and corporate data marts, enabling self-service analytics, and enhancing customer engagement through AI-driven interaction platforms.

Working on open finance enablement, adopting microservices architecture, and accelerating digital product development to meet the evolving needs of the customers.

**Future initiatives:**
Future initiatives under this pillar will further elevate the Bank's innovation agenda. These initiatives include AI-powered hyper-personalisation, digital twin technology, and the creation of a next-generation open banking ecosystem. The Bank is also exploring blockchain-based smart contracts and voice-enabled conversational banking experiences, which will redefine how customers interact with financial services.

Digital

# Delivering banking that is simple and seamless

DIB continued to strengthen its position as a leader in digital Islamic banking, advancing its multi-year transformation programme with a clear focus on making banking simpler, seamless, and embedded into customers' everyday lives.

The Bank's digital agenda, anchored in a strategy of making banking effortless and accessible through every touchpoint has reshaped the way value is created, with digital becoming a central contributor to engagement, efficiency, and growth. The ALT mobile banking app and the Bank's broader digital ecosystem now serve as essential pillars supporting customer experience and operational excellence.

Digitalisation continued to play a significant role in revenue generation. Digital channels contributed 10% of total retail banking revenue (directly and indirectly), underscoring digital's transition from a complementary service to a core engine of profitability and long-term competitiveness. This contribution reflects sustained enhancements in digital journeys and increased customer adoption across key channels.

The DIB ALT mobile banking app remained the cornerstone of this evolution. Offering more than 135 services, it has become an everyday financial companion for customers – enabling seamless transfers, bill payments, investments, and applications for financial products. Nearly 51% of Bank's customer transactions were completed through the app during the year, reflecting its central role in DIB's digital-first strategy.

Customer acquisition and engagement reached record levels. Mobile banking registrations increased by 33% year-on-year, bringing total userbase to 1.1 million YTD. Unique users logging into the Mobile Banking App grew by 13%. WhatsApp Banking continued its strong rise, expanding its subscriber base by 45% to more than 300,000 customers, ensuring secure 24/7 access to key services. The Bank's digital campaigns played a pivotal role in accelerating this adoption.

Digital onboarding also saw major breakthroughs, particularly in CASA. With a fully redesigned digital onboarding journey, over 80% of New-to-Bank customers were onboarded digitally. This significantly reduced turnaround times, eliminated manual intervention, enhanced compliance, and delivered a faster, frictionless onboarding experience. In parallel, 97% of the Bank's customers transacted digitally during 2025, underscoring trust in digital platforms and the Bank's continued shift towards a self-service operating model.

**10%**
of total retail banking revenue was contributed through digital channels

**33%**
year-on-year increase in mobile banking registrations

**Over 80%**
of New-to-Bank customers were onboarded digitally

## Digital continued

**Operational efficiency remained a central achievement, with more than 95% of all financial and non-financial transactions completed digitally**. This migration not only reduced branch dependency but also improved speed, reduced cost-to-serve, and supported sustainable service delivery. Digital payments grew strongly. The Bank processed over 4.1 million digital payment transactions during the year across internet and mobile channels. Through the CyberSource payment gateway, DIB onboarded more than 2,000 merchants – strengthening its footprint in the UAE's e-commerce economy and supporting the country's transition towards a cashless society.

**2,000+**

merchants onboarded through the CyberSource payment gateway

**Digital sales also continued to grow**. More than AED 193 million in personal finance disbursements were facilitated digitally in 2025. Digital transformations in covered card and auto finance journeys simplified access, reduced turnaround times, and supported the growth of the retail portfolio.

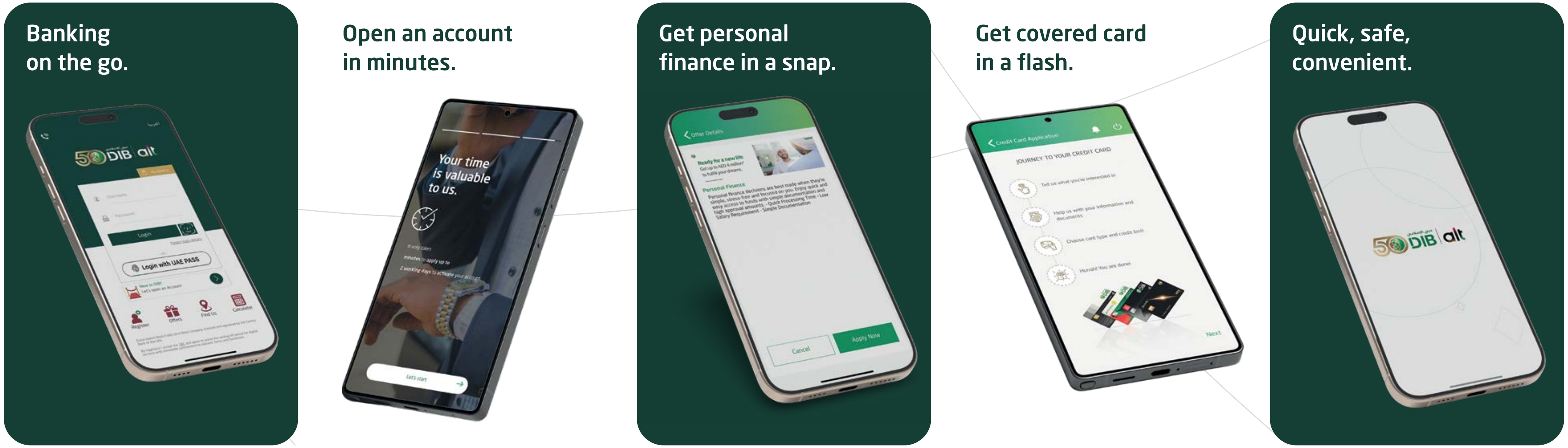
**Customer trust in DIB's digital ecosystem remained high**. The mobile app achieved strong customer satisfaction ratings of 4.5 on iOS and 4.2 on Android, reflecting ongoing enhancements to usability, security, and experience. Digitisation across Business Banking also progressed significantly. A fully re-engineered onboarding model contributed to a 227% year-on-year increase in CASA acquisition volumes while achieving an 87% reduction in turnaround times. Additionally, 46 frequently requested branch services were digitised, reducing branch walk-ins and strengthening controls.

**227%**

year-on-year increase in CASA acquisition volumes

**Strategic partnerships played a key role in accelerating digital transformation.**

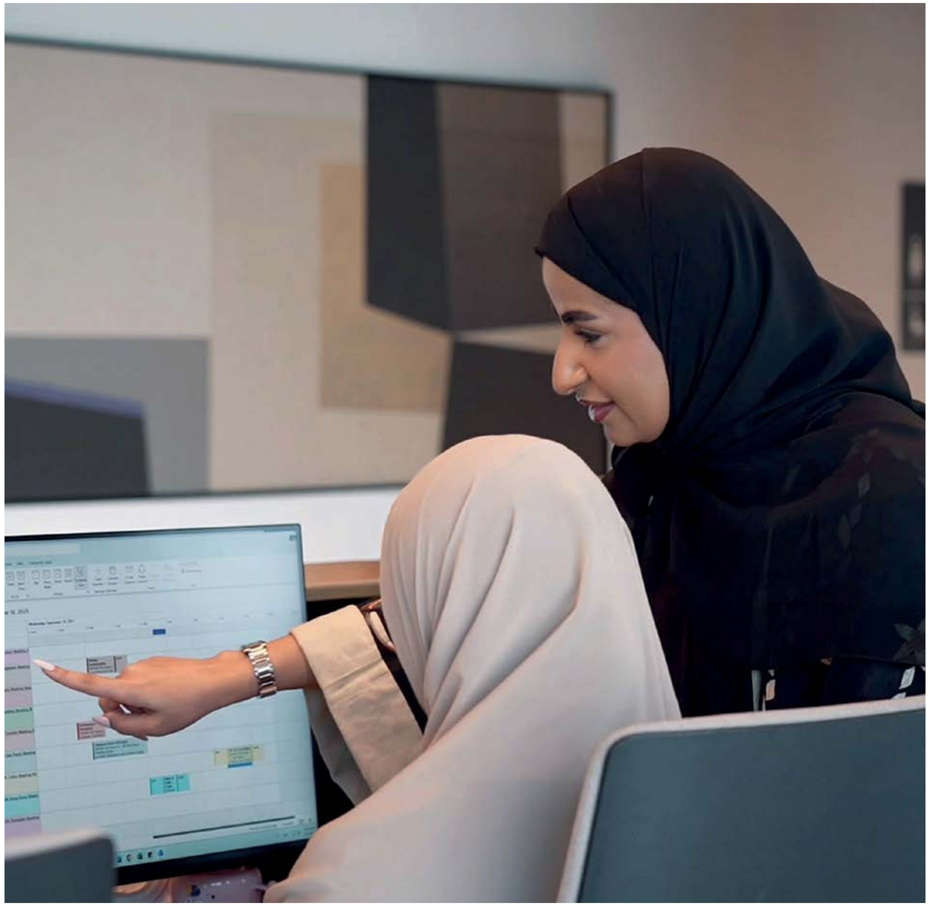
- At GITEX GLOBAL 2025, DIB entered into a strategic partnership with Finshape to leverage its Digital Bank Operating System, enabling enhanced agility, scalability, and personalised digital experiences.
- The Bank also partnered with HCLTech to scale the responsible use of Artificial Intelligence (AI) across the organisation, reinforcing its leadership in digital innovation and strengthening decision-making, customer experience, and risk frameworks.



People and Culture

# Achieving excellence. Fostering growth.

## DIB continues to reinforce a culture rooted in agility, trust, and shared values. The Bank prioritises attracting, developing, and retaining talent, while enhancing the capabilities needed to deliver on its strategic objectives. Cultivating a right-fit culture remains central to supporting performance and sustained growth at DIB.



In 2025, DIB continued shaping the future of work through digital transformation, a world-class talent landscape, and a culture rooted in agility and inclusion. The human resource initiatives implemented during the year reflect the Bank's strategic focus: investing in national talent, enhancing digital systems and employee experience, developing future-ready skills, and strengthening recognition and well-being across the organisation.

Guided by the Bank's strategy, this year's priorities centred around driving structural and cultural shifts, accelerating Emiratisation, and strengthening HR governance and digital excellence, reinforcing DIB's standing as an employer of choice.

### Empowering National Talent and Fostering Inclusion

In alignment with the UAE's national priorities and the direction set by the Emirati Talent Competitiveness Council's Nafis Program, DIB sustained strong progress in advancing Emiratisation throughout 2025. The Bank continued to invest in building a sustainable pipeline of Emirati professionals by expanding development and engagement opportunities across career stages.

With regard to inclusion, the hiring and integration of People of Determination remained a key HR priority, reinforcing DIB's commitment to maintaining an inclusive workplace that recognises the value and contribution of diverse employees.

Partnerships with specialised UAE service providers ensured that recruitment efforts for People of Determination were meaningful, well supported, and aligned with DIB's broader goal of fostering an equitable and empowering environment for all.

**46%**
Emiratisation ratio

People and Culture continued

## Driving Digital Transformation and Employee Experience

The Bank advanced its digital HR agenda to deliver greater efficiency and a seamless employee experience. The automation of Talent Acquisition and Onboarding processes through the Applicant Tracking System (ATS) Talentra and Afterhire, has enabled real-time data processing, improved compliance, and faster recruitment cycles.

Learning also took a digital leap with the introduction of LinkedIn Learning, establishing it as a core platform for on-demand learning and future-skills development.

## Developing a Future-Ready Workforce

Through the DIB Learning Academy, the Bank strengthened its partnerships with Ajman University, INCEIF, and the Ministry of Education to drive capability development, certification, and research-based learning aligned with national priorities. ESG learning was embedded across the curricula, with webinars on Sustainable Finance in partnership with INCEIF and new courses on ESG and sustainability certifications.

National talent development remained a cornerstone of our work. Programmes such as DIB Agile Masters for young Emiratis, Women Leaders' sessions, and Sign Language and VR Learning initiatives broadened the scope of skills and inclusivity. The Human Resources department also coordinated with the Ministry of Community

### Making progress possible

Key HR-related initiatives

| Initiative | Outcomes to date |
|---|---|
| **Ethraa & Future Tech** | • Trained 181 Emiratis since 2022<br>• 40 new participants joined annually |
| **Iktaseb Summer Training Program** | • Enrolled 37 university students in departmental rotations<br>• Provided practical exposure to banking operations |
| **Participation and Partnerships** | • Ruya, a national career fair<br>• Maintained partnerships with leading institutions including the Higher Colleges of Technology (HCT), which recognised DIB for hiring and developing its graduates |


To celebrate and empower Emirati women, DIB hosted an Emirati Women's Day session featuring H.E. Sheikha Lubna Al Qasimi, highlighting leadership, balance, and inspiration. Collaboration with Nafis continued through the promotion of Emirati success stories across the Bank, while retention initiatives ensured sustained engagement and career growth for UAE nationals.

People and Culture continued

## An Integrated Suite of Development Programmes

| Programme | Key Outcome |
|---|---|
| **Emirati Development Programme (EDP)** | Advanced professional growth of UAE Nationals through structured learning, cross-functional exposure, and mentoring opportunities aligned with the Bank's Emiratisation priorities. |
| **Women Leadership Advancement Programme (WLAP)** | Reinforced DIB's commitment to gender equity by supporting women professionals in building confidence, resilience, and leadership capability. |
| **High-Potential (HiPo) Programme** | Equipped mid- and junior-level employees with the skills and mindset to lead through collaboration, innovation, and continuous improvement. |


and Empowerment to deliver sessions on dealing with and protecting People of Determination, alongside collaborating with the Dubai Police Academy on first aid and safety training.

Externally, the Bank hosted student visits from the University of Maryland, Columbus State University, and the National University of Singapore, providing global exposure to Islamic banking practices. Partnerships with the Ministry of Education also introduced Emirati high-school students to banking concepts through Career Exposure Visits.

## Building Leadership Excellence

In 2025, DIB deepened its investment in leadership capability and succession strength through an integrated suite of development programmes designed to prepare employees for future roles and drive long-term organisational sustainability. Guided by the Bank's "Build from Within" philosophy, these initiatives fostered a culture of learning, empowerment, and inclusive growth.

People and Culture continued

Together, these development programmes form a cohesive leadership ecosystem that prepares future-ready leaders, while strengthening internal mobility and succession depth. This holistic approach was recognised through the 2025 SHRM MENA Star Awards (Silver – Leadership Development) and the Employee Happiness Awards (Gold – Best Leadership Succession Strategy), reaffirming DIB's position as a purpose-driven organisation that invests in its people to drive sustainable success.

## Recognising and Supporting Our People

The year under review reaffirmed the Bank's culture of appreciation and collective pride. The Human Resources department played a central role in DIB's Golden Jubilee celebrations, ensuring the milestone honoured employees' contributions and reflected the Bank's shared values of unity and purpose.

- **The Attaya digital recognition platform** enables employees to celebrate achievements and express gratitude across teams.
- **The Recognition Week** resulted in 5,800+ recognitions exchanged through the platform, reinforcing a culture of appreciation and collaboration.


## Championing Well-being and Social Responsibility

The Bank continued to prioritise the welfare of its employees and the broader social impact. Pension education sessions held during the year improved awareness of new and legacy UAE and GCC pension laws, supporting employees in making informed decisions.

Beyond the organisation, DIB's partnership with Biz Group through the Buy1 Give1 (B1G1) Global Giving Initiative reflected the Bank's ethos of compassion and contribution, earning a Certificate of Gratitude for supporting children's education in India's mining regions.

## Looking Ahead

Moving forward, the Bank will continue to advance its people strategy with an emphasis on strengthening Emirati leadership pipelines, expanding ESG initiatives, and deepening digital integration across the employee lifecycle. The Bank remains focused on cultivating an empowered, inclusive, and high-performing workforce that continues to drive its success.

Sustainability

# Setting a strong foundation for sustained success

## DIB is proud of its socio-economic impact and efforts to reduce its environmental footprint, and is committed to create a more sustainable and inclusive future for people and businesses.

The Bank maintains an earnest focus on integrating sustainability into its core processes and decision-making structures, maintaining a more resilient, low-carbon economy, and contributing to the nation's sustainability targets.

2025 marked another significant milestone in DIB's sustainability journey. Building on the solid progress achieved in 2024, the Bank implemented significant transformational activities designed to strengthen the foundations of its sustainability strategy. These foundational steps enable the Bank to realise the sustainability commitments made to its shareholders and also ensure that sustainability is embedded across its core business processes, decision-making structures, and long-term value creation.

DIB's sustainability strategy continues to evolve at the intersection of the Islamic finance heritage and the Bank's commitment to addressing emerging global sustainability challenges. Rooted in the principles of stewardship, equity, and accountability, the Bank's approach has progressively matured from establishing foundational ESG practices to embedding sustainability across its business decision-making and operational processes.

Responsibility for the achievement of strategic sustainability objectives is championed at the highest level, overseen by the Board of Directors and executed across all the business units. Each department contributes to delivery of the strategy through defined key performance indicators, structured governance, and implementation roadmaps that ensure transparency, accountability, and measurable progress.

## DIB Sustainability Strategy

**Own the ESG Space**

### Finance a Sustainable Future

→ For more information go to page 54

- **Propel sustainable finance**
- **Promote financial inclusion**
- **Champion business ethics and customer privacy**
- **Embed ESG in decision making**

### Lead by Example

→ For more information go to page 55

- **Reduce operational environmental footprint**
- **Embrace diversity & inclusion**
- **Enhance employee well-being**
- **Drive transparency and disclosure**

Sustainability continued

# Execution of strategic priorities

The efforts taken in 2025 have put DIB in an excellent position to achieve its major commitments of 2030. A key learning in the Bank's ongoing sustainability journey has been that progress is incremental, and the most foundational achievements may not always be headline-worthy. Nonetheless, the Bank appreciates the multi-phased nature of its sustainability transformation.

### DIB's Evolution Journey in Sustainability

**2021-2024**

**2021**
First GRI Sustainability Report

**Nov 2022**
Successfully priced our inaugural Sustainable Sukuk at
**$750 Mn**

**Feb 2023**
Successfully priced our second Sustainable Sukuk at
**$1 Bn**

**May 2023**
Board approved sustainability strategy

**Sep 2023**
Officially established Sustainability team with CSO appointed

**Feb 2024**
Successfully priced our third Sustainable Sukuk at
**$1 Bn**

**Aug 2024**
Facilitated the Inaugural Sustainability-Linked Finance

**Progress in 2025**

**Nov 2024**
Sustainability Policy published with Net Zero commitments

**Dec 2024**
Published the refreshed Sustainable Finance Framework with second-party opinion

**Jan 2025**
Launched Sustainability-linked Finance Facilities Financing Framework with second-party opinion

**Apr 2025**
Established the Sustainable Finance Committee

**May 2025**
Kicked off the first-ever Double Materiality Assessment

**Jun 2025**
Introduced the new Sustainable Finance vertical focused on commercial growth

**Aug 2025**
Published position statements on key topics (Human Rights, Financing Exclusions)

**Aug 2025**
Published Responsible Investment Framework

**Sep 2025**
Submitted response to Carbon Disclosure Project (CDP) questionnaire

**Sep 2025**
Achieved full allocation of third Sustainable Sukuk

**Oct 2025**
Initiation of energy audits for DIB-owned office facilities

**Nov 2025**
Issuance of USD 1bn Sustainability-Linked Sukuk

**Commitment for 2030**

**2030**

**Net zero scope 1 and 2 emissions in own operations**

**Achieve sustainable finance target of 15% of gross financing**

Sustainability continued

# Financing a Sustainable Future

The Bank's activities undertaken in 2025 delivered meaningful and positive progress in advancing its strategic objective to "Finance a Sustainable Future".

## Embedding ESG Across the Bank

The Bank continued to evolve its ESG Risk Management practices with the aim of fully integrating ESG into its Risk Management Framework and Credit Standards.

In 2025, a new ESG Risk Policy was published, endorsed by the Senior Management and the Board of Directors. The policy outlines the responsibilities of the three lines of defence in identifying, assessing, managing and mitigating ESG risks in the Bank's own operations, financing and investment decisions.

Alongside this policy, climate risk stress testing and scenario analysis work continue to evolve. Once again, exercises driven by the Central Bank of the UAE shone a spotlight on climate-related financial risk, now from a bottom-up perspective. The Bank is eager to continue developing its capabilities and integrate these metrics into the broader risk management framework.

→ A more comprehensive view of DIB's approach to Risk Management can be found on page 59

Additionally, significant progress was made in sustainability training. Sustainability was added to the list of mandatory annual e-learnings signalling DIB's commitment to embedding ESG into the organisation's fabric. Mandatory training was augmented and reinforced by customised corporate sustainability and sustainable finance training delivered directly to a range of front-office and back-office departments.

## Sustainable Finance Growth and Process Maturation

DIB's sustainable finance portfolio continues to expand with domestic and international transactions, a clear reflection of the global economy's trajectory. Of note is the contribution to multiple major airlines' improvement of fleet emissions through the financing of next-generation, lower-emission aircrafts. As of September, the full value of DIB's three Sustainable Sukuk (AED 10.1bn or USD 2.75bn) has been allocated to projects and clients in alignment with the Sustainable Finance Framework.

Further, the launch of the Bank's inaugural Sustainability-Linked Finance Facilities Financing framework (SLFFF) was the first by an Islamic institution globally. The framework establishes DIB's standards for ambitious key performance indicators and sustainability performance targets related to the reduction of greenhouse gas emissions and implementation of renewable energy sources. By linking financing to a client's sustainability performance, DIB is well-positioned to play a meaningful role in the client's transformation.

Finally, a Sustainable Finance Committee was ratified in April 2025 and has since convened monthly. The Committee includes members from Finance, Risk and Credit, and has a mandate to review potential transactions for inclusion in the sustainable asset register, while identifying and driving initiatives to grow the portfolio. The Bank has benefited greatly from this collaborative approach, with a very notable positive outcome being a deeper understanding of sustainable finance across the business.

Sustainability continued

# Lead by Example

Without taking measures within its operations and transparently disclosing progress, DIB will struggle to credibly influence upstream and downstream business partners to do the same. Below is a summary of its activities driving the "Lead by Example" strategic objective.

## Decarbonising its Operations

This year, DIB has taken further steps to set a clear, granular approach to achieving Net Zero Scope 1 and 2 emissions by 2030. Energy audits have been initiated at its largest, owned properties: three office towers in Dubai. These facilities cover approximately 45% of the Bank's energy consumption. The results of these audits will identify renovation and retrofit projects with tangible emissions savings. By calculating what is possible, the Bank can plan for future investment and offset requirements accordingly.

DIB also made strides in waste management practices, reducing total waste generated and diverting more waste from landfill than ever before. At its corporate offices, solutions have been implemented to eliminate plastic water bottles by partnering with No More Bottles. The implementation of filtration systems for municipal water aims to reduce plastic waste and provide safe, clean, plastic-free water to staff. Additionally, pending final implementation, waste segregation will be introduced in offices, encouraging the recycling of plastic, aluminium, and paper waste.

**190,000**
mangrove trees planted

**3,000**
Ghaf trees planted

## One Tree for Everyone

In addition to DIB's own operations, nature restoration and biodiversity have also been a key focus of the Bank's sustainability agenda. Our "One Tree for Everyone" initiative is DIB's flagship, nature-based programme promoting afforestation, ecosystem restoration, and biodiversity regeneration across the UAE. Since its launch in 2023, DIB has planted more than 190,000 mangrove trees and 3,000 ghaf trees, restoring both coastal and desert ecosystems that are critical for carbon sequestration and habitat protection.

Collectively, the restored habitats are projected to sequester over 49.6 million kilograms of $CO_2$, improve soil fertility, stabilise coastlines, and enhance local biodiversity by providing breeding grounds for marine and terrestrial species. In recognition of its measurable impact, DIB was awarded by the UAE Ministry of Climate Change and Environment for its leadership in carbon sequestration and biodiversity restoration.

Sustainability continued

## Improved Transparency and Disclosure

As a critical step towards decarbonising its financing and investment portfolio, the Bank completed an initial baseline calculation of financed emissions. Using the methodology of the Partnership for Carbon Accounting Financials (PCAF), emissions have been calculated associated with the asset classes of business financing and unlisted equity, motor vehicle finance, and home finance across the wholesale and retail portfolios. Going forward, DIB aims to improve data quality by engaging directly with its clients and regulators.

Additionally, DIB submitted its first ever response to the Carbon Disclosure Project (CDP) questionnaire. The CDP is as pioneering today as it was at its inception 20 years ago. The framework sets forth a high watermark for environmental disclosure on topics such as climate change, deforestation, water and biodiversity. DIB looks forward to using learnings from CDP to grow and mature ESG practices.

Finally, an inaugural Communication of Progress (CoP) as signatory of the United Nations Global Compact (UNGC) was submitted in May 2025. In its first year of membership, DIB benefited from eye-opening resources that helped the Bank to better internalise the Sustainable Development Goals. Like CDP, DIB will also use the UNGC framework to enhance its approach towards environmental and social due diligence and mitigation.

## Diverse and engaged workforce

DIB has grown its workforce in size and diversity, being recognised through shortlisting in the Best Diversity & Inclusion Strategy category at the Future Workplace Awards 2025 and as a finalist for Best Employee Wellness Initiative at the Employee Happiness Awards 2025.

Substantial investments were made into learning and development with the opening of DIB's new Academy, a state-of-the-art, on-site learning facility. Additionally, the Bank expanded its digital education horizons, establishing a partnership with LinkedIn Learning, where employees can access curated leading content on topics such as sustainability, artificial intelligence, systems thinking, and many more.

The Bank continues to enhance its reputation as an employer of choice for People of Determination (PoD), pursuing office and branch renovations aligned with WELL standard certifications, and providing employees with cutting-edge health and longevity resources in partnership with Valeo Health.

→ A more comprehensive view of DIB's approach to Human Resources can be found on page 48

Sustainability continued

# A refreshed view of our material topics

## In 2025, DIB refreshed and expanded its 2022 materiality assessment. In line with leading global practices, the Bank revised its approach and conducted a Double Materiality Assessment.

This exercise recognises the impact of critical ESG topics on the Bank's profitability (financial materiality) and also the impact the Bank has on the environment, society, and the economy (impact materiality).

As an initial step, the Bank mapped its full value chain to anchor the exercise in an understanding of where it extracts and consumes resources, where value is delivered, and how the Bank touches and impacts its key stakeholders. The outcomes of the value chain analysis are reflected in the value creation story section presented on page 18 of the Integrated Report and are further explored in DIB's Sustainability Report, 2025.

Following this, a structured engagement process was undertaken with the Bank's senior leadership and priority stakeholder groups. Input was gathered across all the employees, clients, customers, investors, regulators, subsidiaries, and community partners and other key stakeholders to validate the relevance and priority of the ESG topics. This process resulted in a refined short-list of 22 potentially material topics.

Ultimately, the Bank identified the below list of 7 material topics that represent the most significant sustainability risks, opportunities, and strategic priorities. These topics now guide the Bank's sustainability focus, governance, and performance monitoring. Further detail on the methodology, stakeholder inputs, and year-on-year changes from the 2022 baseline can be accessed in the Bank's Sustainability Report.

Looking ahead, and informed by the results of the Double Materiality Assessment, the Bank will refine its sustainability priorities to ensure continuous alignment with the stakeholders' expectations, regulatory advancements, and long-term value creation. This phase of the Bank's strategy aims to sharpen its focus, deepen impact, and reinforce its position as a regional leader in values-based sustainable finance.

## Material topics

### Climate Risk
Identifying, assessing, and managing challenges a bank and its clients might face due to climate change, impacting financing and investment decisions.

### Employee Well-being
Prioritising an enhanced workplace culture and employee satisfaction through initiatives promoting physical, mental, social, financial, and environmental wellbeing.

### Data Security & Privacy
Strengthening cybersecurity measures, risk management frameworks and ensuring the privacy of customer information.

### Sustainable Finance for Net Zero Transition
Supporting the move to cleaner energy and lower emissions by offering financing, investments, and advisory to businesses and communities, creating business opportunities and positive environmental and social impacts in alignment with international, national and local goals.

### Training & Development
Providing ongoing learning opportunities to help employees keep up with evolving technologies, market changes, and regulations.

### Customer Satisfaction
Delivering banking services which meet or exceed customer expectations in quality, accessibility and transparency.

### Diversity, Equity & Inclusion
Fostering an inclusive workplace that supports and offers equal opportunities to people of different backgrounds, genders, and cultures.

Sustainability continued

# Conclusion

## DIB continues to make positive progress against its Sustainability strategy and commitments.

By incorporating innovative sustainable finance, robust governance and risk management and ongoing operational improvements, DIB is positioning itself as a leading Islamic financial institution in a more resilient, low-carbon economy.

DIB's continued sustainability maturity has been recognised by leading ESG rating agencies. Ratings and scores have risen steadily year-over-year, which is a key testament to the Bank's earnest focus on integrating sustainability into the business.

DIB's progress is well aligned with UAE's regulatory and economic momentum towards a more sustainable, low-carbon economy that will demand more transparency, accountability, and action from its leaders. In a landmark legislation, Federal Decree No. 11 on the Reduction of Climate Change Effects establishes clear expectations for emissions management across the country, providing a unified and practical framework for organisations to contribute to the UAE Net Zero 2050 target. DIB looks forward to collaborating with its clients, suppliers, and other third parties to collectively reduce their environmental impact and contribute to the nation's sustainability targets.

A comprehensive account of the Bank's sustainability progress, including GRI data tables on economic, social, and governance performance, can be found in the 2025 Sustainability Report on the Bank's website.

### Governance

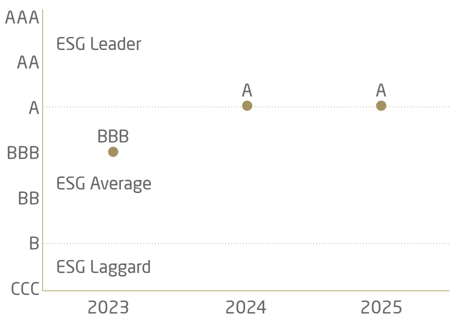
DIB's ESG Governance model remains largely unchanged and continues to operate effectively. For more details on ESG Governance, please refer to Governance section of Sustainability Report, or the Corporate Governance section of the Annual Report.

→ A more comprehensive view of DIB's approach to Corporate Governance can be found on page 88

## Continued improvement in ESG ratings

**MSCI**

**A ↔**




**SUSTAINALYTICS**

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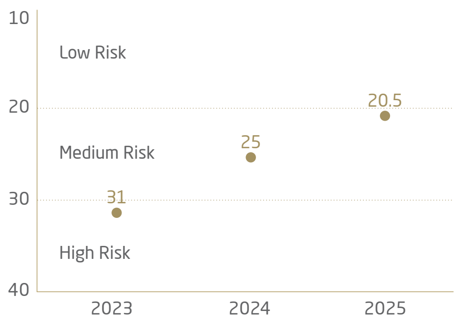
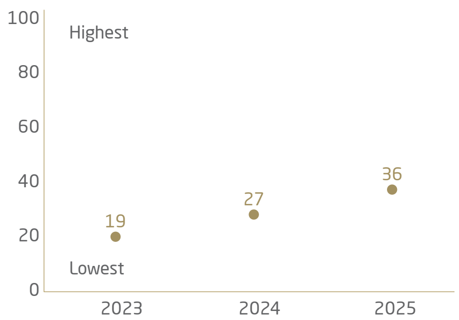


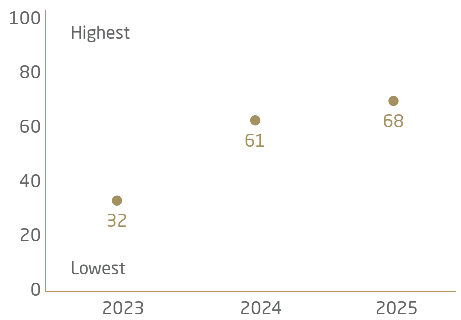

**S&P Global**

**36 ↑9**




**LSEG**

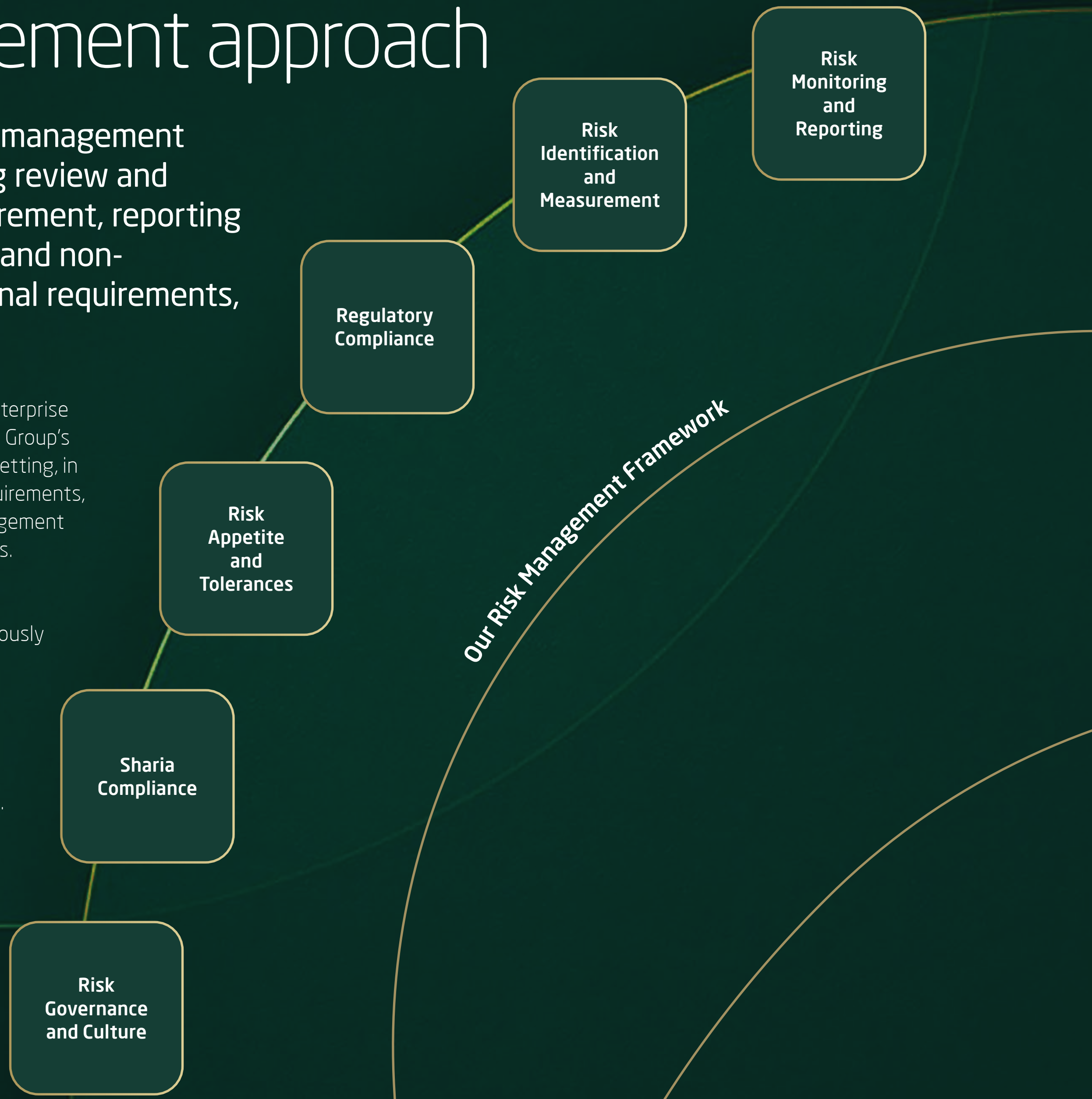
**68 ↑7**



Risk Management

# A proactive risk management approach

In 2025, the Bank continued strengthening its risk management across all areas. At the core of this was the ongoing review and reinforcement of risk policies, identification, measurement, reporting and escalation across all material areas of financial and non-financial risk to better align with strategy, operational requirements, regulatory and international best practices.




**Risk Management Framework**

The Group maintains a robust and comprehensive Risk Management Framework to strengthen its capacity to recognise and address risks. Backed by an independent Group Risk Management Department, the Board oversees all facets of risk management.

The Group Risk Management approach is shaped by its business objectives and risk appetite statements and tolerance limits approved by the Board. Policies, sound practices and the minimum regulatory requirements per risk type inform risk management practices.

DIB continuously integrates its enterprise risk management process into the Group's strategic planning and objective setting, in line with changing regulatory requirements, internationally adopted risk management best practice and market dynamics.

To meet the increasingly complex operating environment, it continuously enhances the Risk Management Framework to develop and embed the risk culture and broaden risk management analytical tools to manage the volatile markets in support of its business objectives.

Risk Management continued

## Three Lines of Defence Model

DIB adopts the three lines of defence model, which provides aligned and coordinated assurance in the risk and control environment across the Group with the business responsible for owning and managing the Bank's risk, whereas the second line risk function provides second line oversight and challenges risk management activities performed by the first line of defence. The third-line audit department provides independent assurance on the effectiveness of controls and processes.

**First Line of Defence**
The business functions

**Second Line of Defence**
Risk management and compliance, Sharia

**Third Line of Defence**
Internal Audit
Internal Sharia Audit

In 2025, Group Risk Management focused on the following key areas and initiatives:

## Data Governance

DIB continued to advance its enterprise data capabilities during the year through significant enhancements in data governance and quality management. It successfully deployed modern technologies to strengthen oversight and ensure accuracy and reliability of critical information across the organisation. Capacity and domain expertise within the data governance function were expanded to meet increasing regulatory and operational demands, while new policies and frameworks were introduced to reinforce data privacy and responsible data usage. Collectively, these actions reflect the commitment to building a robust data-driven culture that underpins sustainable growth, operational resilience, and stakeholder confidence.

## Information Security and Data Privacy

The Bank implemented enhanced AI governance controls, upgraded its threat intelligence platforms, and expanded collaboration with global intelligence-sharing networks. Regular cyber-resilience exercises and continuous monitoring by the Security Operations Center ensure readiness against emerging attacks. These initiatives, together with strong Board-level oversight and alignment to ISO 27001, PCI DSS, SWIFT CSP, and UAE IA Standards, reinforce DIB's commitment to safeguarding customer trust and operational resilience.

## Model Risk

The Bank has continuously worked towards enhancing its Model Governance framework to ensure closer alignment with best practices and regulatory expectations. In the last two years, the Bank has proposed and implemented its Model Governance Policy to ensure that all models used across the Bank are developed, validated, implemented and maintained in a robust and consistent manner, with appropriate oversight throughout their lifecycle.

The initial focus was on creating standards, defining ownership, setting up approval processes and establishing independent model validation, laying out the groundwork for a structured approach for managing model risk across the organisation. Currently, the framework is maturing driven by several key factors such as enhanced regulatory expectations, improved data infra-structure and increased awareness and accountability. As a result, model management within the Bank is evolving from a policy-driven framework into a strategic, enterprise-wide discipline.

## Business Resilience

In 2025, the Bank focused on enhancing its Business Continuity Management framework to ensure that it proactively plans, regularly tests and updates recovery strategies to reflect current business activities and to maintain uninterrupted access to essential banking services, including customer transactions, digital platforms and operational support, while prioritising the safety of its employees and clients. The BCM programme is built on the foundation of resilience, incorporating risk assessments, contingency planning, and adaptive response measures to address a wide range of potential disruptions, from natural disasters to technological challenges.

## Third Party and Outsourcing

The Bank continued to advance its outsourcing requirements and elevated this to a broader Third-Party Risk Management discipline as part of its governance and operational resilience agenda. To strengthen oversight and accountability, a Third-Party Risk Strategy and Framework was approved by the Board formalising the governance structure for outsourcing, enabling technology and other third-party engagements. Reporting and escalation channels are being streamlined through the establishment of a Third-Party Risk Committee, enhancing visibility, decision making, and cross-functional coordination. The Bank's TPRM Framework aligns with the regulatory requirements and it continues to implement measures to meet evolving supervisory expectations, with a focus on data protection, exit management and resilience requirements for material service providers.

Risk Management continued

## ESG Risk Scorecard

The Bank's ESG Scorecard, introduced in 2023 and implemented from mid-2024 through to 2025, has reached a significant milestone. The scorecard, together with an approved policy, was implemented to make the derivation of an ESG rating part of the underwriting process.

The scorecard plays a central role in aligning DIB's portfolio with its sustainability goals. Having achieved the set target to collect and fully populate data for the wholesale financing portfolio in 2025, it is preparing to enter the next phase of this process, where efforts will be focused on client engagement and shaping the strategic direction of financing and investment activities.

## Risk Governance and Culture

Achieving appropriate risk taking and risk control requires a strong risk culture across the business. This starts with the Board setting the tone from the top of the organisation to influence the risk consciousness of all employees as they conduct their daily activities and pursue business objectives. The risk culture ensures that all business functions and employees consider risk management and consult appropriately with the Risk function during the development of new products, procedures, policies and systems.

DIB's subsidiaries manage the risks according to policies formulated by each subsidiary's Board. The subsidiaries are expected to manage risks based on strategy and policy of the Group, with adjustments according to their context such as country-specific circumstances and regulations, which are reported to the Group.

## Risk Appetite and Tolerances

The Bank's Risk Management Framework and Risk Appetite Framework articulate the risk appetite and drill down the same into a limit framework for various risk types. It is expressed through quantitative measures and qualitative statements that provide direction to all business areas and set clear tolerances for activities that are both within and outside risk appetite. The appetite limits are monitored using a range of key indicators to ensure that business is managed within a limit structure for each category.

Any breaches of tolerances or material drops are duly identified, monitored, quantified, understood and reported to the Risk Management Committee and Board Risk Governance and Compliance Committee to ensure proactive actions are taken in order to minimise the negative effects.

The Board reviews and approves our risk appetite annually or whenever there is a significant change in our operating environment or regulatory requirements. Cognisant of its operating environment and micro and macro factors affecting the business ecosystem, the Group prudently managed its risks, and therefore, had no high appetite for risks.

## Risk Identification and Measurement

Risk identification is forward looking and seeks to identify material risks to which the Group may become exposed while conducting its daily operations. All key controls are recorded and assessed regularly, in response to triggers. Control assessments consider both the control design and adequacy of operating effectiveness. Where a control is not effective, the root cause is established, and action plans are implemented to improve control design or performance.

### Risk Monitoring and Reporting

The Group actively monitors the risk control measures by tracking the trends of the risks and their risk levels. Risk reporting provides the Board and senior management with the information they need to respond to and manage risks.

## Regulatory Compliance

DIB operates as a Licensed Financial Institution which is governed by applicable UAE laws, Cabinet Resolutions, regulations and other regulatory instructions issued by the CBUAE and SCA.

DIB is fully committed to complying with all applicable regulatory requirements as well as international best standards. The Bank is also committed to maintaining a strong regulatory relationship with all its regulatory authorities on the principles of trust, openness and transparency.

The Board of Directors remains ultimately responsible for ensuring that the Bank operates under a robust compliance framework.

## Sharia Compliance

Our Group Internal Sharia Control Department (GISCD) represents an integral part of our internal control system (as part of the second line of defence) and the Sharia Governance Framework (SGF). The role of the GISCD includes facilitating and monitoring compliance with Islamic Sharia and to advise and assist on Sharia compliance related matters under the supervision of the ISSC.

Information regarding Sharia compliance and Sharia non-compliance risks is embedded in the related reporting to the BRCGC. The Group Head of ISCD attends the BRCGC to present and discuss Sharia compliance related activities undertaken by the GISCD. The Group Head of ISCD works closely with, and under the guidance of, the ISSC in relation to all matters related to compliance or application of the principles of Sharia. The Sharia Compliance Unit of the GISCD reports matters concerning compliance with the principles of Sharia, regulations, Sharia pronouncements of the ISSC, resolutions and standards issued by Higher Sharia Authority to ISSC and the GCEO. In line with the SGF, the work of the Sharia Compliance Unit is integrated within DIB's overall compliance functions and the Head of the Sharia Compliance has a dotted line reporting to the Group Chief Compliance Officer.

Risk Management continued

## Managing the Key Risks

This section describes the specific risks managed by our Group Risk where the Board and Senior Management are focusing their efforts. It includes a mix of existing and emerging risks that could materially impact DIB's ability to serve its customers or deliver its strategy.

| Risk type | Risk definition and appetite | Risk management approach | Oversight |
|---|---|---|---|
| **Capital Risk** | This is the risk of insufficient level or composition of capital to support the Bank's strategy under normal and stressed conditions and meet the regulatory thresholds.<br>The Bank has a low appetite for any capital shortfalls and remains guided by the Board-approved limits, which are set above the regulatory minimum (where available). | The Bank is committed to maintain a strong risk-based capital position to achieve its strategic objectives and comply with the regulatory guidelines. The Bank assesses capital adequacy on a quarterly basis through the regulatory reporting process and conducts an annual Internal Capital Adequacy Assessment Process (ICAAP), with ongoing monitoring of the underlying parameters throughout the year. Additionally, the Bank also monitors capital adequacy under both normal and stress scenarios to assess and report the impact upon its capital. The Bank has also put in place a capital contingency plan along with a framework for recovery planning. | • BRCGC<br>• RMC<br>• CROC |
| **Credit Risk** | This is the potential loss arising from the likelihood that a customer or counterparty fails to meet its obligations, in accordance with agreed terms.<br>Under Credit Risk, the Bank also monitors Concentration Risk at a single obligor, in economic sectors and geographies.<br>The Bank is guided by the Board approved limits. | DIB has well-defined credit policies and underwriting standards which are coupled with proactive monitoring of exposures to manage credit risk across the credit lifecycle, from origination to settlement/collection. Actions implemented to manage credit risk include:<br>• Assessing all financing exposures and determining whether the risk weights applied under the regulatory standardised approach for credit risk are appropriate for the inherent risk of the exposures.<br>• Having the ability to assess credit risk at portfolio, exposure or counterparty level.<br>• Credit concentration risk is pro-actively and efficiently addressed.<br>• Material cases are deliberated and assessed at multiple forums throughout the financing lifecycle (Credit Committee, Early Alert Committee and Collections and Remedial Management Committee). | • BRCGC<br>• BCIC<br>• RMC<br>• MCC<br>• EAC<br>• PIRC<br>• CRMC |
| **Liquidity Risk** | This is the risk due to which the Bank will be unable to meet its short- and long-term payment obligations, when they fall due under normal and stress circumstances.<br>The Bank has a low appetite for liquidity risk guided by the Board-approved limits which are set above the regulatory minimum (where available). | A comprehensive Liquidity Risk Policy and a Contingency Funding Plan have been implemented to effectively manage liquidity risk and minimise funding concentration risk. DIB proactively monitors maturity mismatches and remains committed to maintaining a well-diversified liability side with adequate investments in instruments which are readily marketable and diverse, to manage unexpected cash flow disruption as well liquidity crunch in the markets. | • BRCGC<br>• ALCO<br>• RMC |
| **Market Risk** | This is risk that arises if the value of financial instruments in the Bank's books produce a loss because of changes in future market conditions.<br>The Bank has a low appetite for any market risk exposure(s) guided by the Board-approved limits. | As an Islamic institution, the Bank provides hedging and investment solutions to its clients to meet their underlying requirements and squares off its customer deals with interbank counterparties, in order not to carry any significant market risk. Effective monitoring is achieved by defining specific limits and an active monitoring and escalation mechanism. | • BRCGC<br>• ALCO<br>• RMC |
| **Profit Rate Risk** | This is the current or prospective risk to the Bank's capital and earnings arising from adverse movements in profit rates that affect its banking book positions.<br>The Bank has a low appetite for any profit rate risk exposure(s) guided by the Board-approved limits. | The Bank ensures gap risks, basis risks and option risks are duly identified, mitigated and monitored. It is committed to monitor its portfolio and make collaborative business decisions to maintain Profit rate risk at an acceptable level in line with the internal limits. | • BRCGC<br>• ALCO<br>• RMC |

**(BRCGC)** = Board Risk, Compliance & Governance Committee, **(RMC)** = Risk Management Committee, **(CROC)** = Capital Review & Optimisation Committee, **(ALCO)** = Asset & Liability Committee, **(MCC)** = Management Credit Committee, **(EAC)** = Early Alert Committee, **(PIRC)** = Provision Impairment Review Committee, **(CRMC)** = Collections and Remedial Management Committee

## Risk Management continued

| Risk type | Risk definition and appetite | Risk management approach | Oversight |
| --- | --- | --- | --- |
| **Model Risk** | This is a potential loss faced by the Bank from making decisions based on inaccurate or erroneous outputs of models due to errors in development, errors in implementation or inappropriate usage of such models.<br>The Bank has a low appetite for model risk as guided by the Board approved limits. | The Bank has a Model Governance Policy in place that allows it to identify, understand and manage its model risk. As part of this framework, the Bank has appropriate technical capacity to ensure modelling knowledge remains within the Bank and robust independent model validation is in place to provide effective challenge to the model development process and ongoing performance of models. The validation process identifies limitations that require adjustments and issues validation findings that require remediation, where applicable. The Bank adheres to the Model Governance Policy in line with the CBUAE MMS obligations. | • BRCGC<br>• RMC<br>• MRMC |
| **Operational Risk** | This is the risk of loss resulting from inadequate or failed internal factors (people, process and system) and external factors (such as external frauds, natural disasters) that exist in all of the Bank's activities, including outsourced activities.<br>The Bank has a low appetite for all operational risk exposure(s) guided by the approved limits. Further, there is zero limit towards internal frauds. | The Bank implements an Operational Risk Management (ORM) framework which includes process mapping, setting up loss data base, risk analysis and assessment, setting up or risk indicators and reporting.<br>All business functions are required to maintain an RCSA analysis, which enables management to validate that all significant risks are identified, assessed, assigned to owners and appropriately managed.<br>The Bank has put in place effective monitoring mechanisms for prevention and early detection of fraud, misappropriation and corrupt practices by staff, customer(s) or its contractor(s) | • BRCGC<br>• RMC |
| **Market Conduct Risk** | This is the risk that arises when the Bank's consumers suffer loss or detriment due to failures in product design, sales, marketing processes and operational delivery or failures in the behaviour or ethics of the Bank's Employees or Third Parties engaged by the Bank.<br>The Bank has no appetite for any unethical behaviour done consciously by the staff. An unethical staff behaviour, which is determined as done unconsciously, shall also be remediated and subject to investigations and corrective actions to prevent recurrence. | The Bank is committed to maintain the highest level of ethical standards in its interactions with consumers as well as within all its aspects of business operations.<br>The Bank is committed to protecting consumer interests and has established robust processes, controls and mitigations to minimise the effects of Market Conduct Risk in close alignment with regulatory expectations. The Bank has defined separate code of conduct for all its Board members, staff and vendors, and remains committed to ensuring acknowledgement and monitoring adherence. | • BRCGC<br>• RMC |
| **Reputational Risk** | Reputational risk arises from any negative perception on the part of customers, counterparties, shareholders, investors or regulators or other relevant parties that can adversely affect the Bank's ability to maintain existing or establish new business relationships and gain continued access to sources of funding.<br>The Bank has no appetite for negative reputational incidents as it conducts its business. | The Bank endeavours to maintain a strong and positive reputation, which would support its efforts to maintain a strong market position, increase shareholder value, forge new business relations, provide confidence to its customers and shareholders, and attract and retain top-notch employees.<br>The Bank is committed to conduct business with the highest ethical standards and transparency to improve its reputation. The Bank has defined communication protocols on official interactions with stakeholders and there are robust crisis management plans in place with a focused communication with its stakeholders. | • BRCGC<br>• RMC |

**(BRCGC)** = Board Risk, Compliance & Governance Committee, **(RMC)** = Risk Management Committee,
**(ALCO)** = Asset & Liability Committee, **(MCC)** = Management Credit Committee, **(MRMC)** = Model Risk Management Committee

## Risk Management continued

| Risk type | Risk definition and appetite | Risk management approach | Oversight |
|---|---|---|---|
| **Information and Cyber Security Risk** | This risk is the potential that a threat will exploit the vulnerability of an information asset or group of assets, which may harm the organisation and this risk is measured as the likelihood and impact of such event, affecting confidentiality, integrity, and availability of information.<br>The Bank has a very low appetite for damage to its assets from cyberattacks and risks due to system security breaches. There is also no appetite for deliberate misuse of customer and/or proprietary information. | The Bank is committed to ensuring that its information is authentic, appropriately classified, properly conserved and managed in accordance with regulatory and business requirements. It has robust processes governing the use of information, its management and publication. Monitoring systems are in place where unauthorised data access (internal or external) is promptly identified and investigated. | • BRCGC<br>• RMC<br>• ISMC |
| **Data Risk** | This is the potential for business loss due to poor or lack of data governance, which results in the mismanagement of data.<br>The Bank has no appetite for weak processes of acquiring, validating, storing, protecting and processing data or for the compromise of processes governing the use of data and information, its management and publication. | Data risk is integrated into the Bank's Risk Management Framework and is enhanced by Data Governance policies at both strategic and operational levels.<br>The Bank is committed to ensure that data is of high quality throughout the lifecycle of the data, and to this effect, the Bank has put in place governance and systems that ensure data and information remain credible, appropriately classified, properly conserved and managed in accordance with legislative and business requirements. A Data Management Office has been created to monitor tactical and operational data management activities. | • BRCGC<br>• RMC<br>• DGC |
| **Sharia Non-Compliance Risk** | This is a risk where a transaction executed by the Bank does not conform to Islamic principles under which the product structure was approved.<br>The Bank has no appetite for Sharia Non-Compliance Risk, which may emanate from products/process design not adhering to the Sharia principles (Islamic Sharia) under which they are structured or where staff do not execute the transactions in the correct order or do not follow the Sharia approval requirements. | The Bank manages Sharia non-compliance risk by reviewing and approving structures, documentation, and material transactions before the same are launched, entered into, or executed. The Internal Sharia Supervision Committee and Group Internal Sharia Control also review the Bank's Policies and Processes (along with all products, services and transactions) to ensure their design does not violate Islamic Sharia under which the products, services and material transactions were structured and documented. | • BRCGC<br>• RMC<br>• GISC |
| **Strategic and Business Risk** | This is the current or prospective negative impact on earning, capital or reputation arising from adverse strategic decisions, improper implementation of decisions or a lack of responsiveness to industry, economic or technological changes. Business risk refers to the adverse impact on earnings or capital arising from the change in business parameters such as volumes, margins and costs.<br>The Bank has a low appetite for strategic and business risk exposure(s) guided by the Board-approved limits. | The Board and senior management are committed to implement and enhance the Bank's strategic planning and monitoring processes. The Bank reviews strategic investment and business opportunities, decision making follows the approved policy framework, while delegation of authority ensures that the Bank maintains its focus on its vision and strategic goals. | • BRCGC<br>• RMC |
| **Third Party and Outsourcing Risk** | The potential risk arising from relationships and arrangements with Third Parties, and the risk introduced to an organisation when a third party fails to meet its obligations, manage risks effectively or maintain operational resilience, potentially impacting the Bank's financial position, strategic objectives, operations, reputation, compliance, or customers.<br>The Bank has a low appetite for Third Party and Outsourcing risk exposures guided by the Board-approved limits. | Actions implemented to manage Third Party and Outsourcing risks include:<br>• Vendor Risk Assessments pre-onboarding including materiality assessments for outsourced arrangements.<br>• Contractual agreements are in place with vendors with adequate contractual clauses.<br>• Ongoing monitoring of outsourced vendors (Annual Risk Assessment process and Service Review conducted on outsourced service providers).<br>• Business Continuity and Exit management requirements for outsourced vendors are defined.<br>• Mitigating controls are in process of being enhanced and incorporated into the newly developed Third Party Risk Management Framework and Policy. | • BRCGC<br>• RMC |

**(BRCGC)** = Board Risk, Compliance & Governance Committee, **(RMC)** = Risk Management Committee, **(ALCO)** = Asset & Liability Committee,
**(ISMC)** = Information Security Management Committee, **(DGC)** = Data Governance Council, **(GISC)** = Group Internal Sharia Control

Compliance

# Operating as an independent second line of defence for the Bank

**Group Compliance is responsible for designing, implementing and maintaining the organisation's compliance programme to ensure that it operates in line with the applicable laws, regulations and recognised compliance standards.**

Compliance, at DIB, operates as an independent, second line of defence for the Bank, led by the Group Chief Compliance Officer (GCCO) who reports directly to the Group Chief Executive Officer and provides direct access to the Board Risk, Compliance & Governance Committee (BRCGC).

The Board and Senior Management are committed to fostering a strong culture of compliance across the Group. The organisation's tone from the top sets a clear expectation for meeting regulatory expectations and preventing financial crime in its business activities. Together these measures enforce a strong culture of integrity, transparency and accountability.

The Group Compliance function operates with specialist teams, including the following:

### 1) Financial Crime Compliance (FCC) Strategy

The FCC Strategy team is responsible for developing, enhancing, and overseeing the organisation's strategic approach to manage Financial Crime Compliance Risk. The team ensures that efforts on financial crime prevention and detection remain effective, forward looking and aligned with regulatory expectations as well as international best standards, in line with the organisation's Risk Appetite.

Their key responsibilities include the Enterprise-wide Financial Crime Risk Assessment, defining the Bank's Financial Crime Policy Framework, providing Financial Crime, Trade & Sanctions Compliance advisory, oversight on subsidiaries, and systems augmentation.

### 2) Financial Crime Compliance (FCC) Surveillance

The FCC Surveillance team is responsible for detecting, assessing, and reporting potential financial crime risks through continuous monitoring of transactions/activity and client onboarding. The team's key responsibilities include reporting suspicious activity or transactions to regulatory authorities, thereby supporting the Bank's commitment to preventing financial crime.

### 3) Compliance Assurance & Training

The Compliance Assurance & Training team plays a key role in evaluating the effectiveness of compliance controls and building organisational awareness in order to manage regulatory and financial crime risks. It ensures the compliance framework remains effective, well understood and embedded across all levels of the organisation.

The team conducts independent reviews and thematic testing to assess the design and operating effectiveness of compliance controls. It designs and delivers targeted training programmes to enhance employee understanding of compliance, conduct and financial crime risks.

### 4) Regulatory Compliance

The Regulatory Compliance team manages regulatory change management across the organisation, which includes receiving and analysing new regulations or changes to existing regulations, evaluating impact, coordinating implementation, and monitoring compliance with existing and new regulatory requirements. It coordinates with Bank-wide stakeholders to ensure that the policies, procedures, and controls at the Bank are aligned with regulatory expectations.

The team manages the Bank's regulatory correspondence and reporting, and is committed to the principles of cooperation, transparency, and openness to ensure that its relationship with the regulators remains productive, healthy and supportive.

### 5) Conduct

The Bank is strongly committed to maintaining an environment of highest ethical standards. The Group has, therefore, developed a robust framework to uphold ethical behaviour, prevent market abuse and ensure conflicts of interests are identified and managed properly. Employees are encouraged to report concerns through a dedicated whistleblowing channel, ensuring issues are addressed promptly and confidentially. Policies on Personal Trading, Conflict of Interest and Related Party Transactions are in place to ensure decisions are made in the best interests of the organisation and its various stakeholders, including but not limited to, its customers, shareholders, regulators and the employees.

Compliance continued

## Key Achievements in 2025

- Enhanced coverage for payments and trade transactions ensuring robust controls for sanctions compliance.
- Introduced specialised monitoring for correspondent banking relationships.
- Effectively managed regulatory changes and ensured alignment of the Bank's policies, processes and controls.
- Delivered training across the Board members, senior management and bank-wide staff.

## Looking towards 2026

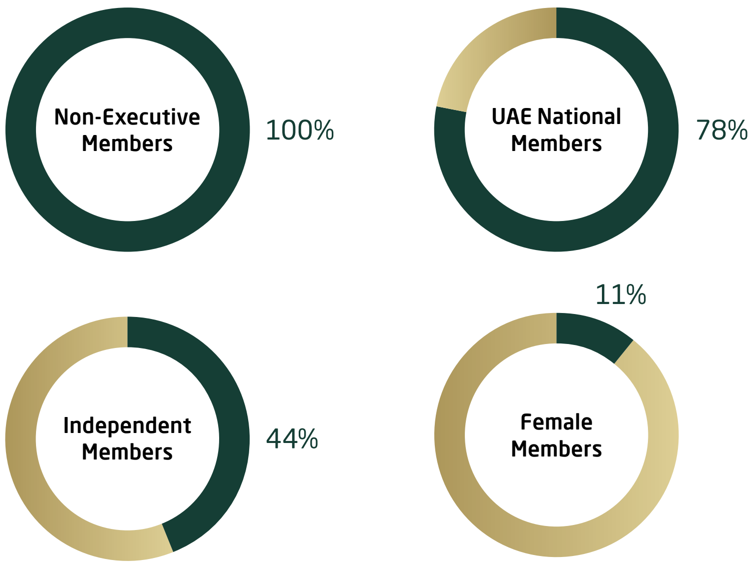
- Systems: The Board and Senior Management are committed to making continued investment in compliance infrastructure and technology by upgrading the Bank's systems, i.e., Transaction Monitoring System to the latest version of cloud-based SAS AML system, migrating to FircoTrust, a new generation name screening solution that uses advanced analytics capabilities.
- Automation and Integration: The Bank is making strong headways towards integration of cross-functional systems and data sources to improve its monitoring capabilities.
- Artificial Intelligence: Artificial Intelligence (AI) offers transformative benefits to organisations. The Group Compliance team is one of the early adopters of AI technology in leveraging automation and advanced analytics to enhance its financial crime surveillance capabilities. Some of its use-cases are centred on improved detection capabilities, which will facilitate the Bank's financial crime surveillance activities.
- Evolving Regulatory Landscape: The UAE continues to demonstrate a rapidly evolving regulatory landscape, driven by its commitment to align with international best standards. To remain ahead of such developments, the Bank is continuously improving its regulatory change management capabilities to support Bank-wide teams in achieving swift and effective compliance.

# Governance

Governance at a Glance

# Viewing our year in summary

## Board Composition




**9**
Members

**7**
Board Meetings

**95%**
Board Attendance

**8**
Development Sessions

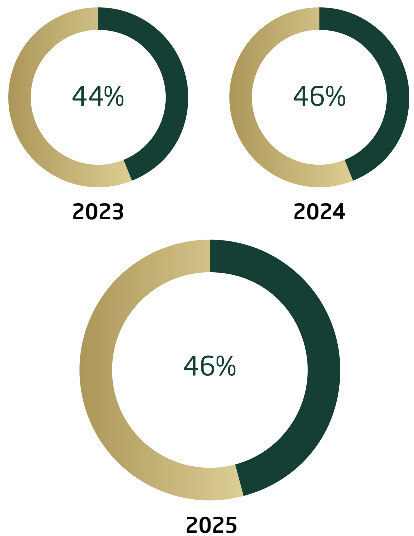
**6**
Committees

**71**
Committee Meetings

**92%**
Committee Meeting Attendance

**10+**
CPD Hours per Director

## Emiratisation




**Employees**


Relating to DIB UAE employees

## Total Number of Learning Hours
(for employees)

**135K**
(2024)

**245.2K**
(2025)

## Total Number of Learning Hours
(for Senior Management members)

**2.2K**
(2024)

**4.1K**
(2025)

Chairman's Statement

# Focused on maintaining robust oversight

## In its milestone jubilee year, the Board's focus remained firmly on disciplined governance, effective oversight and overseeing the Bank's continued progress as the operating environment continued to evolve.

**H.E. Mohammed Ibrahim Al-Shaibani**
Director General of His Highness The Dubai Ruler's Court
Chairman, DIB

On behalf of the Board of Directors, I am pleased to present the Corporate Governance Report of Dubai Islamic Bank Public Joint Stock Company (DIB or the Bank) for 2025.

Strong corporate governance remains a cornerstone of the Bank's operating philosophy and a central responsibility of the Board. It underpins ethical conduct and supports prudent and well-informed decision-making, reinforcing transparency, accountability, and fairness.

In discharging its responsibility, the Board recognises that the operating environment is evolving at an increasing pace, shaped by advancing stakeholder and supervisory expectations, organisational and operating change, and a heightened focus on resilience, sustainability, and customer outcomes. Against this backdrop, the Board has remained focused on maintaining robust oversight through a responsive framework, reflecting the importance of disciplined governance in sustaining trust and confidence.

Within the last year, the Board, through its established governance and committee structures, regularly reviewed the Bank's policies and frameworks, including those relating to corporate governance, risk management, internal controls, compliance, audit, financial reporting and outsourcing. These reviews were undertaken to assess their ongoing adequacy and alignment with the regulations and standards of the Central Bank of the UAE and proportionality to the Bank's scale, complexity and strategic direction.

During the year, the Board's oversight encompassed consideration of enhancements across a number of areas, including risk management, resilience, sustainability, suitability, compliance and Group oversight. In parallel, the Bank recorded progress in governance-related outcomes of strategic importance, including improvements across key ESG ratings and benchmarks, the publication of the Board-approved sustainability-linked finance facilities financing framework, and strengthened arrangements supporting strong and consistent customer outcomes.

Sharia governance continued to form the ethical foundation of the Bank's operations, with the Internal Sharia Supervision Committee providing independent oversight to ensure that products, services and activities remained compliant with Sharia principles and applicable standards.

As the Bank looks ahead, the Board recognises the progress made in strengthening oversight arrangements during 2025, while remaining mindful that frameworks and practices must continue to evolve to remain effective in a changing regulatory and operating environment. Priorities will continue to focus on embedding recent enhancements, further strengthening consistency of application across the Group in line with the Bank's framework, and supporting effective oversight through reliable and meaningful information.

On behalf of the Board, I wish to express my deepest gratitude to **His Highness Sheikh Mohamed bin Zayed Al Nahyan**, President of the UAE and Ruler of Abu Dhabi, and **His Highness Sheikh Mohammed bin Rashid Al Maktoum**, Vice President and Prime Minister of the UAE and Ruler of Dubai, for their visionary leadership which continues to be an inspiration for our progress.

I would also like to extend my sincere appreciation to my fellow Board members, the Internal Sharia Supervision Committee, Senior Management, and all employees for their commitment and contributions throughout the year. I also thank our regulators and stakeholders for their ongoing engagement, guidance and trust. The Board recognises that engagement and trust sustain strong governance and remains committed to upholding high standards of accountability and discipline in support of the Bank's long-term resilience and progress.

**His Excellency Mohammed Ibrahim Al-Shaibani**
Director General of His Highness The Dubai Ruler's Court Chairman, DIB

Board Profiles

# Presenting a diverse Board of Directors

## H.E. Mohammed Ibrahim Al-Shaibani

Non-Executive, Non-Independent
Board Chairman

Date of appointment: March 2008

### Career and experience

His Excellency Mohammed Ibrahim Al-Shaibani is a senior leader in the Government of Dubai and a prominent figure in sovereign investment and institutional governance.

He serves as Director General of His Highness The Dubai Ruler's Court, overseeing the execution of strategic directives across government entities. He is also Managing Director of the Investment Corporation of Dubai, the principal investment arm of the Government of Dubai, responsible for a diversified global portfolio across key economic sectors.

His Excellency is Vice Chairman of the Supreme Fiscal Committee of Dubai and a Member of the Executive Council of Dubai, contributing to fiscal oversight and strategic public-sector decision-making.

In addition, His Excellency holds several senior chairmanships. He is Chairman of Dubai Healthcare City Authority, overseeing one of the world's first enabling healthcare and wellness freezone ecosystems, Chairman of Kerzner International, a globally reputed leader in luxury hospitality, and Chairman of Dubai Humanitarian, which coordinates international humanitarian assistance.

His Excellency also serves on the boards of key strategic enterprises, including Dubai World and Dubai Aerospace Enterprise (DAE) Ltd.

### Education and qualifications

H.E. Mr. Al-Shaibani graduated in 1988 in the US and holds a Bachelor's degree in Computer Science.

### Board appointments to other public joint stock companies

- None

### Board appointments in other key regulatory, government or commercial positions

- Director General, H.H. The Dubai Ruler's Court
- Managing Director, The Investment Corporation of Dubai
- Vice Chairman, The Supreme Fiscal Committee of Dubai
- Member, The Executive Council of Dubai
- Chairman, Kerzner International
- Chairman, Dubai Healthcare City Authority
- Chairman, Dubai Humanitarian
- Board Member, Dubai World
- Board Member, Dubai Aerospace Enterprise (DAE) Ltd.

## The Board comprises experienced Directors with extensive backgrounds in institutional leadership and oversight, providing strategic direction through effective governance.

### Board Committees

| | |
|---|---|
| (A) Board Audit Committee | (C) Board Credit and Investment Committee |
| (N) Board Nomination and Remuneration Committee | (S) Board Sustainability Committee |
| (R) Board Risk, Compliance and Governance Committee | (P) Board Profit Distribution and Management Committee |
| Board Committee Chair | |

## Eng. Yahya Saeed Ahmad Nasser Lootah

Non-Executive, Non-Independent
Board Vice Chairman

Date of appointment: October 2011

Committee Memberships

P N C

### Career and experience

Eng. Lootah has over three decades of experience with S.S. Lootah Group, a leading diversified business based in Dubai which is active across key business sectors ranging from construction, real estate, energy, AI applications, financial services, applied research, education, hospitality, media and healthcare. Under his leadership, S.S. Lootah Group has received, amongst others, the Mohammed Bin Rashid Business Award and the Dubai Award for Sustainable Transport.

### Education and qualifications

Degree in Civil Architectural Engineering and a Master of Science degree in Engineering from University of Bridgeport, US.

### Board appointments to other public joint stock companies

- Chairman, Noor Bank PJSC[1]

### Board appointments in other key regulatory, government or commercial positions

- Chairman, Saeed Ahmed Lootah & Sons Group LLC
- Vice Chairman, Saeed Ahmed Lootah Charity Foundation
- Vice Chairman, Dubai Chambers
- General Manager, S.S. Lootah Contracting
- General Manager, Lootah BC Gas
- General Manager, S.S. Lootah Real estate
- General Manager, S.S. Lootah International

[1] The operations of Noor Bank PJSC were integrated with the operations of DIB with effect from November 2020.

# Board Profiles continued

## Dr. Hamad Mubarak Buamim

Non-Executive, Independent Board Member

Date of appointment: March 2014

Committee Memberships

N C A

### Career and experience

Dr. Buamim is the Chairman of the Board of DMCC (Dubai Multi Commodities Centre). Previously, Dr. Buamim served as President and CEO of the Dubai Chamber of Commerce during 2006 to 2022, where he led key business transformations in Dubai and chaired the ICC World Chambers Federation in Paris during 2018 to 2022.

In addition to his current role at DMCC, Dr. Buamim holds several other leadership and board positions, including Chairman of National General Insurance PJSC and Vice Chairman of Deyaar Properties PJSC. He also serves as a Board Member at International Hotel Investment PLC - Malta.

Throughout his career, Dr. Buamim has made significant contributions to the success of several high-profile boards, including the UAE Central Bank, Dubai World, Istithmar World, Emirates NBD PJSC, Network International, and Kerzner.

### Education and qualifications

A Doctor of Business Administration from Warwick Business School, UK, an MBA with Honors in Finance from the University of Missouri, Kansas City, and a BSc in Electrical Engineering, Magna Cum Laude, from the University of Southern California, US.

### Board appointments to other public joint stock companies

- Chairman, National General Insurance PJSC
- Vice Chairman, Deyaar Properties PJSC
- Vice Chairman, Noor Bank PJSC[1]
- Board member, Dubai Electricity & Water Authority (DEWA)

### Board appointments in other key regulatory, government or commercial positions

- Chairman, Board of DMCC (Dubai Multi Commodities Centre)
- Board Member, International Hotel Investment PLC - Malta
- Chairman of the Advisory Board, Wealthbrix Capital Partners Limited

[1] The operations of Noor Bank PJSC were integrated with the operations of DIB with effect from November 2020.

## Mr. Abdulaziz Ahmed Rahma Almheiri

Non-Executive, Non-Independent Board Member

Date of appointment: March 2011

Committee Memberships

C S

### Career and experience

Mr. Almheiri serves as a member of the Board of Directors of Bourse Dubai, and Chairman of the Supervisory Board of Bosna Bank International. He previously served as the Managing Director of the Investment Corporation of Dubai and as a member of the Board of Directors and Chief Executive Officer for Dubai Bank.

### Education and qualifications

Science degree, specialising in Accounting and Finance, from the American College of Switzerland.

### Board appointments to other public joint stock companies

- None

### Board appointments in other key regulatory, government or commercial positions

- Chairman, Supervisory Board of Bosna Bank International
- Board Member, Borse Dubai

# Board Profiles continued

## Mr. Ahmad Mohammad Binhumaidan

Non-Executive,
Non-Independent
Board Member

Date of appointment:
March 2008

Committee
Memberships

A S

### Career and experience

Mr. Binhumaidan has more than 30 years' experience in various leadership roles working in the entities including Emirates Group, Dubai Courts, The Executive Office of His Highness Shaikh Mohammad Bin Rashid Al Maktoum, Dubai Smart Government and His Highness The Ruler's Court.

He has served on many strategic, specialised committees, including holding the role of Chairman - Information Security Committee (which was mandated to develop and enforce a Government-wide Information Security Standard (ISR) across all government entities), Member of Crises and Disasters Management Team – Government of Dubai, Vice Chairman Smart City Office – Government Of Dubai, Board of Trustee Member – Hamdan Bin Mohammed Smart University, and Board Member of Judicial Institute.

On an international level he chaired MENA - OECD Working Group II: Open & Innovative Government (2009-2014) with co-chairs from Italy and Korea and participants from MENA and OECD countries.

He gained extensive experience in strategic thinking, strategic planning, risk management, projects management, and managing change.

### Education and qualifications

A Bachelor's Degree in Electrical Engineering from UAE University, a post-graduate diploma Business Administration from Sheffield Hallam University, UK, and a Certificate from Shaikh Mohammad Bin Rashid Center for Leadership Development for completing requirements of Leadership Program (2005-2007).

### Board appointments to other public joint stock companies

- Board Member, Noor Bank PJSC[1]

### Board appointments in other key regulatory, government or commercial positions

- None

## Mr. Hamad Abdulla Rashed Alshamsi

Non-Executive,
Non-Independent
Board Member

Date of appointment:
March 2011

Committee
Memberships

S C

### Career and experience

Mr. Alshamsi has a wealth of experience spanning over three decades, and has managed businesses across multiple disciplines and has expertise in financial services and investments. He serves as a Member on the Board of Amanat Holding PJSC and has served as the Chief Executive Officer of International Capital Trading LLC, an Abu Dhabi-headquartered private investment company. He also served in the Abu Dhabi Investment Authority before moving to the Private Department of His Highness the Late Sheikh Zayed Bin Sultan Al Nahyan.

Mr. Alshamsi served on the Board of Directors of several leading private and government institutions engaged in commercial, financial and service-based activities in the UAE, including Etihad Airways. His former Board appointments include Chairman of Abu Dhabi Securities Exchange, Al Qudra Holding, and International Holding Company (IHC), Vice Chairman of Abu Dhabi Media Zone Authority, and board member of Abu Dhabi Council for Economic Development, Finance House, Al Hilal Bank, Abu Dhabi Aviation, and Abu Dhabi Airports Company.

### Education and qualifications

Bachelor's degree in Business Administration from the UAE University, and an MBA majoring in Finance and Banking from the US.

### Board appointments to other public joint stock companies

- Board Member, Amanat Holding PJSC

### Board appointments in other key regulatory, government or commercial positions

- None

[1] The operations of Noor Bank PJSC were integrated with the operations of DIB with effect from November 2020.

# Board Profiles continued

## Mr. Bader Saeed Hareb

Non-Executive, Independent Board Member

Date of appointment: March 2023

Committee Memberships

N R

### Career and experience

Mr. Hareb serves as the Managing Partner of Global Partners and the Executive Chairman of Global Partners Property Fund II.

Mr. Hareb brings over two decades of experience in senior leadership roles across the real estate and development sectors. Most recently, he served as CEO of Emaar Development PJSC, where he oversaw the development and delivery of a large portfolio of iconic mega masterplans. Prior to that, he was the CEO of Dubai Healthcare City, Chief Property Officer at Majid Al Futtaim Properties – with concurrent roles as Vice Chairman of The Wave in Muscat and Sharjah Holding – and Managing Director at Nakheel, where he played a key role in managing major projects and navigating financial restructuring. Beyond his executive roles, Mr. Hareb contributes his expertise to several boards. He is recognised for his extensive knowledge of real estate, strategic leadership, and unique local insights.

### Education and qualifications

Executive MBA from the American University of Sharjah, a Bachelor's degree in Civil Engineering from the United Arab Emirates University, and a graduate of the Dubai Leadership Program at The Wharton School.

### Board appointments to other public joint stock companies

- None

### Board appointments in other key regulatory, government or commercial positions

- Managing Partner, Global Partners
- Executive Chairman, of Global Partners Property Fund II

## Mr. Javier Marin Romano

Non-Executive, Independent Board Member

Date of appointment: April 2016

Committee Memberships

A R

### Career and experience

Mr. Romano serves as the CEO of Singular Bank (Spain), part of Warburg Pincus, the leading global investment group, created in 1966 and with presence in more than 40 countries, with more than 55 years of experience in financial services, which manages more than USD 80,000 million in assets and has an active portfolio that includes more than 960 listed and private companies, in which it has proven its commitment to permanence.

Mr. Romano is also an entrepreneur and an investor in technology companies linked to financial services. He also serves as a Director in the UCV (Spanish University) and Instituto per le Opere di Religione (IOR). Prior to this, Mr. Romano served as the Chief Executive Officer of Banco Santander, senior executive vice-president of Banco Santander and head of private banking, asset management and insurance.

He has also been a member of the European Banking Association and the European Financial Services Association and of the Board of Directors in different banks, insurance companies and asset managers in several countries in Europe (affiliates of Banco Santander).

### Education and qualifications

A degree in Law and a diploma in Business Administration from the Universidad Pontificia de Comillas in Madrid (Spain). He also obtained a Master's degree in European Law in Luxembourg, in Banking Administration from the Institute International d´Etudes Bancaires (La Joya, California) and Taxes from the Universidad Pontificia de Comillas (Madrid) and completed the advanced programme of Singularity University (California).

### Board appointments to other public joint stock companies

- None

### Board appointments in other key regulatory, government or commercial positions

- CEO of Singular Bank (Spain)

# Board Profiles continued

## Dr. Ciğdem Koğar

Non-Executive, Independent Board Member

Date of appointment: November 2023

Committee Memberships

R P

### Career and experience

Dr. Koğar has over three decades of deep expertise in central banking, financial sector regulation, banking, risk management, macroeconomic policy, and governance.

Dr. Koğar is the managing partner of Izgi Global Consultancy. Her earlier career includes senior leadership positions at the Central Bank of the Republic of Türkiye where she served as Executive Director for Banking & Financial Institutions and London Chief Representative and liaison to global regulatory bodies including the IMF, World Bank, OECD, G20, Financial Stability Board, Basel Committee, and Islamic Financial Services Board.

She has also served for 12 years on the Board of the Central Bank of Northern Cyprus contributing to monetary and financial stability, licensing and supervision of financial institutions and strategic governance. Dr. Koğar's Board leadership further includes chairing Türkiye's Check Clearing Centre and Credit Risk Center overseeing payment systems, financial infrastructure, and national credit risk-sharing mechanisms.

As an advocate for sustainable development and women's empowerment, Dr. Koğar has spoken at high-level global forums, including the United Nations, and published on women's role in science and innovation.

### Education and qualifications

A PhD in Economics from Middle East Technical University, Türkiye, an MA in Economics from Boston College, US, and a BSc in Economics from METU.

### Board appointments to other public joint stock companies

- None

### Board appointments in other key regulatory, government or commercial positions

- Chair of the Executive Board, IZGI Global Danismanlik A.S., Türkiye

Senior Management Profiles

# Presenting an experienced management team

Senior Management comprises executives, lead by the Group Chief Executive Officer, with extensive experience in management and strategy execution.

## Dr. Adnan Chilwan

Group Chief Executive Officer

Date of joining: June 2008

Dr. Chilwan serves as Group Chief Executive Officer and is responsible for the overall executive management of DIB, including the delivery of the Bank's strategy, oversight of financial and operational performance, and ensuring effective governance across the organisation.

In his capacity as Group Chief Executive Officer, Dr. Chilwan oversees the Bank's scale and operating platform, including the management of a large asset base, market capitalisation and workforce, and the coordination of activities across the Group's domestic and international footprint.

Dr. Chilwan also holds governance roles through board memberships in selected strategic investments, subsidiaries and associates. These responsibilities include board-level oversight of strategy execution, performance monitoring, and the supervision of risk, compliance and control matters in line with applicable mandates. He also serves as Chairman of DIB Kenya's Board of Directors.

In addition, Dr. Chilwan participates in broader industry and stakeholder engagement, including consultative involvement with government-related stakeholders and collaboration with academic institutions, supporting sector development and knowledge exchange.

Dr. Chilwan holds a PhD and an MBA in Marketing and is a Certified Islamic Banker (CeIB).

## Obaid Khalifa Mohamed Rashed Alshamsi

Chief Operating Officer

Date of joining: January 1998

Mr. Alshamsi serves as Chief Operating Officer and oversees the Bank's core operational and enabling functions, including Operations, Technology, Legal, Organisational Effectiveness, Operational Control, Policy Management and Administration. His role focuses on the effective delivery of the Bank's operating and technology platforms, overseeing governance-related activities, and playing a key role in strategic initiatives and transformation programmes.

Mr. Alshamsi has over 28 years of experience in operational leadership and strategy execution, including technology and operating model transformation, mergers and acquisitions, and Human Resources leadership.

Mr. Alshamsi serves on the boards of a number of the Group's local and international subsidiaries and affiliates in a non-executive capacity. He holds an MBA from Middlesex University, London, is a Certified Board Member under the Director Development Programme of the International Finance Corporation and Hawkamah Institute for Governance, and holds professional certifications in Human Resource Management from the American University of Sharjah and in Personnel Practice from the Chartered Institute of Personnel and Development, UK.

## Senior Management Profiles continued

### John Stephen Grota Macedo

Chief Financial Officer

Date of joining: January 2016

Mr. Macedo serves as Chief Financial Officer and is responsible for the oversight of the Bank's finance functions, including financial management and reporting and tax, as well as investor relations, strategic planning and business analysis, and executive oversight of sustainability strategy and reporting. His role supports financial performance through capital discipline, performance management and transparent stakeholder reporting.

Mr. Macedo has over 25 years of experience in senior finance leadership roles. Prior to joining the Bank, he served as Chief Financial Officer of Saudi Hollandi Bank, an affiliate of ABN AMRO Bank N.V., and previously as Chief Financial Officer – Liberty Africa at Standard Bank Group. Earlier in his career, he held multiple finance leadership roles at STANLIB.

Mr. Macedo is a Chartered Accountant and a member of the South African Institute of Chartered Accountants, holding the CA(SA) designation. He also holds a Master's degree in Accounting and Taxation and an MBA from Duke University's Global Executive programme.

### Syed Naveed Ali

Chief of Corporate

Date of joining: June 2003

Mr. Ali serves as Chief of Corporate Banking and is responsible for leading the Bank's corporate banking franchise, including corporate relationship management, portfolio growth and the delivery of financing solutions to corporate and institutional clients. His role encompasses business performance, client coverage, portfolio quality and credit discipline.

Mr. Ali has over 32 years of experience across corporate and investment banking, with a strong background in corporate finance and relationship management, gained through senior roles at international and regional financial institutions. Prior to joining the Bank, he held positions within Corporate and Investment Banking at Bank of America and Mashreq Bank.

Mr. Ali holds a Bachelor of Science degree from the University of Karachi, Pakistan.

### Sanjay Malhotra

Chief Consumer Banking Officer

Date of joining: February 2015

Mr. Malhotra serves as Chief Consumer Banking Officer and is responsible for leading the Bank's consumer banking franchise, including retail banking and wealth management, with accountability for overall business performance and responsible customer outcomes.

Mr. Malhotra has over 31 years of experience in retail and consumer banking across leading regional and international financial institutions. During his tenure with the Bank, he has also served as Chief Digital Officer, with responsibility for the execution of the Bank's digital strategy and the development of its digital banking capabilities. Prior to joining the Bank, he served as General Manager – Retail and Wealth Management at National Bank of Oman and as Head of Retail Banking (International) at National Bank of Kuwait, and previously held senior management roles at Citibank, ANZ Grindlays and Arab Bank.

Mr. Malhotra is an engineering graduate MBA from BITS Pilani, India.

### Saoud Mohammed AlJassem

Chief of Commercial Banking

Date of joining: December 2023

Mr. AlJassem serves as Chief of Commercial Banking and is responsible for leading the Bank's commercial banking franchise, encompassing Business Banking and Emerging Corporates. His role focuses on business performance, client coverage, portfolio quality and disciplined risk and conduct outcomes.

Mr. AlJassem has over 23 years of experience across commercial and corporate banking in regional and international financial institutions. His experience includes senior leadership roles at Abu Dhabi Commercial Bank, Emirates NBD and Standard Chartered Bank, as well as board exposure within banking subsidiaries.

Mr. AlJassem holds a Master of Business Administration from London Business School (UK) and a Bachelor of Science in Finance from Drexel University, Philadelphia, US.

## Senior Management Profiles continued

### Ali Ahmad

Chief of Investment Banking

Date of joining: July 2024

Mr. Ahmad serves as Chief of Investment Banking and is responsible for overseeing the Bank's investment banking franchise, encompassing debt capital markets, financing solutions, equity capital markets, structured finance and cross-border financing.

Mr. Ahmad has over 31 years of experience across capital markets and debt origination, with extensive leadership experience in the Africa and Middle East region. Prior to joining the Bank, he spent 22 years at Standard Chartered Bank, where he held senior roles within investment banking and capital markets, advising on large and complex debt and financing transactions.

Mr. Ahmad holds a Bachelor of Arts in Economics and Political Science from Case Western Reserve University, Cleveland, Ohio, US.

### Mohamed Saeed Ahmed Abdullah Al Sharif

Chief of International Business & Real Estate Investments

Date of joining: September 1999

Mr. Al Sharif serves as Chief of International Business and Real Estate Investments and is responsible for overseeing the Bank's international business footprint and its direct and real estate investment activities, with a focus on disciplined portfolio oversight and strategic alignment.

Mr. Al Sharif has over 39 years of experience across banking, finance and investment activities, with a background spanning financial institutions and regulatory oversight. Prior to joining the Bank, he served at the Central Bank of the UAE as Head of Banking Supervision and held earlier roles in finance.

Mr. Al Sharif holds a Master of Arts degree from The Catholic University of America, USA, and is a Certified Public Accountant (CPA) and a member of the American Institute of Certified Public Accountants, US.

### Nagaraj Ramakrishnan

Chief Credit Officer

Date of joining: April 2019

Mr. Ramakrishnan serves as Chief Credit Officer and is responsible for the Bank's credit underwriting, approval processes, and portfolio oversight across corporate, institutional and consumer banking, as well as Treasury and Investment banking activities.

Mr. Ramakrishnan has over 30 years of experience in credit and risk management across regional and international financial institutions. Prior to joining the Bank, he held senior credit and risk roles at Emirates NBD, Standard Chartered Bank, Citigroup and American Express Bank across Asia and the Middle East.

Mr. Ramakrishnan holds a Bachelor of Commerce degree from National College, Tiruchirappalli - India and is an Associate Member of the Institute of Chartered Accountants of India.

### Musabbah Mohammad Ali Al Qaizi AlFalasi

Chief Digital Officer

Date of joining: September 1999

Mr. Al Qaizi serves as Chief Digital Officer and is responsible for leading the Bank's digital strategy and the design and implementation of end-to-end digital banking journeys. His role focuses on the development and continuous enhancement of the Bank's digital channels and customer access capabilities.

Mr. Al Qaizi has over 35 years of experience in information technology and digital operations, including long-standing tenure with the Bank. Earlier in his career, he held responsibility for technology, information security and digital operations.

Mr. Al Qaizi holds a Bachelor's degree in Information Management Systems from the University of Arkansas at Little Rock, US.

## Senior Management Profiles continued

### Saeed Ahmad Abdulwahed Wajdi

Chief of Treasury

Date of joining: January 2024

Mr. Wajdi serves as Chief of Treasury and is responsible for the management of the Bank's balance sheet, liquidity and funding activities, as well as treasury-related market and investment activities, including Sukuk investments.

Mr. Wajdi has over 27 years of experience across global markets, treasury and institutional sales. Prior to joining the Bank, he held senior leadership roles within Global Markets at First Abu Dhabi Bank and its predecessor, National Bank of Abu Dhabi.

Mr. Wajdi holds a Bachelor of Applied Science in Business Administration from the Higher Colleges of Technology.

### Rafia Mohammad Essa AlAbbar

Head of Human Resources

Date of joining: June 2006

Mrs. AlAbbar serves as Head of Human Resources and is responsible for leading the Bank's human resources function, including people strategy, workforce development, talent management and Emiratisation.

Mrs. AlAbbar has over 23 years of experience in human resources, with long-standing tenure at the Bank and progression across senior leadership roles. Her experience includes board-level exposure through service on the board of an affiliate bank.

Mrs. AlAbbar holds a Bachelor's degree in E-Business Management from Dubai Women's College of Technology, UAE. She is a Certified Senior Professional Coach, a member of the Chartered Institute of Personnel and Development, and a Certified Board Member under the Director Development Programme of Hawkamah Institute for Governance.

### Maitha Mohammed Sulaiman Saleh Shuaib

Chief Marketing Officer

Date of joining: November 2025

Ms. Shuaib serves as Chief Marketing Officer and is responsible for leading the Bank's marketing and communications strategy, including brand management, corporate communications and stakeholder engagement. Her role supports brand consistency, reputation management and alignment of marketing initiatives with the Bank's strategic objectives.

Ms. Shuaib has over 18 years of senior experience in corporate communications and brand leadership across large organisations. Prior to joining the Bank, she held senior communications leadership roles at Ducab Group, the UAE Gender Balance Council and Dubai Women's Establishment.

Ms. Shuaib holds a Master's degree in Innovation and Change Management from Hamdan Smart University and a Bachelor's degree in Communication and Media Studies from Zayed University. She has completed executive development programmes, including the ESSEC LEAD Programme, and the Women on International Boards programme with the Institute of Directors.

### Tan Lih Miin

Chief of Center of Customer Excellence

Date of joining: August 2025

Mrs. Miin serves as Chief of the Center of Customer Excellence in DIB, where she is responsible for defining, designing, and driving the Bank's enterprise customer excellence strategy and operating model, encompassing customer segmentation, lifecycle management, and end-to-end customer journeys from strategy through execution.

Mrs. Miin brings over 20 years of international experience in customer strategy and digital transformation across digital-only and traditional banking environments in Asia and the Middle East. She has held senior global and regional leadership roles and was a core member of the founding management team that built and operated a digital-only bank in Singapore.

Mrs. Miin holds a Bachelor of Business Administration from the National University of Singapore and has completed postgraduate coursework in Management Science and Engineering at Stanford University.

## Senior Management Profiles continued

### Varun Sood

Chief Transformation Officer

Date of joining: June 2008

Mr. Sood serves as Chief Transformation Officer and is responsible for overseeing the Bank's strategic transformation programmes and the critical aspects of the change delivery lifecycle, covering demand management, business requirements management and testing management.

Mr. Sood has over 37 years of experience across banking and financial services, including 19 years with the Group.

Prior to joining the Bank, he held leadership roles at ABN AMRO Bank, Mashreq Bank, Standard Chartered Bank and Ernst & Young.

Mr. Sood is a Chartered Accountant and a Certified Public Accountant, and holds an Honours degree in Economics from the University of Delhi, India.

### Noman Rasheed

Chief Information Officer

Date of joining: March 2020

Mr. Rasheed serves as Chief Information Officer and is responsible for the Bank's information technology function, including Infrastructure, banking and data platforms, enterprise architecture, and technology governance.

Mr. Rasheed has over 28 years of experience in operations, information technology, and large-scale transformative programmes delivery across regional and international financial institutions. Prior to joining the Bank, he served as Chief Information and Operations Officer at Noor Bank, and held a senior technology and operations leadership role at Barclays Bank and had accountability for the design and delivery of customer-facing platforms at Mashreq Bank.

Mr. Rasheed holds a master's degree in information technology from Preston University, US, and a master's degree in management from Liverpool University, UK.

### Omar Hayat Rahman

Chief of Legal

Date of joining: March 2020

Mr. Rahman serves as Chief of Legal and is responsible for overseeing the Bank's Legal Department and managing all the legal affairs of the Bank, including the provision of strategic legal advice to Senior Management and the Board. His role encompasses oversight of complex legal matters and multi-jurisdictional litigation and arbitration.

Mr. Rahman has over 28 years of international and multi-jurisdictional legal experience across international law firms, banks and corporates.

Prior to joining the Bank, he held senior in-house legal roles in the banking sector, and earlier in his career he worked at international law firms Simmons & Simmons and Dentons.

Mr. Rahman is a UK-qualified solicitor and a graduate of the University of Oxford. He was recognised as "Middle East General Counsel of the Year" in 2024 and is included in the Legal 500 GC Powerlist for the Middle East in 2022, 2023, 2024 and 2025.

### Chandra Mohan Ganapathy

Group Chief Risk Officer

Date of joining: August 2020

Mr. Ganapathy serves as Group Chief Risk Officer and is responsible for the oversight of the Group's enterprise risk management framework.

Mr. Ganapathy has over 34 years of experience across enterprise risk management, regulatory compliance and governance. Prior to joining the Bank, he held senior risk leadership roles at Ahli United Bank BSC, Bahrain, and previously worked with International Bank of Qatar, Commercial Bank of Kuwait, Gulf Bank and SBI Capital Markets Limited in India.

Mr. Ganapathy is a CFA Charterholder, an Associate Chartered Accountant, a certified Financial Risk Manager and Professional Risk Manager, and holds a Certificate in Quantitative Finance.

## Senior Management Profiles continued

### Mian Muhammad Nazir

Group Head of Internal Sharia Control

Date of joining: October 2005

Mr. Nazir serves as Group Head of Internal Sharia Control and is responsible for overseeing Sharia compliance across the Bank's activities and products. As a Group Head, his role requires providing overall Sharia governance and advisory support for all activities across DIB Group entities.

Mr. Nazir has over 21 years of experience in Islamic banking, law, regulations, Sharia governance and advisory services, with long-standing tenure at the Bank. His experience includes service on Sharia governance boards and prior roles as Chief Executive Officer of Dar Al Sharia, Legal Advisor to Dallah Albaraka Group and Director Law and Regulatory Affairs, Pakistan Telecommunication Authority.

Mr. Nazir holds a Master of Laws degree from the University of Cambridge, UK, a Bachelor of Science in Biological Sciences, and an integrated B.A and LLB (Hons.) Sharia and Law from the International Islamic University, Pakistan.

### Abdul Waheed Rathore

Group Chief Compliance Officer

Date of joining: January 2022

Mr. Rathore serves as Group Chief Compliance Officer and is responsible for overseeing the Group's compliance function, including regulatory compliance, financial crime compliance and compliance governance.

Mr. Rathore has over 30 years of experience in compliance, regulatory and supervisory roles. Prior to joining the Bank, he held senior leadership positions at Citigroup, ABN AMRO N.V., Abu Dhabi Commercial Bank and HBL, and served as Executive Director of Banking and Insurance Supervision at the Financial Services Regulatory Authority of Abu Dhabi Global Market.

Mr. Rathore holds an MBA from INSEAD and a Master of Science degree in Finance and Financial Law from the University of London. He is a Certified Board Director of the Institute of Directors, London, and holds a FinTech certification from the University of Oxford, UK.

### Volkan Pekince

Group Chief of Internal Audit

Date of joining: November 2020

Mr. Pekince serves as Group Chief of Internal Audit and is responsible for leading the Group Internal Audit function and providing independent assurance to the Board and senior management.

Mr. Pekince has over 26 years of international experience in internal audit, governance and risk management across large multinational organisations. Prior to joining the Bank, he held senior audit and assurance roles at HSBC and Saudi National Bank.

Mr. Pekince holds a Bachelor of Science degree in Electrical and Electronics Engineering from the Middle East Technical University of Turkiye and relevant professional certifications in audit, governance and risk.

### Ahmed Elsayed Awad Haikal

Group Head of Internal Sharia Audit

Date of joining: August 2007

Mr. Haikal serves as Group Head of Internal Sharia Audit and is responsible for leading the Group Internal Sharia Audit function and providing independent assurance to the Board, senior management and the Internal Sharia Supervision Committee.

Mr. Haikal has over 25 years of experience in Islamic banking, Sharia audit, governance and compliance. Prior to his current role, he served as Head of Sharia Compliance at the Bank and contributed to the implementation of Sharia governance standards issued by the Higher Sharia Authority. He is a member of the AAOIFI Internal Sharia Audit Working Group and the HSA, CBUAE Zakat Committee & Profit Distribution Standard Committee, where he plays a pivotal role in shaping industry standards. He also serves as Vice Chairman of the Unified Sharia Screening Committee, overseeing Sharia compliance for securities listed on DFM and ADX.

Mr. Haikal is a Certified Sharia Adviser and Auditor (CSAA) accredited by AAOIFI and holds a Higher Diploma in Business Administration, a Bachelor of Business Administration and a Bachelor of Accounting from Mansoura University, Egypt.

2025 Governance Reflections

# A year of governance progress in an evolving landscape

2025 marked continued progress in the Bank's governance framework, informed by ongoing regulatory developments, advancing supervisory expectations and the Bank's broader strategic and transformation agenda. Governance structures were further strengthened, transparency enhanced, and data-informed oversight expanded. Together, these developments reflect a disciplined and responsive approach that supports clear accountability and effective oversight as the Bank navigates ongoing change.

**At a Glance**

- Governance foundations updated.
- Customer outcomes oversight centralised.
- Enterprise change discipline strengthened.
- Digital oversight enhanced.
- AI oversight strengthened.
- ESG integration progressed and sustainable finance governance enriched.
- Risk and resilience oversight enhanced.
- Compliance monitoring and assurance strengthened.
- Data and information integrity reinforced.
- People governance strengthened.
- Group oversight and alignment strengthened.

## Evolving Landscape

The Bank continued to enhance its governance foundations in 2025 through publication of its updated Code of Corporate Governance, review of terms of reference for the Board, its committees and management committees, and review of strategic policies to ensure they remain fit for purpose.

Regulatory developments during the year – including the new Central Bank Law, the new AML Law, Central Bank-led initiatives relating to national payments and open finance, enhanced fraud prevention expectations, regulations relating to climate-related financial risk management, and UAE-wide requirements such as the Domestic Minimum Top-Up Tax and E-invoicing – were embedded through established governance arrangements. This supported alignment with requirements effective in 2025 and structured preparation for obligations extending into 2026. Ongoing oversight of the Bank's alignment with broader UAE financial-infrastructure initiatives continued, reflecting their implications for information integrity, control effectiveness, accountability and operational resilience.

The Bank also advanced its readiness for reporting on internal controls over financial reporting, ensuring that the Bank is fully prepared for transparent and accurate disclosure in line with applicable regulations.

## Customer Outcomes

Customer outcomes governance was further strengthened in 2025 through the establishment of the Center of Customer Excellence as a dedicated focal point for customer-related oversight. The Center oversees the management of customer relationships and end-to-end customer journeys, reinforcing management accountability for fair, consistent and transparent outcomes. This approach ensures customer implications are considered in decision-making for initiatives that affect customers. In parallel, enhancements were made to the Bank's complaint handling framework to align with Sanadak's new rulebook issued in 2025. The Bank also continued to maintain and evolve its conduct-related governance arrangements to support oversight of customer treatment across the organisation.

## Enterprise Change and Technology

Enterprise change and technology-enabled transformation remained a central focus in 2025. The Bank expanded the capabilities of its Transformation Management Office to strengthen prioritisation discipline and assurance across strategic change initiatives. Oversight was extended across a broader portfolio of programmes, supported by an aggregate view of in-flight initiatives to enhance coordination, manage interdependence and reduce delivery bottlenecks during periods of concentrated change. The introduction of dedicated verticals also strengthened integration of programmes and IT requirements from demand through to delivery, supporting accountability and control over quality of outcomes. IT foundations were further formalised through approval of an IT Operational Policy, introduction of IT Contracting and Outsourcing standards, and an Agile Project Management Framework to complement existing delivery approaches.

Together, these developments support consistent and controlled execution of enterprise and technology-enabled change within an environment of evolving stakeholder expectations.

2025 Governance Reflections continued

## Digital Transformation and Artificial Intelligence

Oversight of the Bank's digital agenda advanced significantly in 2025, driven by a strengthened governance structure, enhanced transparency, and risk-based prioritisation of key initiatives. During the year, the Bank launched a bold, enterprise-wide transformation programme designed to future-proof DIB and reaffirm its commitment to delivering seamless, secure, and innovative digital experiences for all stakeholders. This holistic initiative integrates cutting-edge digital capabilities, artificial intelligence (AI), and agile operating models to accelerate the adoption of next-generation services. It empowers the Bank to deliver faster innovation, streamline operations, strengthen governance, and foster deeper customer engagement. By leveraging strategic partnerships with global technology leaders such as Finshape, HCL, and IBM, DIB is set to accelerate the deployment of AI-driven solutions and advanced digital banking platforms - reinforcing its vision for a truly transformative digital future.

AI continued to shape the Bank's operating and risk environment in 2025. To support structured oversight in this area, the Bank established a dedicated forum to provide direction, coordination and oversight of AI-related activities. An AI Acceptable Use Policy was also introduced to set clear expectations for responsible use. To support this framework, the Bank engaged external expertise in progressing the development of an enterprise AI strategy and operating model, aligned with broader governance arrangements. Targeted learning initiatives focused on AI were also delivered to strengthen internal capability and support informed oversight.

## ESG and Sustainable Finance

2025 saw continued strengthening of the Bank's ESG and sustainable finance arrangements. Two Board-approved frameworks were published, reinforcing transparency and accountability. The Responsible Investment Framework defines processes, eligibility criteria, exclusions, ESG integration expectations, oversight roles and reporting requirements guiding responsible investment activities. The Sustainability-Linked Finance Facilities Financing Framework – supported by an independent second-party opinion and the first of its kind issued by an Islamic bank – provides a structured basis for sustainability-linked financing, with defined KPIs, sustainability performance targets and monitoring requirements. Under this framework, the Bank issued its inaugural USD 1 billion sustainability-linked sukuk.

Sustainable finance oversight was further strengthened through the establishment of a Sustainable Finance Committee under the Management Sustainability Committee, supporting coordination, structure and accountability across relevant functions.

The Bank also published position statements on Human Rights and Exclusions, approved an ESG Risk Policy, developed climate-risk related guidelines, established operational footprint emissions-reduction targets and continued preparedness for IFRS S1/S2 requirements.

Sustainability governance was further supported through improved KPI tracking, training and engagement with key subsidiaries.

## Risk and Resilience

Risk and resilience oversight continued to advance in 2025 through enhancements in policies, frameworks, reporting and focus. Enhanced reporting to management and Board forums on risk-appetite metrics supported regular engagement on emerging risk trends. Second-line arrangements were further structured through dedicated verticals for Risk Governance and Operational Resilience, supporting oversight of risk matters.

Technology resilience oversight progressed through development of an enhanced resilience roadmap, supported by independent review of resilience-related practices.

Model risk oversight was supported through implementation of a model risk rating tool, enhancing transparency over key risk drivers and supporting effective explanation in oversight discussions.

Oversight of key exposures was further developed through approval of a third-party risk strategy and framework, supported by an updated outsourcing process, consolidated register and enhanced reporting. A Capital Review and Optimisation Committee was also established as structured forum to review capital deployment and optimisation considerations.

ESG-related risks continued to be integrated within the risk framework, aligned with broader sustainability activities.

2025 Governance Reflections continued

## Compliance Oversight

Compliance oversight continued to strengthen in 2025 through enhancement in structure, reporting, monitoring and assurance arrangements. Management reporting was enriched in terms of quality, depth and analytical value, supporting effective visibility of compliance risk and structured challenge and escalation.

Oversight of financial crime risks was reinforced through strengthened assurance over data integrity, monitoring coverage and follow-through on identified issues, alongside alignment with national risk assessments and relevant official guidance.

A dedicated Financial Institutions Compliance vertical was established to enhance oversight of correspondent banking relationships and the Bank's sanctions screening mechanisms were enhanced.

## Data and Information

Data and information practices continued to mature during 2025, supporting information integrity and decision-useful reporting. Data management and analytics capabilities were enhanced, supported by continued implementation of master data management practices to strengthen data quality and consistency. Data privacy and responsible data-use requirements were also further formalised through updates to relevant policies and frameworks.

Public disclosures were enhanced – including the quarterly earnings presentations, management discussion and analysis and the information on the investor relations webpage – supporting transparency and empowering stakeholders to take more informed decisions.

## People and Conduct

The Bank continued to enhance its people and conduct framework in 2025 through measures reinforcing leadership accountability, capability oversight and conduct arrangements. Fit and proper assessments were implemented in line with approved policy and regulatory expectations, supporting the suitability of individuals in designated functions. Capability oversight was further supported through the launch of the DIB Learning Academy, establishing a skills-based learning model supported by a faculty charter defining training roles, approval protocols and accountability. People-related risk indicators were further enhanced to support forward-looking monitoring of emerging HR risks and HR process integrity was reinforced through the implementation of a structured quality framework across the employee lifecycle. Conduct arrangements were also advanced through further formalisation of grievance and disciplinary processes, including clear escalation and appeal pathways.

## Group Governance

Group oversight continued to strengthen in 2025 through enhanced arrangements and deeper engagement across the Group. The introduction of an entity management platform supported improved data integrity and cross-functional collaboration, providing a consistent basis for Group-level oversight. The Subsidiary and Affiliate Corporate Governance Framework was updated to clarify roles, responsibilities and reporting pathways.

Engagement with Tier 1 subsidiaries deepened, with structured dialogue focused on risk, control effectiveness and progress in addressing identified areas. Group-level transparency was further supported through enhancements to management information and issue-tracking mechanisms. Arrangements relating to Nominee Directors were also strengthened through updated processes and targeted training.

Together, these developments support consistent practices and alignment across the Group. For further information about our Group structure, please refer to the Strategic Report within the Integrated Report.

### Looking Ahead - 2026

The Bank remains focused on the continued evolution of its governance framework in line with the changing regulatory, operating and stakeholder environment. Priorities will center on embedding recent enhancements, strengthening consistency of application, and supporting effective oversight through reliable, decision-useful information. The Bank's approach will remain disciplined and forward-looking, supporting sound decision-making, accountability and sustainable performance.

Corporate Governance Framework Overview

# A governance foundation that enables ethical decisions, robust oversight and sustainable value

Strong governance is fundamental to DIB's long-term success. It provides the foundation for responsible decision-making, ethical conduct, effective risk management and the protection of stakeholder interests. For DIB, good governance is more than a regulatory requirement; it reflects our values, reinforces our Sharia identity and ensures that the Bank operates with integrity, resilience and trust.

DIB's governance framework is designed and maintained in compliance with applicable regulatory requirements, including the Central Bank of the UAE's Corporate Governance Regulation for Banks, the Capital Market Authority's governance and listing requirements and the directives of the Higher Sharia Authority.

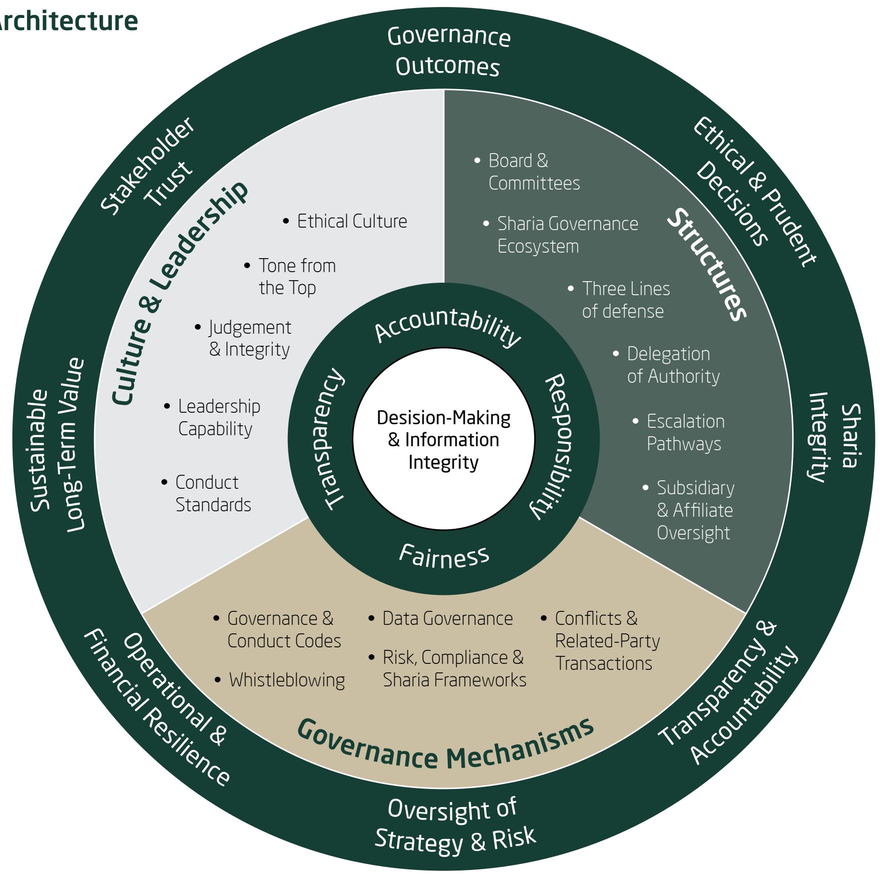
## DIB considers its governance framework across three integrated dimensions:

**Culture and Leadership:** encompasses the leadership, capability and conduct of the Board, the Internal Sharia Supervision Committee, Senior Management and employees. Their judgement, integrity and adherence to DIB's values, conduct standards and expected Sharia and risk culture underpin ethical behaviour and support sound decision-making, effective oversight and responsible conduct. Directors and Senior Management are subject to fit and proper assessments in accordance with regulatory requirements.

**Structures:** define how authority, accountability, oversight and challenge are organised across DIB. These include the Board and its committees, the Sharia governance ecosystem, management committees and the three lines of defence. Roles and responsibilities are articulated through approved terms of reference and the delegation of authority framework, which are reviewed periodically to ensure clarity, accountability and continued alignment with regulatory expectations and effective execution of strategy. These structures support disciplined risk oversight, clear escalation pathways and appropriate decision-making boundaries and, where relevant, inform DIB's proportionate oversight of subsidiaries and affiliates.

**Governance Mechanisms:** comprise the policies, frameworks, reporting processes and data governance systems that support ethical conduct, prudent risk-taking and adherence to regulatory and Sharia requirements. These include DIB's Code of Corporate Governance, Codes of Conduct for Directors, employees and suppliers, and key policies governing conflicts of interest, related-party transactions, personal trading and whistleblowing, together with DIB's broader suite of governance, risk, compliance, sustainability and Sharia frameworks. These mechanisms collectively reinforce the internal control environment. Strong emphasis is placed on the integrity, timeliness and reliability of information provided to the Board and Senior Management, recognising its importance for effective oversight, sound decision-making and responsible risk management. Where appropriate, these mechanisms apply to DIB's subsidiaries and affiliates in a proportionate manner, supporting consistent governance across the Group.

## Governance Architecture



## Corporate Governance Framework Overview continued

The framework ensures that DIB is directed and overseen in a manner that upholds its purpose of delivering customer-centric and Sharia-compliant financial solutions while creating sustainable value for stakeholders. It is anchored in the governance principles of accountability, responsibility, fairness and transparency, and reflects the Bank's core values, which guide behaviour and decision-making across the Bank. Together, these foundations support strong ethical conduct, effective oversight and informed, responsible decision-making.

DIB's governance framework supports effective oversight of both strategy and risk. The Board sets the strategic direction and risk appetite and oversees adherence to them, while Senior Management implements the approved strategy and risk management framework through the internal control environment and the three lines of defence and remains accountable to the Board for performance, compliance and operational resilience. Sharia governance is fully integrated across these structures and mechanisms to ensure that all activities remain consistent with Sharia principles and regulatory expectations.

Together, these components deliver governance outcomes central to DIB's purpose and strategy: ethical and prudent decision making, Sharia integrity, effective oversight of strategy and risk, transparent conduct, financial and operational resilience, stakeholder trust and sustainable long-term performance supported by transparent communication and regulatory disclosures. The governance framework is reviewed regularly to ensure that it remains effective, proportionate to the Bank's scale and complexity and responsive to evolving regulatory requirements, market developments and stakeholder needs. Governance effectiveness is supported through annual evaluations, ongoing suitability assessments, performance oversight and independent assurance.

### Purpose-led and values-driven governance

Our governance framework is anchored in our purpose, values and governance principles, ensuring that DIB operates with integrity, accountability and fairness in accordance with Sharia and regulatory expectations.

### Integrated governance architecture

While the governance framework comprises a broad range of elements, we outline it here through three integrated dimensions that collectively support ethical conduct, effective oversight and responsible risk-taking.

| Culture & Leadership | Structures | Governance Mechanisms |
|---|---|---|
| Ethical behaviour, tone from the top, sound judgement and conduct standards | Board and committee oversight, Sharia governance ecosystem, three lines of defence, clear delegation and escalation pathways | Codes, policies, frameworks and information systems that enable compliance, prudent risk-taking and reliable decision-making |

### Enabling informed decisions

High-quality, timely and accurate information supports sound decision-making throughout the Bank and underpins effective oversight by the Board and its committees.

### Oversight of strategy, risk and Sharia compliance

The Board sets strategic direction and risk appetite, oversees performance and ensures adherence to Sharia principles, supported by independent control and assurance functions.

### Delivering strong governance outcomes

DIB's governance aims to achieve ethical and prudent decisions, transparency, resilience, effective oversight of strategy and risk and sustainable long-term value of our stakeholders.

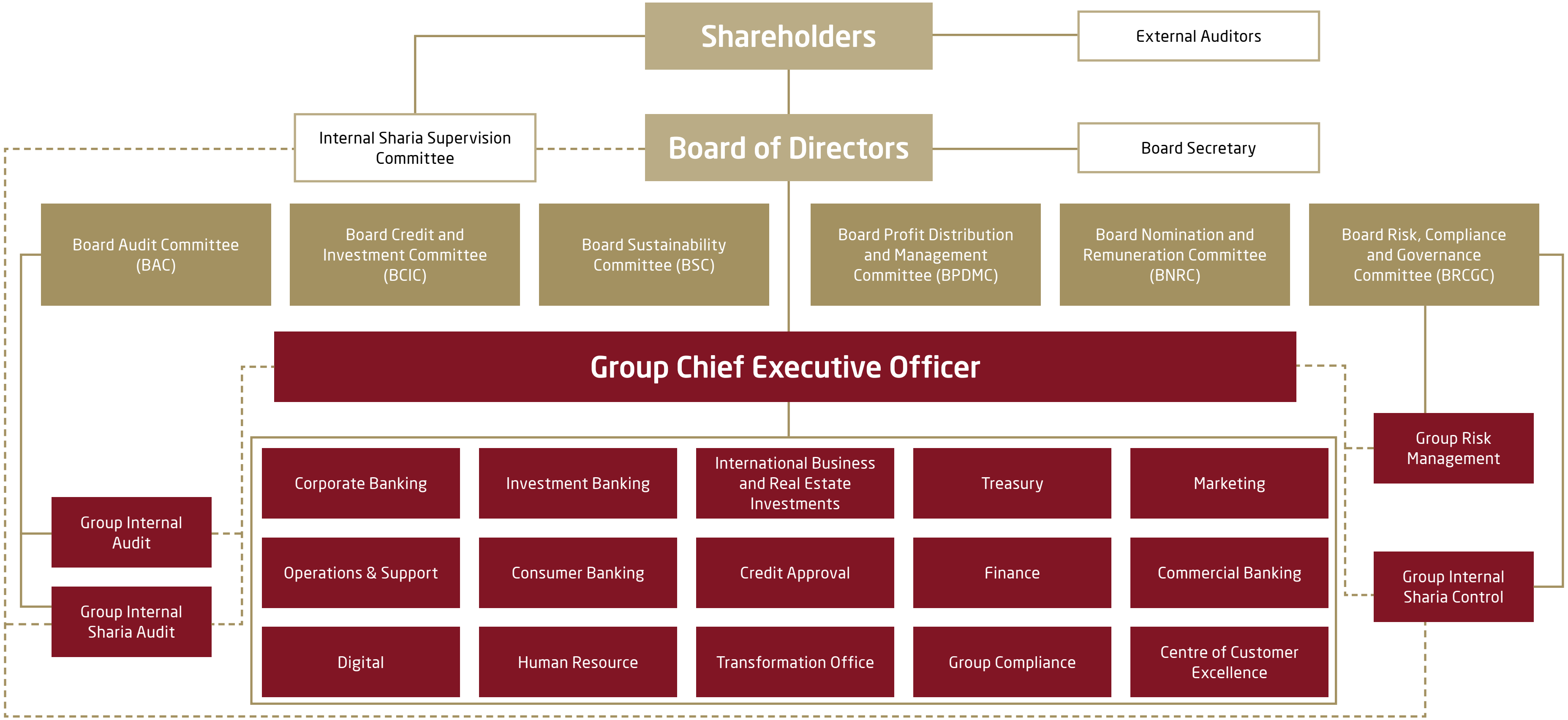
### Commitment to continuous improvement

The framework is reviewed regularly to ensure it remains effective, proportionate and responsive to evolving regulatory requirements, market developments and stakeholder needs.

Corporate Governance Framework Overview continued

## Governance Operating Model

DIB's governance operating model brings together the Board, the Internal Sharia Supervision Committee, Board committees, Senior Management, management committees and independent control functions in a coordinated structure that supports effective oversight, strategy execution and assurance. The model clarifies how strategic direction, risk and Sharia oversight, operational decision-making and independent assurance interact across the Bank. Further details on the Board, its committees and governance responsibilities are provided in the following sections.




The following roles have direct access to, or functionally report to, the Board or one of its committees and closely coordinate with the management as per below:

- The Group Chief Compliance Officer reports to the Group Chief Executive Officer and has direct access to the BRCGC.
- The Group Chief Risk Officer reports to the BRCGC and coordinates with senior management.
- The Group Head of Internal Sharia Control reports to the BRCGC and the Internal Sharia Supervision Committee (from a technical perspective) and coordinates with senior management.
- The Group Head of Internal Sharia Audit reports to the BAC and to the Internal Sharia Supervision Committee (from a technical perspective) and coordinates with senior management.
- The Group Chief of Internal Audit reports to the BAC and coordinates with senior management.
- The Board Secretary reports directly to the Board and coordinates with senior management.

## Corporate Governance Framework Overview continued

Management committees form a core pillar of DIB's governance framework, supporting disciplined oversight, coordinated execution and sound decision-making across the Bank. Each committee operates in accordance with a defined term of reference that outlines its responsibilities, composition and working procedures, thereby ensuring accountability and transparency in its activities. Each committee undertakes a self-assessment and review of its terms of reference on an annual basis to ensure the committee is effectively operating and remains fit for purpose.

Below is a list of the key management committees and a summary of their responsibilities.

| Committee | Summary of Responsibilities |
|---|---|
| Management Credit Committee | Take credit decisions through approving or recommending credit applications and monitoring credit activities in line with delegated authority. |
| Collections and Remedial Management Committee | Assist management in the oversight of exposures managed by DIB's Special Accounts Management team. |
| Investment Committee | Oversee investment activities and portfolio ensuring it is prudently managed and is aligned with the Bank's strategy and risk management framework. |
| Risk Management Committee | Support enterprise risk management through oversight of risk exposures, framework and policy implementation, adherence to the Board-approved risk appetite, and guide the risk management culture within the Bank. Specialised sub-committees assist the committee by addressing specific risk areas in detail, including in relation to data governance, model risk management, and information security. |
| Asset and Liability Committee | Oversee asset and liability management to ensure the balance sheet is prudently managed, liquidity and profit rate risks are controlled. |
| Management Sustainability Committee | Oversee and guide the implementation of the Bank's sustainability vision and strategy in relation to environmental, societal and relevant governance considerations and the supporting initiatives. A Sustainable Finance sub-committee assists the committee in relation to sustainable asset and liability-related matters. |
| Compliance Committee | Oversee compliance-related matters at an enterprise level, stay abreast of the compliance developments and initiatives that the Bank undertakes to ensure that its compliance systems are robust, effective and fit for purpose to safeguard its reputation and operations. |
| Customer Excellence Committee | Ensure senior management accountability of the customer agenda, visibility of customer outcomes and risks and systemic issues. |
| Provisioning and Impairment Committee | Assist management in fulfilling their responsibilities with respect to ensuring prudent assessment and decision-making in relation to any impairments and provisions to be recognised by the Bank in relation to its financing, sukuk, real estate and investments (including equity, funds, subsidiaries and associates) portfolios. |
| Digital Committee | Oversee the Bank's overall digital transformation efforts aimed at transforming DIB into a digitally-intelligent bank, ensuring digital progress and financial benefit. |
| Information Technology Committee | Oversee the Bank's core technology projects and initiatives, including projects related to core systems, infrastructure, payments, risk, regulatory and compliance-related projects. |
| Capital Review and Optimisation Committee | Oversee capital allocation and utilisation in line with the Board-approved risk appetite and relevant regulatory requirements, promoting efficiency while preserving DIB's soundness and risk resilience. |

Board Governance

# Focused on maintaining robust oversight

The Board is responsible for the stewardship of the Bank, overseeing strategy, risk, conduct and control, and holding management to account. Its governance arrangements, including Board committees and an established policy framework, enable effective oversight and informed decision-making across the Group. Within this framework, Senior Management is responsible for executing the strategy and managing the business within the parameters and authorities set by the Board.

## Board Governance Structure

**Board of Directors**

Sets the tone from the top and provides stewardship to ensure DIB's financial strength and sustainable long-term value

| **Board Audit Committee** (BAC) | **Board Nomination and Remuneration Committee** (BNRC) | **Board Risk, Compliance and Governance Committee** (BRCGC) | **Board Credit and Investment Committee** (BCIC) | **Board Sustainability Committee** (BSC) | **Board Profit Distribution Management Committee** (BPDMC) |
|---|---|---|---|---|---|
| Oversees financial reporting integrity, audits, and internal control environment effectiveness | Oversees Board nominations, succession, remuneration, culture, and strategic HR matters | Oversees governance, risk, compliance and the overall control frameworks | Oversees major credit and investment decisions | Oversees DIB's sustainability strategy and ESG integration | Oversees displaced commercial risk and profit equalisation matters |
| For more information see page 98 | For more information see page 103 | For more information see page 106 | For more information see page 109 | For more information see page 112 | For more information see page 114 |

The Board is supported by the Internal Sharia Supervision Committee in relation to technical Sharia matters. For more information see page 116.

Board Governance continued

## Board Roles and Responsibilities

The Board of Directors is responsible for the overall stewardship, long-term success and governance of DIB. Acting on behalf of shareholders and safeguarding the legitimate rights of stakeholders, the Board provides strategic direction, oversees the Bank's performance and ensures that DIB operates with integrity, prudence and accountability.

The Board approves the Bank's strategy and risk appetite, and oversees the effectiveness of the governance, risk management and internal control frameworks. It also ensures compliance with applicable laws, regulations and Sharia principles, supported by the Internal Sharia Supervision Committee. In fulfilling its responsibilities, the Board sets the tone for ethical conduct, sound decision-making, responsible risk-taking and a strong culture grounded in the Bank's purpose, vision and values, and the principles of accountability, responsibility, fairness and transparency.

### Board Responsibilities at a Glance

#### Stewardship & Leadership

Provide stewardship and independent oversight, acting in the interests of stakeholders and guiding the Bank's long-term direction and effectiveness

**Strategy & Direction**

- Strategic direction
- Strategy and risk appetite approval
- Oversight of execution and performance
- Alignment with long-term purpose & values

**Governance, Risk & Compliance**

- Governance framework
- Risk governance
- Compliance
- Internal control effectiveness
- Financial reporting integrity
- Organisational resilience

**Sharia Governance**

- Sharia compliance
- Sharia governance framework
- ISSC engagement

**Culture, Ethics & Conduct**

- Tone from the top
- Ethical conduct
- Culture oversight
- Purpose, vision & values

**Sustainability Oversight**

- Sustainability priorities
- ESG integration
- Sustainable long-term value creation

**People, Remuneration & Succession**

- Succession planning
- Remuneration governance
- Senior management oversight
- People strategy

### Our Governance Principles

Accountability ◆ Responsibility ◆ Fairness ◆ Transparency

Board Governance continued

## Composition and Structure

The Board of Directors is composed of nine (9) members that bring an appropriate mix of independence, diverse viewpoints, strategic oversight, and balance in decision-making. The composition of the Board aligns with regulatory expectations as set out below:

**Non-Executive Directors**
All Directors are non-executive, ensuring impartiality.

**Independent Directors**
At least one-third of the Directors are independent, promoting objectivity.

**Female Representation**
At least one female Director ensures gender diversity on the Board.

**National Majority**
The majority of the Directors, including the Chair, are UAE nationals.

Directors are elected for a three-year term at the Annual General Assembly which promotes periodic Board renewal and alignment with the Bank's evolving strategic priorities and regulatory expectations. The roles of Chairman and Vice Chairman are clearly defined and separated to ensure effective leadership, support independent judgement and reinforce sound governance practices.

**Independence**

DIB is committed to maintaining a Board that exercises objective judgement, independent oversight and effective challenge. Independence is assessed at the time of nomination and monitored throughout a Director's term to ensure that no relationships, interests or circumstances exist that could impair, or appear to impair, a Director's ability to act in the best interests of the Bank. Directors are required to promptly disclose any change that may affect their independence. On an annual basis, or when there is a change in circumstances, the BNRC assesses the Board member's independence status and makes a recommendation to the Board for final determination. Where Directors no longer meet the independence criteria, appropriate processes are in place to address the situation.

As at 31 December 2025 four (4) out of nine (9) Directors on the Board are assessed to be independent as per the criteria prescribed by the Central Bank of the UAE.

### The independence criteria stipulated by the Central Bank of the UAE are as follows:

- Tenure should not exceed 12 consecutive years from the date of appointment.
- The Director or any of his/her first-degree relatives should not have been employed by the Bank or its subsidiaries during the past two years.
- The Director should not have conducted any consulting services for the Bank, or its subsidiaries, or acted in such capacity, either directly or indirectly, during the past two years.
- The Director should not have had any personal services contracts with the Bank or its subsidiaries during the past two years.
- The Director should not be affiliated with any non-profit organisation that receives significant funding from the Bank or its subsidiaries.
- The Director, or any of his/her first-degree relatives, should not be a partner or employee of the Bank's auditor for the past two years.
- The Director and/or any of his/her first-degree relatives (individually or collectively) should not own, directly or indirectly, 10% or more of the Bank's share capital or be a representative of a shareholder who owns, directly or indirectly, more than 10% of the Banks' share capital.
- The Director or any of his/her first-degree relatives, should not have direct or indirect interest in any contracts and/or projects of the Bank or its subsidiaries, where the total of such transactions exceeds the lower of 5% of the Bank's paid share capital, or AED 5 million, or an equivalent amount in foreign currency, during the past two years, unless such relationship is part of the nature of the Bank's business and involves no preferential terms.

Board Governance continued

### Diversity

DIB recognises diversity as essential for effective decision-making, innovation and sustainable growth. Diversity for the Board refers to a range of attributes, characteristics and perspectives that individuals contribute, encompassing amongst others, factors such as skills, experience and background. The Board's composition reflects a broad and complementary skillset gained across banking and other sectors. These varied backgrounds enrich the Board's strategic outlook and help position DIB to pursue its vision and strategic objectives in a rapidly evolving banking landscape.

| Skills and Experience* | Number of Directors with the Skill | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Banking/Financial | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Strategic Leadership and Transformation | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Risk Management | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| UAE Regulatory & Legal Environment | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Governance and Compliance | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Audit Practices/Finance Reporting/ Accounting | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Sustainability & ESG | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Human Capital & Remuneration | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Digital & Technology | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Bank-Specific Product Knowledge and Customer Experience | ● | ● | ● | ● | ● | ● | ● | ● | |
| Islamic Finance & Sharia Governance | ● | ● | ● | ● | ● | ● | ● | | |

* Director self-assessment against DIB's desired skills.

DIB's Board skills matrix is periodically reviewed by the BNRC and reflects the key competencies needed in light of DIB's strategic priorities, risk profile and regulatory environment. The skills matrix informs Board succession planning, Director nomination and ongoing development needs.

In respect to DIB's commitment to pursuing gender diversity on the Board, the shareholders elected Dr. Ciğdem Koğar as the first female Director in 2023.

### Committees

To fulfil its responsibilities efficiently, the Board is supported by a suite of specialised committees. Each committee operates under a Board-approved mandate and provides focused oversight in key areas. These committees enhance the Board's effectiveness by enabling deeper review and consideration of matters within their respective areas.

## Fit and Proper Requirements

DIB is committed to ensuring that its Directors meet the highest standards of suitability and integrity. DIB applies rigorous fit and proper requirements to all Directors, consistent with the expectations of the Central Bank of the UAE and DIB's Code of Corporate Governance. These criteria ensure that Directors possess the professionalism, integrity and capability required to fulfil their fiduciary duties and contribute effectively to the Board's responsibilities.

Every nominee to the Board is assessed against the fit and proper requirements. The BNRC oversees this assessment process to ensure that each nominee brings the skills, knowledge and ethical standing necessary to support effective Board performance.

Fit and proper requirements apply not only at the time of nomination but throughout a Director's term. Directors are required to confirm their continued compliance with these standards at least annually, with quarterly confirmation checkpoints and the Bank conducts ongoing monitoring to ensure suitability is maintained. Any change in circumstance that may affect a Director's fitness or propriety must be promptly disclosed.

This robust approach supports a Board that is well-equipped to provide strong oversight, uphold high governance standards and safeguard the interests of all stakeholders.

## Fit and Proper Criteria

**Competence & Capability**
Possesses relevant expertise and experience.

**Time Commitment**
Willing and able to dedicate sufficient time to Director duties.

**Honesty, Integrity & Reputation**
Acts honestly, and ethically with a good reputation.

**Collective Suitability**
Contributes to the Board's overall competence.

**Financial Conduct**
Demonstrates responsible financial management.

**Regulatory Compliance**
Meets all applicable regulatory requirements.

**Independence of Mind**
Makes unbiased decisions without conflicts of interest.

Board Governance continued

### Time Commitment and External Appointments

Directors are expected to commit sufficient time and attention to their responsibilities and to ensure that external appointments do not conflict with, or limit, their ability to discharge their responsibilities effectively. Regulatory limits apply to the number of board positions a Director may hold, and compliance with these requirements is monitored as part of the fit and proper and ongoing suitability assessments. Directors must obtain Board approval before accepting any new board nomination or other significant external commitment and must confirm that no conflict of interest would arise from such appointment.

**In line with regulatory requirements, Directors are prohibited from being a director on more than:**

- Five (5) public joint stock companies in the UAE;
- One (1) commercial bank in the UAE; and
- Four (4) banks outside the UAE.

### Code of Conduct

DIB expects all Directors to uphold the highest standards of integrity, professionalism and ethical behaviour in the discharge of their duties. The Directors' Code of Conduct, which forms part of the Bank's broader governance framework, sets clear expectations for how Directors are to conduct themselves in their interactions with the Bank, its stakeholders and each other.

The Code requires Directors to act in good faith, exercise independent judgement, and perform their responsibilities with diligence and care. Directors are expected to comply with all applicable laws, regulations, internal policies and Sharia principles, and to demonstrate behaviours that support a culture of transparency, accountability and ethical decision-making across the Bank.

The Code also establishes expectations relating to confidentiality, the proper use of information, and adherence to the Bank's values. Directors must promptly report any concerns relating to actual or suspected misconduct and are expected to contribute to maintaining a respectful, constructive and effective Board environment.

By upholding the Directors' Code of Conduct, the Board reinforces DIB's commitment to strong governance and responsible leadership.

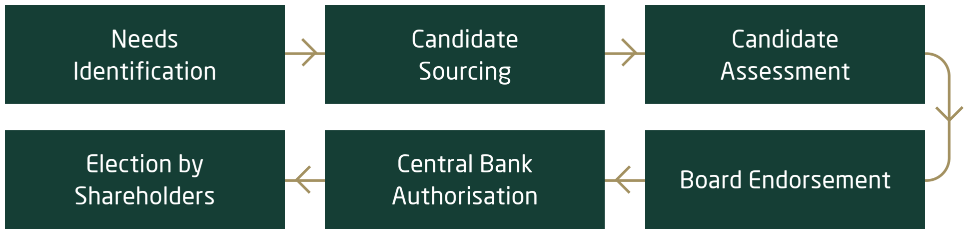
## Nomination and Selection

DIB follows a disciplined and transparent process for the nomination and selection of Directors, ensuring the Board maintains the skills, experience, independence and diversity required to fulfil its responsibilities effectively. The BNRC oversees this process in accordance with regulatory requirements and the Bank's strategic needs.

In line with DIB's Articles of Association and applicable regulations, all Directors are required to seek re-election by shareholders every three (3) years. The Board has the authority to appoint an individual to fill any vacancy that may arise during the term according to applicable regulations and such appointment must be ratified by shareholders at the first subsequent General Assembly.

The nomination process begins with an assessment of the skills, experience and diversity required on the Board, informed by the Board skills matrix, the Bank's strategic priorities and its risk profile. Potential candidates may be sourced through a range of channels, including public calls for nominations.

The BNRC oversees a structured assessment of each nominee that includes evaluation against the fit and proper requirements, assessment of independence and potential conflicts, and due diligence and background checks. Following this assessment, the BNRC recommends a list of nominees to the Board for endorsement. In accordance with regulatory requirements, the Bank must obtain the Central Bank of the UAE's authorisation for candidates before announcing their names to shareholders. The approved nominees are then presented to shareholders for election at the Annual General Assembly, where voting takes place in line with the Bank's Articles of Association and applicable regulations. Candidates who receive the required shareholder support are formally appointed through a letter of appointment.



Board Governance continued

## Induction and Ongoing Development

DIB is committed to ensuring that all Directors are fully equipped to prudently discharge their responsibilities. This begins with a structured induction programme for newly appointed Directors and continues through a comprehensive programme of ongoing development overseen by the BNRC.

### Induction Programme

New Directors undertake a tailored induction designed to familiarise them with DIB's strategy, business model, governance structure, Sharia governance framework, risk management and control environment, financial reporting processes and key regulatory obligations. The induction includes briefings from Senior Management and deep-dive sessions on priority topics, supported by access to key governance documentation.

### Ongoing Development

DIB maintains a disciplined approach to Director development to ensure the Board remains up to date with evolving regulatory expectations, market dynamics and emerging risk themes. Under the oversight of the BNRC, an annual training plan is developed, informed by the Board skills matrix, the annual Board evaluation and strategic priorities. The annual plan is flexible to include any additional matters which may arise during the year. Directors are required to complete a minimum of ten (10) hours of training each year, including expert-led briefings, regulatory updates and thematic deep dives and attendance records are maintained. In 2025, eight (8) core areas which exceeded the minimum training requirements were covered through a series of focused sessions.

**In 2025**

Eight (8) core areas which exceeded the minimum training requirements were covered through a series of focused sessions.

**2025 Director Development**

| | | |
|---|---|---|
| Sharia Governance Framework | Compliance (including AML/CFT/CPF) | People Strategy |
| Stakeholder Engagement | Fitness and Proprietary Framework | |

**Deep Dives**

| | | |
|---|---|---|
| Sustainability Strategy and Climate Risk | Crisis Management and Operational Resilience | Subsidiary Governance |

### Access to Information and Advice

The Board has unrestricted access to the advice and support of the Board Secretary, who provides guidance on governance matters and assists Directors in discharging their fiduciary duties. Directors also have access to Senior Management, as required, to obtain information and clarification necessary for informed oversight. Directors may further obtain independent external professional advice, at the Bank's expense and in accordance with the process established by the Board, whenever they consider it necessary to inform their judgement and perform their responsibilities effectively.

## Board Evaluation

The DIB Board recognises that strong governance requires continual reflection and improvement. The annual Board evaluation provides an opportunity for the Board and its committees to assess the quality of their decision-making, the effectiveness of Board and committee processes, and the contribution of individual Directors. The Board views this process not as a compliance exercise, but as an important tool to strengthen its performance and ensure it remains effective in an increasingly complex banking environment.

These evaluations are overseen by the BNRC and are facilitated by an independent competent external party at least once every three (3) years. The outcomes of the annual evaluation are reviewed by the Board, and where areas for improvement are identified, appropriate actions are implemented to strengthen effectiveness and support continuous improvement.

Board Governance continued

## Board Evaluation continued

**Process Undertaken for the Board Evaluation**

In 2025 the Board evaluation was conducted by Hawkamah Institute for Governance, an independent external facilitator with no other connection to the Bank. The review methodology combined structured Board, Board committee and individual Director effectiveness surveys with confidential one-to-one interviews with individual Directors. The process utilises a digital platform for questionnaires, followed by one-to-one interviews.

**Key Findings**

| | |
|---|---|
| **Board Effectiveness** | The evaluation concluded that the Board continues to operate effectively, with clear evidence of year-on-year improvement. The evaluation highlighted the Board's evolution toward a more forward-looking and integrated approach to value creation, increasingly considering strategy, technology, culture, sustainability, and emerging risks as interconnected drivers of long-term performance, while maintaining strong financial and risk oversight. |
| **Board Committees Effectiveness** | The evaluation confirmed that Board committees are operating well, with improvements in overall effectiveness across all Board committees. It also highlighted that committees are well-functioning forums that enable deeper oversight of key areas. Directors recognised the importance of ensuring that insights from committee discussions are clearly communicated to the full Board to support integrated and strategic decision-making. |
| **Individual Director Effectiveness** | The evaluation confirmed that Directors remain engaged, well-prepared, and committed to the Bank's long-term sustainable success.<br><br>**Collective Suitability**<br>The evaluation confirmed that the Board possesses a strong and appropriate mix of skills, experience, and sector expertise relevant to a modern banking institution and as required by the Central Bank of the UAE. Directors collectively bring deep knowledge across banking and financial services, risk management, regulation, technology and digital transformation, people and culture, sustainability, and broader commercial leadership. This breadth of expertise enables the Board to provide effective challenges, informed oversight, and strategic guidance in an increasingly complex and regulated operating environment. |

## Conflicts of Interest and Related-Party Transactions

**Conflicts of Interest**

DIB maintains a robust conflicts of interest framework designed to ensure that decisions are taken objectively and in the best interests of the Bank. The framework is supported by formal policies and procedures that set out principles and controls for identifying, disclosing, preventing and managing conflicts of interest across the Bank. These policies apply to the Board, ISSC members, Senior Management and employees and are aligned with regulatory expectations.

**Director Conflicts of Interest**

Directors are required to exercise independent judgement and avoid situations where personal, financial or other interests could influence, or appear to influence, the performance of their duties. Directors must adhere to the Director's Code of Conduct and promptly declare any actual, potential or perceived conflicts of interest. Such declarations are formally recorded in the register of interests, and appropriate measures are taken to manage the conflict, which may include recusal from receipt of papers, discussions, or decisions on the relevant matter.

Directors declare interests periodically, at the time of appointment or through the quarterly declaration, or when considering matters tabled to the Board in a meeting or otherwise.

**Employee Conflicts of Interest**

All employees are required to adhere to the Employee Code of Conduct, which sets out clear expectations for identifying, avoiding and escalating potential conflicts. Employees must disclose any personal, financial or external interests that could interfere, or be perceived to interfere, with their duties, and must refrain from participating in decisions or activity where such a conflict exists. Disclosures are recorded and managed in line with the Bank's policies to ensure transparency, fairness and accountability.

## Board Governance continued

### Related-Party Transactions

DIB applies strict governance controls to related-party transactions to ensure that they are conducted on an arm's-length basis, in the ordinary course of business and on terms no more favourable than those available to comparable third parties. All related parties must disclose their interests in any transaction involving the Bank. All related-party transactions are reviewed and approved in accordance with the Bank's policies and applicable regulations. Any transaction involving a Director is subject to unanimous approval of the Board. Oversight includes monitoring the size, terms and aggregate exposure of such transactions and ensuring appropriate disclosure as required.

Details of related-party transactions and balances for the year 2025 are provided below.

| Related Party | Nature | 2025 AED '000 | 2024 AED '000 |
|---|---|---|---|
| Major shareholders | Islamic financing and investing assets | **1,528,159** | 1,651,379 |
| | Investment in Sukuk | **817,368** | 820,501 |
| | Customers' deposits | **662,776** | 68,649 |
| | Contingent liabilities and commitments | **-** | – |
| | Income from Islamic financing and investing assets | **80,651** | 57,294 |
| | Income from investment in Sukuk | **39,924** | 37,101 |
| | Depositors' share of profits | **45,713** | 39,202 |
| Directors and key management personnel | Islamic financing and investing assets | **605,060** | 451,159 |
| | Investment in Sukuk | **-** | – |
| | Customers' deposits | **774,400** | 470,970 |
| | Contingent liabilities and commitments | **419,938** | 155,953 |
| | Income from Islamic financing and investing assets | **28,804** | 23,567 |
| | Income from investment in Sukuk | **-** | – |
| | Depositors' share of profits | **23,499** | 15,585 |
| | Salaries and other benefits | **90,193** | 83,806 |
| | Employee terminal benefits | **1,864** | 2,000 |
| Associates and joint ventures | Islamic financing and investing assets | **16,389** | – |
| | Investment in Sukuk | **-** | – |
| | Customers' deposits | **13,427** | 324 |
| | Contingent liabilities and commitments | **591** | – |
| | Income from Islamic financing and investing assets | **1,320** | – |
| | Income from investment in Sukuk | **-** | – |
| | Depositors' share of profits | **-** | – |

→ For more information, refer to note 43 in the financial section of the Integrated Report.

### Director and Relatives Shareholdings

DIB maintains a comprehensive Personal Trading Policy that governs the trading of the Bank's securities by individuals who may have access to material non-public information. The policy, overseen by the Group Compliance function, is designed to ensure adherence to applicable market conduct laws and regulations. In accordance with the policy, DIB maintains an insiders list that includes all Directors, employees and other individuals whose roles provide access to sensitive information that could reasonably be expected to influence the market price of DIB securities. All insiders are subject to defined trading windows, pre-clearance requirements, blackout periods and other market controls designed to prevent insider trading and support fair market conduct.

As insiders by virtue of their role, Directors are required to comply fully with the Personal Trading Policy and the heightened obligations applicable to persons in positions of trust. Directors may only trade in DIB securities within authorised trading windows and must follow all pre-clearance and disclosure procedures. Directors must also ensure that their dealings in DIB securities do not give rise to any actual or perceived misuse of confidential or price-sensitive information. These requirements reinforce DIB's commitment to transparency, responsible market conduct and maintaining confidence in the Bank's governance and disclosure practices.

## Board Governance continued

Director and relatives share ownership:

| Name | Position | Owned Shares as on 1 January 2025 | Owned Shares as on 31 December 2025 | Total Sale | Total Purchase |
|---|---|---|---|---|---|
| H.E. Mohammed Ibrahim Al-Shaibani | Chair | 48,026,386 | 48,026,386 | – | – |
| Eng. Yahya Saeed Ahmad Nasser Lootah | Vice Chair | 19,743,592 | 19,743,592 | – | – |
| Mr. Hamad Abdulla Rashed Alshamsi | Member | 100,000 | 100,000 | – | – |
| Mr. Ahmad Mohammad Binhumaidan | Member | - | | – | – |
| Mr. Abdulaziz Ahmed Rahma Almheiri | Member | - | | – | – |
| Dr. Hamad Mubarak Buamim | Member | - | | – | – |
| Mr. Javier Marin Romano | Member | - | | – | – |
| Mr. Bader Saeed Hareb | Member | - | | – | – |
| Dr. Ciğdem Koğar | Member | - | | – | – |
| Spouse - Eng. Yahya Saeed Ahmad Nasser Lootah | - | 2,066 | 2,066 | – | – |
| Daughter - Mr. Ahmad Mohammad Binhumaidan | - | 399 | 399 | – | – |
| Son - Mr. Hamad Abdulla Rashed Alshamsi | - | 18,000 | 18,000 | – | – |

### Board Remuneration

The Board reviews Directors' remuneration annually based on recommendations from the BNRC. In formulating its recommendations, the BNRC is guided by the Directors' Remuneration Policy, which establishes that remuneration should reflects the duties and time commitment of Directors. In accordance with regulatory requirements, Board remuneration is not linked to performance of the Bank and may not exceed 10% of the net profit for that year, after the deduction of depreciation and reserves.

Board remuneration consists of three components: an annual retainer for Board service, an annual committee membership fee of AED 150,000 for the committee Chair and AED 100,000 for committee members, and an attendance fee of AED 15,000 for each committee meeting attended. The Chair and Vice Chair of the Board, as well as the Chairs of the respective committees, receive higher fixed remuneration in recognition of the additional responsibilities associated with their roles.

The aggregate amount of Board remuneration for each financial year is presented to shareholders for approval at the following Annual General Assembly. Directors do not receive any other benefits, allowances, salaries, bonuses, incentive-based compensation, or pension or retirement-related benefits. The Bank covers reasonable travel and related expenses for Directors attending Board or committee meetings, in line with its policies.

| Total Remuneration for 2024 Paid in 2025 | Total Remuneration Proposed for 2025 |
|---|---|
| An aggregate of AED 26,155,000 was approved by shareholders and paid in 2025. | An aggregate of AED 26,620,000 shall be presented to the shareholders for approval in the 2026 Annual General Assembly. |

*Remuneration relates to the Directors and committee members.*

The table below sets out the total annual retainer for Board service paid to each member of the Board during the year ended 31 December 2025:

| Name | Position | Board Retainer Paid in 2025 (AED) |
|---|---|---|
| H.E. Mohammed Ibrahim Al-Shaibani | Chair | 4,000,000 |
| Eng. Yahya Saeed Ahmad Nasser Lootah | Vice Chair | 3,000,000 |
| Mr. Hamad Abdulla Rashed Alshamsi | Member | 2,000,000 |
| Mr. Ahmad Mohammad Binhumaidan | Member | 2,000,000 |
| Mr. Abdulaziz Ahmed Rahma Almheiri | Member | 2,000,000 |
| Dr. Hamad Mubarak Buamim | Member | 2,000,000 |
| Mr. Javier Marin Romano | Member | 2,000,000 |
| Mr. Bader Saeed Hareb | Member | 2,000,000 |
| Dr. Ciğdem Koğar | Member | 2,000,000 |

Board Governance continued

## Attendance at Board meetings

The table below sets out the dates of the Board meetings and attendance details. There were seven (7) meetings held during 2025.

| Date of Meeting | Present | Apologies |
|---|---|---|
| 11 February 2025 | 9 | None |
| 24 April 2025 | 6 | Eng. Yahya Saeed Ahmad Nasser Lootah;<br>Mr. Abdulaziz Ahmed Rahma Almheiri;<br>Dr. Hamad Mubarak Buamim |
| 30 June 2025 | 9 | None |
| 5 August 2025 | 9 | None |
| 23 September 2025 | 9 | None |
| 28 October 2025 | 9 | None |
| 19 December 2025 | 9 | None |

## Resolutions by Passing during 2025

In accordance with, and subject to, its terms of reference and the relevant provisions within the Capital Market Authority's Chairman of the Board of Directors' Decision No. (3/Chairman) of 2020 concerning approval of joint stock companies' governance guide (as amended), the Board may issue resolutions by passing. The Board has issued a number of resolutions by passing during 2025 which concerned operational matters arising in the normal course of business that do not require disclosure as per the relevant disclosure and transparency regulation issued by the Capital Market Authority. These resolutions were ratified in the minutes of the subsequent meeting of the Board.

## Delegation of Authority

The Board may, except for matters reserved for the Board and its committees set out in the Board terms of reference, delegate some of its authority to one or more committees, or specific roles on a standing or ad hoc basis. The Board did not delegate any of its reserved matters to the management during 2025. The Board has delegated to Senior Management powers relating to the implementation of the Board-approved strategy and operational matters within established limits. All delegations, including powers of attorney, are set out in writing and reviewed periodically.

## Board Activities and Key Matters

During the year, the Board maintained an active agenda reflecting the breadth of its responsibilities in overseeing the Bank's strategic direction, financial performance, risk profile, and governance framework, in accordance with applicable laws and regulations in the UAE. While the Board's workload evolved in response to business developments, regulatory requirements, and matters presented by management, it remained focused on the effective discharge of its oversight role.

Board Committee Reports

## Supporting the Board in detailed and effective oversight

# Board Audit Committee (BAC)

**Mr. Javier Marin Romano**
Chair
Independent,
Non-Executive Director

**Dr. Hamad Mubarak Buamim**
Member
Independent,
Non-Executive Director

**Mr. Ahmad Mohammad Binhumaidan**
Member
Non-Independent
Non-Executive Director

### Mandate

The BAC's mandate is defined in its terms of reference approved by the Board and includes, but is not limited to, assisting the Board in fulfilling its oversight responsibilities with respect to:

- Integrity of DIB's financial statements and controls over financial reporting.
- Compliance with statutory/regulatory requirements, and the applicable accounting standards.
- Relationship with the external auditors, their effectiveness and independence.
- Performance, effectiveness and independence of the Group Internal Audit and Group Internal Sharia Audit functions.
- Effectiveness of the control, risk management and governance systems.
- Audit functions in the Group, while respecting the independent legal and governance responsibilities that may apply to individual entities.

### Composition

- Three members, two of whom are independent Directors.
- An independent Chair who is distinct from the Chair of the Board and the chairs of other committees.
- Members collectively possess significant financial, risk management, and banking experience with relevant accounting and audit expertise in compliance with the regulatory requirements.
- To assist with the flow of relevant information between the BAC and BRCGC, the Committee includes one member of the BRCGC.

### Meetings and Attendance in 2025

| No. | Meeting Date | Number of Attendees | Apologies |
|---|---|---|---|
| 1 | 21 January | 3/3 | - |
| 2 | 11 February | 3/3 | - |
| 3 | 27 March | 3/3 | - |
| 4 | 24 April | 3/3 | - |
| 5 | 14 May | 3/3 | - |
| 6 | 27 May | 3/3 | - |
| 7 | 24 June | 3/3 | - |
| 8 | 5 August | 3/3 | - |
| 9 | 25 September | 3/3 | - |
| 10 | 27 October | 3/3 | - |
| 11 | 9 December | 3/3 | - |

Board Audit Committee continued

## Key Matters Considered in 2025

| Main Topic | Sub-Topic | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|
| Financial Reporting | Financial Statements Review | ● | ● | ● | ● |
| | Long Form Audit Report – Selected Subsidiaries | | | | ● |
| | Auditor's Opinion on Internal Controls over Financial Reporting | ● | | | |
| External Audit | External Auditor Appointment | ● | | | |
| | External Auditor Performance and Independence | ● | | | |
| | External Auditor's Report | ● | ● | ● | ● |
| Internal Audit | Independence of the GIA Function and its Annual Declaration | ● | | | |
| | 2025 Audit Plan | ● | | | |
| | Audit Charter Update | ● | | | |
| | Audit Progress Updates | ● | ● | ● | ● |
| | Audit Reports and Recommendations | ● | ● | ● | ● |
| | Sustainability Audit Outcomes | | | | ● |
| | Annual Group Internal Audit Assessment | ● | | | |
| Internal Sharia Audit | ISSC Alignment | | ● | | |
| | 2025 Sharia Audit Plan | ● | | | |
| | Sharia Audit Progress Updates | ● | ● | ● | ● |
| | Material Sharia Audit Results | ● | ● | ● | ● |
| Subsidiaries Oversight | Tier 1 Audit Plans | ● | | | |
| | Audit Progress and Material Results | ● | ● | ● | ● |
| Regulatory and Other Reviews | CBUAE Reports and Issue Closure | ● | ● | ● | ● |
| | FAA Engagement | | ● | | |
| | FAA Reports and Audit Plan Updates | ● | ● | ● | ● |

## Committee Effectiveness

In line with the Bank's commitment to robust governance practices and regulatory expectations, an annual assessment of the Committee is conducted. In 2025, the assessment was externally facilitated by a competent and independent third party and concluded that the Committee continues to operate effectively, independently, and in compliance with its mandate and regulatory requirements.

## Statement from the Chair

As Chair, I am pleased to present the BAC report on the key activities performed by the Committee during 2025.

The Committee met eleven (11) times in 2025 and discharged its responsibilities in line with its mandate and applicable regulatory requirements, providing oversight of financial reporting, audit quality, internal control, risk management and governance arrangements, with a continued focus on safeguarding integrity and stakeholder interests. It continued to work closely with other Board committees to support a coordinated and consistent approach to oversight, facilitated by committee cross-memberships and information sharing.

As a core responsibility of the Committee, it reviewed the Group's audited financial statements for the year ended 31 December 2024 and the interim financial results for 2025, together with the related external audit reports. It assessed the quality and integrity of the financial statements and challenged management on significant accounting estimates and judgements. Significant audit and financial reporting matters were reviewed and discussed as part of the Committee's oversight of material judgements and risk areas.

The external audit process was overseen through robust engagement with the external auditor. The Committee assessed and monitored the external auditor's independence, objectivity, competence, audit quality and effectiveness, reviewed the audit plan and considered management's feedback on the audit process. The Committee discharged its responsibilities in relation to making recommendations on the appointment of the external auditor and oversight of audit, audit-related and non-audit services in accordance with the Bank's External Auditor Policy. Further details on the oversight of the external auditor refer to the BAC Supplementary Report on page 101.

The Committee effectively engaged with the internal audit and internal Sharia audit functions, overseeing their effectiveness, independence and objectivity. The annual audit plans were reviewed and approved with due consideration of the operating environment, risk profile and regulatory priorities, and progress against these plans was monitored throughout the year. Medium and high-risk audit findings were reviewed to assess potential control weaknesses or systemic issues, and management's remediation actions were closely monitored. Where required, interim mitigating measures were sought from management pending the implementation of permanent corrective actions, with continued focus on timely resolution of high-risk issues. The Committee also completed the annual performance assessments of the heads of the Group internal audit and Group internal Sharia audit functions. In support of Sharia governance oversight, the Committee also met with a representative of the Internal Sharia Supervision Committee to ensure compliance with

## Board Audit Committee continued

the resolutions of the ISSC in relation to audit observations and to enhance coordination, alignment and effectiveness of Sharia-related assurance and oversight.

Building on the oversight activities described above, key priorities in 2025 included strengthening governance practices, enhancing data-driven auditing capabilities, and monitoring transformation programme risks that impact the control environment and the closure of audit issues. The Committee placed particular emphasis on ensuring that its oversight remained responsive and relevant to the evolving risk and regulatory landscape while ensuring continued alignment between audit priorities and the Bank's strategic objectives, and addressing emerging risks linked to controls over digital transformation and the growing complexity of regulatory expectations. The Committee continued to utilise robust control and governance oversight practices to ensure the Bank continues its sustainable growth while remaining compliant with regulatory requirements.

Matters arising from supervisory engagement during the year were discussed by the Committee, following engagement with regulators as part of ongoing supervisory dialogue, reinforcing the Bank's commitment to transparency, open communication and strong governance practices.

Through the activities undertaken during the year, the Committee has supported the Board in maintaining robust financing reporting, effective audit and assurance processes, and appropriate internal control and governance arrangements.

As chair, I extend my appreciation to my fellow Committee members, the management, and the external auditors for their continued collaboration. On behalf of the Committee, I acknowledge my obligation to discharge the responsibilities of the BAC as set in its terms of reference and for ensuring its effectiveness.

**Mr. Javier Marin Romano**
BAC Chair

### Looking Ahead – 2026 Priorities

In 2026, the Committee will remain focused on reinforcing strong governance practices and a robust control environment in supporting the Bank's digital transformation and sustainable growth agenda. The Committee will continue to monitor the transformation programme initiatives with a strong focus on the controls set around main risks highlighted through internal audit activities, to ensure that the Bank is well positioned to support its strategic plan.

Key priorities will include strengthening assurance activities relating to emerging risks and regulatory compliance, particularly in cybersecurity resilience and financial reporting transparency, while promoting a culture of continuous improvement across all lines of defence to uphold stakeholder confidence. Continued emphasis will be placed on promoting risk culture at all levels, improving audit efficiency through enhancing the audit team skillset, leveraging digital tools and data-driven audit methodologies, and overseeing the timely implementation of internal audit recommendations to ensure proactive risk mitigation.

Board Audit Committee continued

## External Auditor Oversight

**BAC – Supplementary Report**

### Role of the Board Audit Committee

The Board has delegated its responsibilities relating to oversight of the Group's external auditor to the BAC. These include, but are not limited to:

- Establishing and maintaining the policy governing the tendering, selection, appointment and rotation of the external auditor, including oversight of partner-in-charge rotation.
- Considering the appointment, re-appointment, dismissal and fees of the external auditor and making recommendations to the Board where required.
- Reviewing and agreeing the external auditor's engagement terms, audit scope, and audit plan, ensuring these remain appropriate having regard to the Group's size, complexity, materiality, key risk areas and areas of audit focus.
- Safeguarding and monitoring the independence and objectivity of the external auditor, including the approval and oversight of non-audit services.
- Assessing the effectiveness and performance of the external auditor on an annual basis.

### Appointment, Tenure and Rotation

The BAC oversees the appointment and rotation of the external auditor in accordance with the Board-approved External Auditor Policy and applicable regulatory requirements, applying a structured approach to support audit quality, independence and continuity. This includes oversight of maximum tenure limits, with the external audit firm appointed for a period not exceeding six consecutive years, the partner-in-charge rotated every three years, and the application of a three-year cooling-off period following completion of the firm's maximum tenure. The appointment of the external auditor is recommended annually by the BAC to the Board and submitted to shareholders for approval in the Annual General Assembly Meeting.

In formulating its annual recommendation, the BAC applies a defined set of assessment criteria to ensure that the external auditor is appropriately qualified, independent and capable of delivering a high-quality audit, ensuring compliance with relevant requirements. These criteria include, but are not limited to:

- Holding the necessary licenses and regulatory approvals to operate in the UAE;
- Possessing relevant professional qualifications, experience, resources and quality control standards commensurate with the Group's size and complexity;
- Demonstrated independence and objectivity, including compliance with restrictions on non-audit services;
- Relevant experience in auditing public joint stock companies; and
- Consideration of audit performance and feedback from management, where applicable.

### Audit Scope and Fees

The BAC is responsible for overseeing the scope of the external audit and the related audit fees, in accordance with the approved External Auditor Policy and applicable regulatory requirements. On an annual basis the Committee reviews and recommends the audit fees taking into account the audit scope (including audit services and audit-related services) to the Board. Where the Board endorses the Committee's recommendation on audit fees, the proposed fees are submitted to the shareholders for approval at the Annual General Assembly Meeting, in accordance with applicable requirements.

During the year, the Committee reviewed and approved the external auditor's engagement letter, including the agreed audit and audit-related scope, responsibilities and key terms, to ensure appropriate coverage having regard to the Group's size, complexity and risk profile and made recommendations to the Board in relation to the audit fees.

### Evaluation, Independence and Non-Audit Services

The BAC is responsible for safeguarding the independence and objectivity of the external auditor and overseeing matters relating to external auditor annual evaluation, remuneration and the provision of non-audit services, in accordance with the Board-approved External Auditors Policy and applicable regulatory requirements. The external auditor is also required, on an annual basis, to attest to the existence of an established quality control system that monitors compliance with independence standards and ethical responsibilities and that it is independent in accordance with the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (IESBA Code), together with the other ethical requirements that are relevant to its audit of the Group's consolidated financial statements, and that it has fulfilled its other ethical responsibilities in accordance with these requirements and the IESBA Code.

## Board Audit Committee continued

During the year, the Committee conducted the annual evaluation of the external auditor, considering audit quality, professional judgement, independence, responsiveness, competence and overall effectiveness. The evaluation was conducted in collaboration with the Group Chief of Internal Audit and considered feedback gathered from business functions that interact with the external auditors. The outcome of this evaluation informed the Committee's conclusions regarding the external auditor's continued suitability.

The Committee also oversaw compliance with independence requirements, including restrictions on the provision of non-audit services. All non-audit services were reviewed and approved by the Committee in advance to ensure that such services did not impair, or appear to impair, the external auditor's independence or objectivity.

The BAC held its annual meeting with the external auditor - without management present - to address any issues related to scope restrictions, access to records, or disagreements with management, including any significant audit qualifications. During this meeting in 2025, the BAC obtained the external auditor's confirmation regarding their independence, their satisfaction with the support provided by the management and the adequacy of the audit evidence that supported rendering their opinion.

**External Audit Reservations**

The external auditor did not raise any reservations in relation to the interim or annual financial statements for the year ending 31 December 2025.

On behalf of the BAC

**Mr. Javier Marin Romano**

BAC Chair

### External Auditor – 2025

In line with the approved framework, the BAC recommended the appointment of KPMG Lower Gulf Limited (KPMG) as the external auditor for the 2025 financial year. This recommendation was endorsed by the Board and approved by the shareholders at the 2025 Annual General Assembly Meeting.

KPMG is part of KPMG International Cooperative's global network of professional member firms that operate in 143 countries and territories. KPMG provides audit, tax and advisory services to a broad range of domestic and international, public and private sector clients across major aspects of business and the economy in the UAE and in the Sultanate of Oman.

| | |
|---|---|
| Name of external auditor | KPMG Lower Gulf Limited |
| Number of years served as external auditor | 1 |
| Name of external audit partner | Mr. Paritosh Gambhir |
| Number of years audit partner has served in this role | 1 |
| 2025 total audit fees | AED 2,208,000 |
| Fees and costs of other services other than auditing the financial statements for 2025 | AED 1,852,272 |
| Details and nature of other services provided by the external auditor | • Agreed upon procedure report on Pillar 3<br>• Reporting on ICOFR<br>• Long Form Reports<br>• Assurance on 2025 sustainable finance reports |
| Other Services performed by an external auditor other than the company's auditor in 2025 | During 2025, various firms including Ernst & Young, Deloitte and PWC were engaged to provide advisory, project management, and compliance-related services distinct from the statutory audit. These engagements were conducted in line with requirements governing the engagement of third parties for the provision of such services. |

Deyaar Development P.J.S.C. is not included in the above aggregated audit fees or descriptions. The audit fees for DIB Bank Kenya Limited and Dubai Islamic Bank Pakistan Limited are set out below and are not included in the consolidation above. The audit services were provided by KPMG affiliates within the respective countries of the subsidiaries for the year ended 31 December 2025.

| | |
|---|---|
| Total audit fees of other subsidiaries (AED equivalent) | AED 364,100 |

### External Auditor – 2026

In respect to the 2026 financial year, the Board has endorsed the BAC's recommendation to reappoint KPMG, which will be submitted for shareholder approval at the 2026 Annual General Assembly Meeting.

Board Committee Reports

# Board Nomination and Remuneration Committee (BNRC)

**Dr. Hamad Mubarak Buamim**
Chair
Independent,
Non-Executive Director

**Eng. Yahya Saeed Ahmad Nasser Lootah**
Member
Non-Independent,
Non-Executive Director

**Mr. Bader Saeed Hareb**
Member
Independent,
Non-Executive Director

## Mandate

The BNRC's mandate is defined in its terms of reference approved by the Board and includes, but is not limited to, assisting the Board in fulfilling its oversight responsibilities with respect to:

- Board composition, nomination, succession, and evaluation.
- Board and senior management fit and proper assessments.
- Senior management appointments and succession planning.
- Remuneration framework.
- Organisational culture and strategic initiatives to drive the desired culture.
- People strategy, strategic human resources policies.
- Emiratisation strategy and progress oversight.

## Composition

- Three members, two of whom are independent Directors.
- An independent Chair who is distinct from the Chair of the Board.

## Meetings and Attendance in 2025

| No. | Meeting Date | Number of Attendees | Apologies |
|---|---|---|---|
| 1 | 22 January | 3/3 | - |
| 2 | 25 February | 3/3 | - |
| 3 | 4 March | 2/3 | Eng. Yahya Lootah |
| 4 | 29 April | 3/3 | - |
| 5 | 7 May | 3/3 | - |
| 6 | 25 June | 3/3 | - |
| 7 | 23 September | 3/3 | - |
| 8 | 25 November | 3/3 | - |

Board Nomination and Remuneration Committee Report continued

## Key Matters Considered in 2025

| Main Topic | Sub-Topic | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|
| HR-Related Matters | People Strategy | ● | | | |
| | People, Conduct and Culture Indicators | ● | ● | ● | ● |
| | Employee Code of Conduct | | | | ● |
| | Strategic HR Policies | | ● | | |
| | Emiratisation Progress | ● | ● | ● | ● |
| | Senior Management Appointment | ● | ● | ● | |
| | Senior Management Remuneration | ● | | | ● |
| | Senior Management Succession Planning | ● | | | |
| Board and ISSC-Related Matters | Board Composition and Independence Review | | ● | | |
| | Board Skills Matrix | | | ● | |
| | Internal Sharia Supervision Committee Matters | ● | | ● | ● |
| | Annual Board Evaluation | | | ● | |
| | Directors' Code of Conduct | | | ● | |
| | Board Succession Planning | | | | ● |
| Regulatory Matters | Fit & Proper Policy Updates | | | ● | |
| | Pension-Related Matters | | ● | | |

## Committee Effectiveness

In line with the Bank's commitment to robust governance practices and regulatory expectations, an annual assessment of the Committee is conducted. In 2025, the assessment was externally facilitated by a competent and independent third party and concluded that the Committee continues to operate effectively, independently, and in compliance with its mandate and regulatory requirements.

## Statement from the BNRC Chair

As Chair, I am pleased to present the BNRC report on the key activities performed by the Committee during 2025.

The Committee met eight (8) times in 2025, in line with the Terms of Reference to review key matters related to the Board, Senior Management, remuneration, culture, human resources and Emiratisation.

During the year the Committee oversaw fit and proper assessments for Senior Management and potential Board candidates in preparation for the 2026 Board renewal, in line with applicable regulatory requirements. The Committee also reviewed Board composition, including skills, experience, independence and diversity, and updated the Board skills matrix, taking into account the Bank's strategy, risk profile, regulatory expectations and the evolving operating environment. In addition, the Committee reviewed requests from Directors and Senior Management relating to external appointments, where relevant.

As a core responsibility of the Committee, it monitored the delivery of the annual training plan for the Board and the annual Board effectiveness evaluation, covering the Board, its committees and individual Directors. The outcomes of the annual evaluation were reported to the Board and were updated on the action planning and ongoing trainings plans. As a part of its commitment to robust governance practices, the Committee also considered the Director Induction Program to ensure its ongoing suitability.

The Committee provided oversight of strategic matters relating to human resources including approving the appointment of new senior management members during the year, with a focus on diversity, the Bank's strategic objectives and ensuring compliance with the Bank's policies and regulatory expectations. In support of leadership continuity, the Committee reviewed the senior management succession plan as part of its oversight of leadership continuity and noted external recognition of the Bank's talent and development initiatives.

The Committee exercised oversight of the Bank's remuneration framework with due consideration of the overall performance outcomes and regulatory expectations, including the review and approval of the Senior Management compensation and the annual performance assessment of the Group Chief Executive Officer.

Under its mandate, the Committee monitored people, conduct and culture indicators through regular dashboards and reporting, with a focus on workforce diversity, attrition, learning, and HR governance. During the year it also endorsed the establishment of a management-level committee to oversee organisational behaviour to support this oversight. As key instruments for articulating conduct standards, the Committee reviewed the codes of conduct for the Board and employees, ensuring these codes remain fit for purpose, clearly articulated and aligned with ethical standards, the Bank's values and regulatory expectations.

The Committee has been actively involved and engaged in the Bank's Emiratisation agenda throughout the year. Oversight of Emiratisation remained a standing agenda item, with the Committee monitoring progress against targets and initiatives, and receiving updates on retention, talent development and succession pipelines.

As chair, I extend my appreciation to my fellow committee members, the management, and employees for their continued collaboration. On behalf of the committee, I acknowledge our obligation to discharge the responsibilities of the committee as set out in its approved terms of reference and to ensure its effectiveness.

**Dr. Hamad Mubarak Buamim**

BNRC Chair

## Looking Ahead – 2026 Priorities

In 2026, the Committee will support the Board through the planned Board renewal process and oversee the onboarding and induction of newly appointed Directors, ensuring continuity and effectiveness at Board level. The Committee will maintain its focus on Emiratisation and Senior Management succession, while continuing its oversight of the execution of the people strategy and key culture and conduct indicators. In addition, the Committee will continue to oversee the remuneration framework ensuring alignment with the Bank's strategy, risk profile and applicable regulatory expectations.

Board Committee Reports continued

# Board Risk, Compliance and Governance Committee (BRCGC)

**Dr. Ciğdem Koğar**
Chair
Independent,
Non-Executive Director

**Mr. Javier Marin Romano**
Member
Independent,
Non-Executive Director

**Mr. Bader Saeed Hareb**
Member
Independent,
Non-Executive Director

## Mandate

The BRCGC's mandate is defined in its terms of reference approved by the Board and includes, but is not limited to, assisting the Board in fulfilling its oversight responsibilities with respect to:

- Overseeing the Bank's governance, risk management, compliance and control frameworks and their related operation.
- Monitoring risk exposures and providing strategic direction to ensure risks remain at an acceptable level.
- Enabling a Group-wide view of the Bank's current and future risk position relative to its risk appetite and capital strength.
- Reviewing the Bank's material policies.
- Monitoring compliance with regulatory obligations.
- Review the ICAAP, stress tests and recovery plan.
- Performance, effectiveness and independence of Group Risk Management, Compliance and Group Internal Sharia Control functions.

## Composition

- Three members, all of whom are independent Directors.
- An independent Chair who is distinct from the Chair of the Board and the chairs of other committees.
- Members collectively possess significant financial, risk management, and banking experience with relevant accounting and audit expertise in compliance with the regulatory requirements.
- To assist with the flow of relevant information between the BAC and BRCGC, the Committee includes one member of the BRCGC.

## Meetings and Attendance in 2025

| No. | Meeting Date | Number of Attendees | Apologies |
|---|---|---|---|
| 1 | 4 February | 2/3 | Mr. Javier Romano |
| 2 | 26 February | 3/3 | - |
| 3 | 15 April | 3/3 | - |
| 4 | 13 May | 3/3 | - |
| 5 | 26 June | 3/3 | - |
| 6 | 12 August | 3/3 | - |
| 7 | 16 September | 3/3 | - |
| 8 | 23 September | 3/3 | - |
| 9 | 19 November | 3/3 | - |
| 10 | 23 December | 3/3 | - |

Board Risk Governance and Compliance Committee Report continued

| Main Topic | Sub-Topic | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|
| Committee Deliverables | Risk Outlook | | | | ● |
| | Risk Appetite Statement | | | | ● |
| | ICAAP Report | ● | ● | ● | ● |
| | Recovery Plan/Early Warning Indicators | | ● | | |
| | FSU Stress Testing | | | ● | |
| Review and Guidance | Risk Outlook | ● | ● | ● | ● |
| | Risk Appetite | ● | ● | ● | ● |
| | Recovery Plan/Early Warning Indicators | ● | ● | ● | ● |
| | Solvency | ● | ● | ● | ● |
| | Credit Risk | ● | ● | ● | ● |
| | Liquidity Risk | ● | ● | ● | ● |
| | Profit Rate Risk | ● | ● | ● | ● |
| | Model Risk | ● | ● | ● | ● |
| | Market Conduct | ● | ● | ● | ● |
| | Third-Party Risk | ● | ● | ● | ● |
| | Operational Risk | ● | ● | ● | ● |
| | Compliance Matters | ● | ● | ● | ● |
| | Sharia Matters | ● | ● | ● | ● |
| | Group Information Security Matters | ● | ● | ● | ● |

## Committee Effectiveness

In line with the Bank's commitment to robust governance practices and regulatory expectations, an annual assessment of the Committee is conducted. In 2025, the assessment was externally facilitated by a competent and independent third party and concluded that the Committee continues to operate effectively, independently, and in compliance with its mandate and regulatory requirements.

## Statement from the Chair

As Chair, I am pleased to present the BRCGC report on the key activities performed by the Committee during 2025.

In 2025, DIB successfully navigated an increasingly complex global landscape shaped by geopolitical uncertainty, persistent inflation, evolving regulatory expectations, and rapid advances in financial technology.

The Committee met ten (10) times in 2025 and discharged its responsibilities in line with its mandate and applicable regulatory requirements, providing oversight of governance, risk management, compliance and control arrangements, with a focus on continuous improvement. It continued to work closely with other Board committees to support a coordinated and consistent approach to oversight, facilitated by committee cross-memberships and information sharing.

Throughout the year, the BRCGC oversaw significant refinements to the risk management framework, with a strong focus on credit risk discipline, capital and liquidity strength, operational resilience, and cyber-security preparedness. These steps were taken to further strengthen the Bank's risk culture, reinforce our governance framework, and enhance our compliance capabilities across all jurisdictions in which we operate. The Committee has also looked at matters to ensure the viability of the Bank's Sharia-compliant risk-based controls.

We enhanced Group-wide oversight over international subsidiaries, aligning risk appetites, policies, controls, and reporting frameworks to ensure consistency, transparency, and robust compliance across the Bank.

We intensified our efforts to strengthen operational resilience and disaster recovery capabilities to target levels above the regulatory expectations.

Our risk assessment models and stress-testing methodologies were further upgraded to incorporate emerging macroeconomic developments, structural vulnerabilities, and climate-related financial risks. These enhancements enable us to adopt a more forward-looking, data-driven approach to safeguarding the Bank's financial and operational stability.

## Board Risk Governance and Compliance Committee Report continued

On the compliance front, we continued to strengthen regulatory framework, AML and CFT defences, and data governance standards. Targeted capacity-building initiatives further promote a culture of integrity, accountability, and ethical conduct across the Bank.

The advancements achieved and strong governance in 2025 further fortified our risk management, compliance, and oversight capabilities as we position the Bank for continued sound financial standing, resilient operational structure as well as sustainable growth.

As chair, I extend my appreciation to my fellow Committee members and the management for their continued collaboration. On behalf of the Committee, I acknowledge my obligation to discharge the responsibilities of the BRCGC as set in its terms of reference and for ensuring its effectiveness.

**Dr. Ciğdem Koğar**
BRCGC Chair

### Looking Ahead – 2026 Priorities

2026 is expected to bring both opportunities and challenges considering global uncertainties, regulatory changes, accelerating pace of digitisation and AI which will continue to shape the banking landscape. Within Islamic banking in particular, demand for Sharia-compliant financial solutions is expected to rise.

Given the Bank's ability to adapt, innovate, and uphold the highest standards of Islamic banking, the Committee will continue to ensure that overall risk management, compliance, and governance practices enhance the Bank's soundness and strategic objectives with prudent and diligent consideration of stakeholder interests.

We will continue to strive to enhance capacity building and strengthen our governance, upgrading processes, and systems by integrating the secure and innovative technologies. 2026 will be the year where we will cross significant completion milestones on our strategic banking projects which will carry DIB to achieve operational excellence and exceed regulatory expectations.

Further strengthening Group-wide risk frameworks and governance structures with enhanced alignment between the DIB and its subsidiaries as well as cyber-security resiliency, leveraging analytics and AI to further improve risk identification and mitigation, regulatory compliance and data governance will also be the priorities of 2026.

With a strong capital structure, we will continue to achieve Sharia-compliant sustainable growth with a continued focus on quality asset origination, prudent liquidity management, operational resiliency and efficiency in our processes and systems.

Board Committee Reports

# Board Credit and Investment Committee (BCIC)

**Mr. Abdulaziz Ahmed Rahma Almheiri**
Chair
Non-Independent, Non-Executive Director

**Mr. Hamad Bin Abdulla Alshamsi**
Vice Chair
Non-Independent, Non-Executive Director

**Dr. Hamad Mubarak Buamim**
Member
Independent, Non-Executive Director

**Eng. Yahya Saeed Ahmad Nasser Lootah**
Member
Non-Independent, Non-Executive Director

## Mandate

The BCIC's mandate is defined in its terms of reference approved by the Board and includes, but is not limited to, assisting the Board in fulfilling its oversight responsibilities with respect to the following, within the discretionary authority delegated to it by the Board:

- Credit, investment and collection/remedial decisions.
- Investment strategy approval/recommendation to the Board and monitoring its implementation.

## Composition

- Four members.

## Meetings and Attendance in 2025

| No. | Meeting Date | Number of Attendees | Apologies |
|---|---|---|---|
| 1 | 7 January | 4/4 | - |
| 2 | 14 January | 3/4 | Mr. Hamad Alshamsi |
| 3 | 28 January | 4/4 | - |
| 4 | 4 February | 4/4 | - |
| 5 | 18 February | 3/4 | Mr. Abdulaziz Almheiri |
| 6 | 4 March | 4/4 | - |
| 7 | 11 March | 3/4 | Mr. Abdulaziz Almheiri |
| 8 | 18 March | 4/4 | - |
| 9 | 25 March | 4/4 | - |
| 10 | 15 April | 3/4 | Mr. Hamad Alshamsi |
| 11 | 22 April | 4/4 | - |
| 12 | 29 April | 4/4 | - |
| 13 | 6 May | 4/4 | - |
| 14 | 13 May | 3/4 | Mr. Hamad Alshamsi |

Board Credit and Investment Committee Report continued

| No. | Meeting Date | Number of Attendees | Apologies |
|---|---|---|---|
| 15 | 27 May | 4/4 | - |
| 16 | 3 June | 3/4 | Mr. Abdulaziz Almheiri |
| 17 | 17 June | 4/4 | - |
| 18 | 24 June | 4/4 | - |
| 19 | 8 July | 4/4 | - |
| 20 | 22 July | 4/4 | - |
| 21 | 29 July | 4/4 | - |
| 22 | 12 August | 4/4 | - |
| 23 | 19 August | 4/4 | - |
| 24 | 26 August | 4/4 | - |
| 25 | 2 September | 3/4 | Mr. Hamad Alshamsi |
| 26 | 16 September | 4/4 | - |
| 27 | 30 September | 3/4 | Eng. Yahya Lootah |
| 28 | 14 October | 4/4 | - |
| 29 | 21 October | 3/4 | Eng. Yahya Lootah |
| 30 | 4 November | 3/4 | Mr. Hamad Alshamsi |
| 31 | 25 November | 4/4 | - |
| 32 | 9 December | 4/4 | - |
| 33 | 16 December | 3/4 | Mr. Abdulaziz Almheiri |
| 34 | 30 December | 3/4 | Mr. Hamad Alshamsi |

## Key Matters Considered in 2025

| Main Topic | Sub-Topic | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|
| **Credit and Remedial** | Credit Facility Proposals | ● | ● | ● | ● |
| | Financial Restructuring and Remedial Matters | ● | ● | ● | ● |
| **Risk Appetite Recommendations** | Credit Risk | | | | ● |
| | Country Risk Limits | | | | ● |
| | Sectors Exposures | | | | ● |
| **Investments Recommendations** | Investment Strategy | | | | ● |
| | Investment Performance | | | ● | |

## Committee Effectiveness

In line with the Bank's commitment to robust governance practices and regulatory expectations, an annual assessment of the Committee is conducted. In 2025, the assessment was externally facilitated by a competent and independent third party and concluded that the Committee continues to operate effectively, independently, and in compliance with its mandate and regulatory requirements.

## Statement from the Chair

As Chair, I am pleased to present the BCIC report on the key activities performed by the Committee during 2025.

The Committee met thirty-four (34) times in 2025 and continued to discharge its responsibilities in line with its mandate ensuring continued compliance with applicable policies and sound governance practices. In performing its duties, it has remained focused on the Bank's strategic objectives and ensured alignment with the approved risk appetite.

During 2025, the BCIC reviewed and approved proposals for credit facilities, country limits, remedial matters, and policy exceptions within its delegated authority. The Committee reviewed portfolio composition, portfolio quality, performance and compliance with an emphasis on disciplined risk management. As part of its oversight, the Committee considered the Bank's sustainability strategy and sustainable finance commitments where relevant.

The Committee exercised oversight of the Bank's investment strategy through periodic reporting on the investment portfolio, ensuring alignment with the Banks strategic objectives and long-term value considerations. The Committee also supported measured actions to simplify the Group structure when appropriate.

## Board Credit and Investment Committee Report continued

Through the activities undertaken during the year, the Committee has supported the Board in ensuring a balanced approach of credit and investment considerations, aligning all its responsibilities with the Bank's risk appetite, strategic objectives, and commitment to responsible banking.

As chair, I extend my appreciation to my fellow Committee members, the management, and employees for their continued collaboration. On behalf of the Committee, I acknowledge my obligation to discharge the responsibilities of the BCIC as set in its terms of reference and for ensuring its effectiveness.

**Abdulaziz Ahmed Rahma Almheiri**
BCIC Chair

### Looking Ahead - 2026 Priorities

Looking ahead to 2026, the Committee will continue to discharge its mandate by maintaining strong oversight of credit and investment activities, remaining attentive to regulatory developments and market conditions, and supporting disciplined decision-making aligned with the Bank's strategic priorities and risk appetite.

Board Committee Reports continued

# Board Sustainability Committee (BSC)

**Mr. Hamad Abdulla Rashed Alshamsi**
Chair
Non-Independent,
Non-Executive Director

**Mr. Abdulaziz Ahmed Rahma Almheiri**
Member
Non-Independent,
Non-Executive Director

**Mr. Ahmad Mohammad Binhumaidan**
Member
Non-Independent,
Non-Executive Director

## Mandate

The BSC's mandate is defined in its terms of reference approved by the Board and includes, but is not limited to, assisting the Board in fulfilling its oversight responsibilities with respect to:

- The Bank's long-term sustainability vision and strategy in relation to the environment, society and relevant governance considerations taking into account national priorities, regulatory requirements and stakeholders' expectations.
- Spearheading the Bank's sustainability related initiatives and overseeing the integration of sustainability considerations within DIB.

## Composition

- Three members.

## Meetings and Attendance in 2025

| No. | Meeting Date | Number of Attendees | Apologies |
|---|---|---|---|
| 1 | 22 January | 2/3 | Mr. Abdulaziz Almheiri |
| 2 | 15 April | 2/3 | Mr. Abdulaziz Almheiri |
| 3 | 16 July | 2/3 | Mr. Abdulaziz Almheiri |
| 4 | 16 October | 2/3 | Mr. Abdulaziz Almheiri |

## Key Matters Considered in 2025

| Main Topic | Sub-Topic | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|
| **Sustainable Finance** | Sustainable Finance Targets Progress | ● | ● | ● | ● |
| **Reporting and Disclosures** | Sustainability Report | ● | | | |
| | Sustainable Finance Framework | ● | | | |
| | Sustainability-Linked Finance Framework | ● | | | |
| | Sustainable Finance Allocation Report | ● | | | |
| | Position Statements – Human Rights and Exclusions | | | ● | |
| | Responsible Investment Framework | | | ● | |
| **Climate Risk** | Physical Climate Risk Data Collection | ● | | | |
| | Environmental Risk and Mitigation | | | ● | |
| | Financed Emissions | ● | | | |
| **Regulatory Requirements** | Sustainable Finance, Climate-Related Financial Risks and Sustainability Disclosures | ● | | | |
| **Sustainability Strategy** | Integration of Sustainability Strategy Across Business Verticals | ● | ● | ● | ● |
| | Market Positioning and ESG Ratings | | | ● | ● |
| | Sustainability Focus Areas from the Board Evaluation | | | | ● |
| | Double Materiality Assessment | | | | ● |
| **Sustainability KPIs** | ESG Metrics across Business Verticals Progress | ● | ● | ● | ● |

Board Sustainability Committee Report continued

## Committee Effectiveness

In line with the Bank's commitment to robust governance practices and regulatory expectations, an annual assessment of the Committee is conducted. In 2025, the assessment was externally facilitated by a competent and independent third party and concluded that the Committee continues to operate effectively, independently, and in compliance with its mandate and regulatory requirements.

## Statement from the Chair

As Chair, I am pleased to present the BSC report on the key activities performed by the Committee during 2025.

The Committee met four (4) times in 2025 and discharged its responsibilities in line with its mandate, providing oversight of the Bank's sustainability strategy and the evolving ESG landscape.

In 2025, the Committee continued to guide the Bank's sustainability agenda, ensuring that environmental, social, and governance considerations were embedded into strategy, operations, and decision-making. The Committee remained focused on governance, transparency, and accountability in support of the Bank's long-term sustainability commitments and net zero ambitions.

During the year, the Committee supported the continued strengthening of the Bank's sustainability frameworks, including oversight of the enhancements of external reporting, the review and approval of key sustainability frameworks and position statements. These actions ensured alignment with regulatory expectations, international best practice, and the Bank's strategic priorities.

Under the Committee's guidance, the Bank recorded the greatest regional improvements in external ESG ratings establishing a strong market position. The Committee tracked internal sustainability KPIs aligned to the Bank's key priority areas and overarching sustainability strategy. This enabled the Committee to monitor progress, assess strategic deployment across the business, and support informed decision-making. Sustainable finance continued to be a key focus. The Committee reviewed sustainable finance issuances and financing activity, including eligibility criteria and categories, and considered performance trends, growth opportunities, and areas for improvement to support the effective scaling of sustainable finance.

Progress toward the Bank's net zero commitments also remained a priority. The Committee monitored initiatives to reduce the Bank's operational emissions and supported efforts to better understand and manage financed emissions across the portfolio as part of the Bank's broader decarbonisation journey with a continued focus on further expansion in the year ahead.

Through its work, the Committee continued to strengthen the Bank's governance framework and support sustainable growth and long-term value creation.

As chair, I extend my appreciation to my fellow Committee members and the management, for their continued collaboration. On behalf of the Committee, I acknowledge my obligation to discharge the responsibilities of the BSC as set in its terms of reference and for ensuring its effectiveness.

**Mr. Hamad Abdulla Rashed Alshamsi**
BSC Chair

## Looking Ahead – 2026 Priorities

In 2026, the Committee will remain focused on the strategic direction and governance of the Bank's sustainability agenda. Key priorities will include guiding the effective implementation of the Bank's decarbonisation strategy, with attention to progress across both operational and financed emissions and ensuring that insights from assessments are translated into clear priorities and long-term pathways. The Committee will use the outcomes of the Double Materiality Assessment to inform sustainability priorities, supporting alignment between the Bank's strategy, the expectations of key stakeholders, and evolving regulatory and market developments.

Further emphasis will be placed on strengthening the quality and consistency of sustainability disclosures and supporting improvements building on the Bank's strongest ESG ratings achieved to date and reinforcing credibility with external stakeholders.

The Committee will continue to support and monitor internal sustainability KPIs and performance metrics to track progress against key priority areas and the overarching sustainability strategy. This ongoing focus will help ensure consistent execution of the Bank's ambition to lead and own the sustainability agenda as a leading Islamic finance institution.

Board Committee Reports continued

# Board Profit Distribution Management Committee (BPDMC)

**Eng. Yahya Saeed Ahmad Nasser Lootah**
Chair
Non-Independent,
Non-Executive Director

**Dr. Ciğdem Koğar**
Member
Independent,
Non-Executive Director

**Dr. Mohamed Ali Elgari**
Member
ISSC Member

## Mandate

The BPDMC's mandate is defined in its terms of reference approved by the Board and includes, but is not limited to, assisting the Board in its oversight responsibilities in providing a sound monitoring function to monitor and address Displaced Commercial Risk (DCR), a unique risk for Islamic Banks. DCR arises where an Islamic Bank may need to voluntarily pay a return that exceeds the rate that has been earned on the assets financed by the investment account holder funds (Mudaraba/Wakala depositors) or when the return on assets underperforms when compared with competitors.

The Committee's mandate requires it to ensure that profit equalisation, including utilisation of reserves (such as the profit equalisation reserve (PER) and investment risk reserves (IRR)) are appropriately monitored.

## Composition

- Three members, including one Independent Director and one representative of the ISSC.

## Meetings and Attendance in 2025

| No. | Meeting Date | Number of Attendees | Apologies |
|---|---|---|---|
| 1 | 24 January | 3/3 | - |
| 2 | 22 April | 3/3 | - |
| 3 | 22 July | 3/3 | - |
| 4 | 27 October | 3/3 | - |

## Key Matters Considered in 2025

| Main Topic | Sub-Topic | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|
| **Review and Guidance** | Balance Sheet and Income Statement by Pool | ● | ● | ● | ● |
| | DCR Assessment Test Results for the Period | ● | ● | ● | ● |
| | DCR Assessment Test Results of 4 Prior Quarters | ● | ● | ● | ● |
| | Conclusions of DCR for the Quarter | ● | ● | ● | ● |

## Committee Effectiveness

In line with the Bank's commitment to robust governance practices and regulatory expectations, an annual assessment of the Committee is conducted. In 2025, the assessment was externally facilitated by a competent and independent third party and concluded that the Committee continues to operate effectively, independently, and in compliance with its mandate and regulatory requirements.

Board Profit Distribution Management Committee Report continued

## Statement from the Chair

As Chair, I am pleased to present the BPDMC report on the key activities performed by the Committee during 2025.

The Committee met four (4) times in 2025 and continued discharged its responsibilities in line with its mandate and applicable regulatory requirements, providing oversight of DCR, ensuring continued compliance with applicable regulatory requirements, internal policies, and sound governance practices.

Throughout 2025, the Committee oversaw the management and application of the PER and the IRR. This oversight was exercised to ensure adherence to established internal policies, relevant regulatory standards, and alignment with the Bank's financial objectives. The Committee ensured that assets were allocated to each pool of deposits on a consistent basis and in accordance with the Mudaraba and Wakala Deposits Policy, supporting equitable profit allocation and transparency in investment account management.

The Committee also provided robust oversight and sound monitoring during the year to ensure that Investment Accounts were managed in the best interests of Investment Account Holders (IAHs), while appropriately considering the interests of the Bank's wider stakeholder base. In this context, the Committee reviewed policies, processes, and procedures governing financing and investment activities undertaken using IAH funds and assessed the discharge of the Bank's fiduciary responsibilities in relation to such activities.

In line with its mandate, the Committee reviewed and approved key matters relating to compliance with regulatory requirements on profit equalisation, including the governance and application of PER and IRR. The Committee also discussed the composition and performance of underlying asset pools and the methodologies applied in the use of these reserves.

As part of its ongoing risk oversight, the Committee conducted quarterly reviews of DCR, including assessments of mitigation measures implemented by management to address potential misalignment between returns to IAHs and shareholders.

As chair, I extend my appreciation to my fellow Committee members, the management, and employees for their continued collaboration. On behalf of the Committee, I acknowledge my obligation to discharge the responsibilities of the BPDMC as set in its terms of reference and for ensuring its effectiveness.

**Eng. Yahya Saeed Ahmad Nasser Lootah**
BPDMC Chair

### Looking Ahead – 2026 Priorities

In 2026, the Committee will continue to assist the Board in oversight of DCR and in providing a sound monitoring function to ensure that profit equalisation, including utilisation of reserves, is appropriately monitored and interests of investment account holders safeguarded.

Sharia Governance

# Providing oversight on Sharia matters within the Bank's governance framework

## Sharia governance is an integral and embedded component of the Bank's corporate governance framework. It provides the structure through which the Bank ensures that all activities, products and services are conducted in compliance with the principles of Islamic Sharia.

The Board retains ultimate responsibility for Sharia compliance and oversees the implementation of the Bank's Sharia Governance Framework and that it remains appropriate to the Bank's activities and regulatory obligations. Independent Sharia oversight is exercised through the Internal Sharia Supervision Committee, which is the highest authority within the Bank on Sharia matters.

Sharia governance is operationalised across the three lines of defence. Business units are accountable, as the first line of defence, for conducting activities in a Sharia-compliant manner, supported by policies, procedures and controls approved by the Internal Sharia Supervision Committee. Dedicated internal Sharia control and internal Sharia audit functions provide ongoing oversight and independent assurance as an integral part of the Bank's internal control system.

### Internal Sharia Supervision Committee

**Role**

The ISSC of the Bank's duties and functions include supervision and review of DIB's businesses, activities, products, services, contracts, transactions, and to review and approve documentation, policies, procedures and manuals in relation to all activities and functions of DIB. All matters relating to the ISSC are subject to and conducted in accordance with the regulations and guidance issued by the HSA.

The ISSC shall present its 2025 report to the shareholders in the next Annual General Assembly Meeting.

**Composition and Term**

The ISSC is comprised of four (4) Islamic Sharia scholars nominated by the Board and appointed by the General Assembly and two trainee members, appointed by the Board in 2025, who serve as the fifth membership in line with the requirements and guidance set out in the regulatory framework. All appointments or renewals are approved by the HSA. Trainee members participate in ISSC activities in an observational and developmental capacity, without prejudice to the independence, authority, or decision-making responsibilities of the appointed ISSC scholars. The term of appointment of the ISSC scholars is three (3) years, and the trainee members is one (1) year which may be renewed subject to applicable regulations.

The current scholars serving on the ISSC have been appointed by the shareholders at the Annual General Assembly Meeting held on 27 February 2024.

### The following Sharia scholars currently serve on the ISSC:

**Sheikh Dr. Muhammad Abdulrahim Sultan Al Olama**
Chairman

Sheikh Dr. Sultan Al Olama is a former Professor of Fiqh and jurisprudence at the College of Law at the United Arab Emirates University. Dr. Sultan is a leading and distinguished expert in the field of Islamic banking, finance and insurance. He is also a recipient of the Rashid bin Saeed Al Maktoum Award for Academic Excellence.

Dr. Sultan is the Chairman of the Internal Sharia Supervisory Committees of several Islamic financial institutions in the UAE.

Dr. Sultan holds a PhD in Islamic Law and Jurisprudence from Umm Al Qurra University, Mecca, Kingdom of Saudi Arabia, and has written extensively on modern Islamic finance and presented numerous research papers at various international conferences.

## Sharia Governance continued

**Professor Dr. Mohamed Ali Elgari**
Vice Chairman

Prof. Dr. Elgari is a Professor of Islamic Economics and the former Director of the Centre for Research in Islamic Economics at King Abdul Aziz University in the Kingdom of Saudi Arabia. Dr. Elgari is the recipient of the Islamic Development Bank Prize in Islamic Banking and Finance and holds the KLIFF Islamic Finance Award for Most Outstanding Contribution to Islamic Finance.

He is a member of the editorial boards of several academic publications in the field of Islamic Finance and Jurisprudence, including the Journal of the Jurisprudence Academy (of the IWL), Journal of Islamic Economic Studies (IDB), Journal of Islamic Economics (IAIE, London) and the advisory board of the Harvard Series in Islamic Law, Harvard Law School, US.

Dr. Elgari is also an advisor to numerous Islamic financial institutions throughout the world and is notably on the Sharia board of the Dow Jones Islamic index as well as a member of the Islamic Fiqh Academy and the Islamic Accounting & Auditing Organization for Islamic Financial Institutions (AAOIFI). In addition, Dr. Elgari is Chairman and member of a number of Sharia Supervisory Committees of prominent local, regional and international Islamic financial institutions.

Dr. Elgari holds a PhD in Economics from the University of California, US.

**Dr. Muhammad Qaseem**
Executive Member

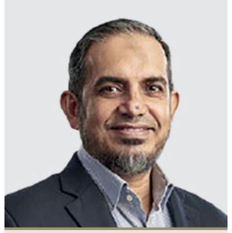
Dr. Muhammad Qaseem is a renowned Sharia scholar and Islamic finance expert. He is the chairman and a member of the Sharia Supervisory Committees of several prominent Islamic financial institutions.

Dr. Qaseem is a member of the Sharia board of the State Bank of Pakistan,. He is also a member of the Governance and Ethics Board of AAOIFI.

Dr. Qaseem holds a PhD in Tafseer and Qur'anic Sciences from the International Islamic University Islamabad. He has served as a faculty member at various universities in Pakistan. He fluently speaks Arabic, English, Persian, Pashto and Urdu.

Dr. Qaseem has also contributed towards disseminating the message of Islamic banking and building its institutions and Sharia frameworks in different countries. He is a regular speaker at many Islamic banking conferences. He has been instrumental in developing innovative structures and products in challenging regulatory environments.

## Sharia Governance continued



**Professor Datuk Dr. Mohamad Akram Laldin**
Member

Prof. Dr. Laldin is a well-recognized Islamic Sharia scholar and an academia. Datuk Laldin has served as the Executive Director of ISRA, Malaysia, and a professor at the University of Sharjah.

Prof. Dr. Laldin is also a member of the Bank Negara Malaysia Sharia Advisory Council (SAC), Committee member of AAOIFI Sharia Standards, Bahrain and other several boards across the globe. He is also a member of the Board of Studies of the Institute of Islamic Banking and Finance, IIUM.

Prof. Dr. Laldin holds PhD in Islamic Jurisprudence (Usul al-Fiqh) from the University of Edinburgh, Scotland, United Kingdom. He is the recipient of Zaki Badawi Award 2010 for Excellence in Sharia Advisory and Research. He has participated in and presented papers at numerous local and international conferences.

### Trainee Members

**Dr. Bushra Ahmed Mohmmed Hassan Aljasmi,** an Emirati Scholar, holds a PhD in Islamic Jurisprudence and its Principles (2017) and serves as Chief Mufti at the Islamic Affairs and Charitable Activities Department in Dubai. She previously worked as an Assistant Professor at Al Wasl University. She has authored jurisprudential works, participated in international conferences, and received academic and professional awards. She also holds specialised certifications in Islamic banking, including the Certified Sharia Advisor and Auditor Fellowship from AAOIFI (2025).

**Dr. Seddiqa Yahya Mohammed Alkamali,** an Emirati Scholar, holds a PhD in Islamic Jurisprudence and has certifications in Qur'an and Hadith. She works at the Islamic Affairs and Charitable Activities Department in Dubai and is a collaborating Assistant Professor at Al Wasl University. She has participated in jurisprudential and scientific conferences and possesses extensive experience in Islamic education and jurisprudential writing.

### In 2025

The ISSC has completed the requirements of its terms of reference with regard to various matters, including the number of meetings to be held, the quorum required for meetings, the majority needed to make decisions, and the conditions for decision-making and conflict of interest management.

17 meetings were held by the ISSC with full attendance by the members.

More than 326 matters were considered by the ISSC, its Executive Member and the Group Internal Sharia Control Department.

The Board and ISSC met twice (May and October) to discuss matters pertaining to Sharia governance, to support the Board in discharging its responsibility in relation to DIB's Sharia compliance.

Rewards Governance

# Balanced remuneration outcomes through disciplined rewards governance

Our Rewards Policy governs the development of recognition programmes designed to attract, retain and engage the talent necessary to deliver our business strategy and deliver long-term sustainable value. The Remuneration framework (consisting of Rewards, Benefits, Performance Management and Business Travel Policy) ensures full alignment with prudent risk measures and the compensation standards of the Central Bank of the UAE.


## Key Rewards Philosophy Principles

**Strategic Balance:** Total rewards are managed by balancing market competitiveness with DIB's long-term financial resilience, prudent risk assessment and basis standards and guidelines on compensation defined by the Central Bank of the UAE.

**Behavioural Alignment:** Pay structures focus on Total Rewards and are specifically designed to drive desired employee behaviours and professional conduct.

**Pay for Performance:** Individual performance is assessed against defined KPIs with due consideration to employee behaviour, conduct and risk-related measures.

Variable pay includes annual discretionary performance bonuses or sales incentives depending on the job role.

Treatment of variable pay for control function units is designed in a manner independent of the Bank's financial performance and also the business unit assessed by them.

**Ethical Sales Incentives:** Schemes combine quantitative and qualitative metrics to mitigate mis-selling and excessive risk-taking. Accountability is enforced through claw-back and docking mechanisms.

**Deferred Remuneration:** Variable pay for Senior Management and material risk-takers include a three-year deferral period and is subject to forfeiture or malus under specific conditions, linking pay to long-term risk horizons and supporting critical retentions.

**Regulatory Compliance and Adjustments:** Variable pay for Senior Management and material risk-takers is capped at 100% of fixed pay, however, in line with applicable regulations, the Board may approve awards of up to 150% of fixed pay, and shareholders may approve awards of up to 200% of fixed pay, where justified. Rewards are subject to "ex-post" risk adjustments in cases of fraud, negligence, or risk failures.

## Rewards Governance continued

**Governance:** The BNRC reviews, approves and oversees the implementation of the Bank's overall compensation policies, reward framework and system to ensure compliance with relevant regulations and standards, including but not limited to, reviewing and approving the Senior Management compensation and the annual performance assessment of the Group Chief Executive Officer and making recommendations to the Board.

### Remuneration for Senior Management

The table below represents total remuneration awarded during the financial year:

| AED in Million | 2025 Senior Management |
|---|---|
| **Fixed Remuneration** | |
| Number of employees | 22 |
| **Total fixed remuneration (3+5+7)** | **44** |
| Of which: cash-based | 44 |
| Of which: deferred | - |
| Of which: shares or other share-linked instruments | - |
| Of which: deferred | - |
| Of which: other forms | - |
| Of which: deferred | - |
| **Variable Remuneration** | |
| Number of employees | 20 |
| **Total variable remuneration (11+13+15)** | **47** |
| Of which: cash-based | 47 |
| Of which: deferred | 23 |
| Of which: shares or other share-linked instruments | - |
| Of which: deferred | - |
| Of which: other forms | - |
| Of which: deferred | - |
| **Total Remuneration (2+10)** | **91** |

As part of the Bank's 50-year anniversary, a one-off special payment was made to all employees, including Senior Management. For Senior Management the aggregate amount of this special payment totalled to AED 3.2 million. This payment was exceptional and separate from the regular fixed and variable remuneration disclosed above.

Further details regarding our Reward policy and framework, including in relation to how we define Senior Management and material risk takers, and our deferred remuneration policy are available in our Pillar 3 report.

Internal Control System

# A structured internal control system built on clear accountability

## At DIB, resilience is the foundation of progress. Our internal control system underpins this resilience - ensuring that every decision, transaction and relationship is governed by integrity, transparency, and accountability.

DIB's control environment integrates five key pillars - risk management, compliance, internal Sharia control, internal audit, and internal Sharia audit - operating within a cohesive governance framework. Together, these pillars provide the Board, management, and stakeholders with confidence that controls are effective, risks are proactively managed, and all operations remain aligned with Sharia principles and regulatory expectations.

DIB's governance framework, policies and processes ensure effective implementation, monitoring and reporting of compliance with applicable UAE regulations. Any deviations are identified, reported and addressed immediately to ensure continued alignment with regulatory expectations. As a standard practice, any material issues are escalated to management, Board or the relevant Board Committee and to the relevant regulatory authorities, as applicable, in spirit of the Bank's commitment to transparency to all its stakeholders.

During 2025, neither material violations were identified or reported nor any reservations noted by the External Auditors.

### The Three Lines of Defence at DIB

DIB's Three Lines of Defence model ensures that every part of the organisation plays a distinct yet complementary role in safeguarding integrity and performance.

Together, these lines create a unified system - enabling DIB to anticipate, manage and mitigate risks with agility and confidence.

#### First Line of Defence
**Own the Risk**

**Business & Support Units**
Own and manage risks within their operations.
Implement controls and ensure adherence to Sharia and regulatory requirements.

#### Second Line of Defence
**Oversee & Challenge**

**Group Risk, Group Compliance & Group Internal Sharia Control**
Provide frameworks, oversight, and independent challenge.
Monitor risk exposure and control effectiveness.
Escalate material matters to the BRCGC and ISSC where appropriate.

#### Third Line of Defence
**Provide Independent Assurance**

**Group Internal Audit & Group Internal Sharia Audit**
Deliver independent assurance on governance, risk management, and control effectiveness.
Report directly to the BAC and ISSC.

See the Operating Model in the Corporate Governance Framework Overview section for details on the reporting lines of the control functions.

Internal Control System continued

## System Architecture and Governance Structure

**Board Oversight:**

- The Board, through the BAC and the BRCGC, and with the support of the ISSC, acknowledges its responsibility for the application, periodic review, and overall efficiency of DIB's internal control system. The Board oversees the design of the framework and ensures its ongoing effectiveness.

**Executive Accountability:**

- The GCEO is responsible for ensuring the effective operation of the internal control framework through the Three Lines of Defence model, embedding clear ownership of risk management and control across all business and support units.
- Where material issues or control gaps are identified by the internal control functions, a formal report is prepared and submitted to the BRCGC or the BAC, as applicable. Management is accountable for addressing such matters in a timely manner, including providing necessary clarifications and implementing appropriate corrective and mitigating actions to ensure effective resolution.
- The internal control functions report to the relevant Board Committees at least on a quarterly basis, and on an ad hoc basis where material matters require Board attention. These reports provide comprehensive coverage of key risk areas, including credit, liquidity, market, operational, market conduct, technology, and information security risks. In 2025, Group Internal Audit and Group Internal Sharia Audit collectively issued 53 reports to the BAC.

**Functional Independence:**

- The Board has ensured that functions assigned responsibilities within the internal control system operate with the required level of independence and have appropriate access to information to effectively discharge their mandates. Internal control and assurance functions also coordinate with Group entities, in line with the Subsidiaries and Affiliates Corporate Governance Framework, to ensure that material risks are effectively identified and managed across the Group.
- Group Risk Management and Group Internal Audit maintain full independence from management, reporting directly to the BRCGC and BAC, respectively.
- Group Internal Sharia Control and Group Internal Sharia Audit maintain full independence from management, reporting directly to the BRCGC and BAC, respectively, and to the ISSC for technical oversight.
- Group Compliance reports administratively to the GCEO to ensure day-to-day operational alignment, while maintaining unrestricted access to the BRCGC for the independent escalation of material compliance matters.

The heads of the relevant control functions possess the requisite competence and qualifications to lead their respective functions and to sustain a sound and compliant internal control system. Further details on their names, qualifications, and tenure are provided in the Senior Management section on page 75-80.

**Integrated Assurance:**

- The control functions coordinate closely to ensure consistency in methodologies, risk assessments, and assurance coverage. This integrated approach enhances resilience and supports effective alignment across the control environment.

## At a Glance - Roles within DIB's Internal Control System

| | |
|---|---|
| Group Risk Management | Identifies, measures, and monitors all material risks; develops frameworks aligned with the Bank's risk appetite |
| Group Compliance | Ensures adherence to regulatory requirements; promotes ethical conduct |
| Group Internal Sharia Control | Monitors Sharia compliance of the bank's activities and advises management on corrective actions |
| Group Internal Audit | Provides independent assurance on the adequacy and effectiveness of governance, risk and internal control systems |
| Group Internal Sharia Audit | Provides independent assurance on the effectiveness of Sharia control systems and governance arrangements |

### Looking Ahead: Progress Never Stops

The internal control framework will continue to evolve in line with leading practices and regulatory developments, ensuring sustained effectiveness, proactive oversight, and ongoing alignments with regulatory expectations. As DIB continues its digital and operational transformation, the internal control system remains the cornerstone of resilience. In 2025 and beyond, the Bank will focus on integrated assurance, intelligent controls, and sustainable governance - ensuring that progress never stops, and resilience never rests.

General Information

## Statement of contributions made during 2025 in the development of the community and preservation of the environment.

DIB is world-renowned for being a leading Islamic bank contributing to the development of the global Islamic banking sector and for promoting ethical and social practices that align with the principles of Sharia.

As a socially responsible bank, we not only believe in financially empowering our customers but also positively impacting the community. We adopt a thorough review process under the aegis of DIB's ISSC to ensure Sharia compliance prior to disbursing charitable and community supporting funds. Please see the Sustainability Report for more information.

### Investor Relations

DIB has a dedicated Investor Relations (IR) function led by the Head of IR, aimed at addressing the needs of the Bank's expanding shareholder and investor base and ensuring compliance with relevant regulations. Reporting to the Chief Financial Officer, the IR function supports current and potential shareholders and investors by meeting their investment needs and transparently communicating DIB's investment story and performance to the financial market.

In 2025, DIB IR organised webcasts, published presentations, and issued press releases to investors, analysts, and the media. Additionally, DIB IR participated in several domestic and international investor roadshows, presenting a unique investment story focused on the growth opportunities of DIB and the UAE. These roadshows also aided in providing updates on the Bank's current business position and the general macro-economic environment. This information is available on the IR section of DIB's website for easy access on a user-friendly platform.

The IR section of DIB's website (dib.ae/about-us/investor-relations) offers useful information, including:

- Company information
- Investor news and events
- Financial information
- Major financial events
- Share information
- Sukuk information
- Credit ratings
- Disclosures and publications
- Contact information, including the names of the IR team (such as the Head of IR, Mr. Naveen Kumar Rajanala) and the department's email for inquiries: **investorrelations@dib.ae** and contact number: **+971 4 2075 454**.

DIB also offers a dedicated mobile application (DIB Investor Relations) that allows shareholders and interested stakeholders to track its share performance, financial reports, dividend information, and other relevant disclosures.

General Information continued

## DIB's Share Price and Performance

The table below represents DIB's comparative performance with the general market, and financials indices during 2025:

| Month | DIB Share Price | DFMGI | DFM Financials |
|---|---|---|---|
| 31 Dec 2025 | 9.27 | 6,047 | 4,328 |
| 28 Nov 2025 | 9.17 | 5,837 | 4,120 |
| 31 Oct 2025 | 9.50 | 6,059 | 4,377 |
| 30 Sep 2025 | 9.58 | 5,840 | 4,196 |
| 29 Aug 2025 | 9.67 | 6,064 | 4,306 |
| 31 Jul 2025 | 9.98 | 6,159 | 4,465 |
| 30 Jun 2025 | 9.07 | 5,706 | 3,984 |
| 30 May 2025 | 8.25 | 5,481 | 3,807 |
| 30 Apr 2025 | 7.56 | 5,307 | 3,645 |
| 28 Mar 2025 | 7.17 | 5,096 | 3,441 |
| 28 Feb 2025 | 7.73 | 5,318 | 3,724 |
| 31 Jan 2025 | 7.70 | 5,180 | 3,597 |

The table below sets out DIB's share price in the market (closing price, highest price, and lowest price) for each month in 2025:

| Date | Monthly Close | Monthly Low | Monthly High |
|---|---|---|---|
| 31 Dec 2025 | 9.27 | 9.22 | 9.56 |
| 28 Nov 2025 | 9.17 | 9.10 | 9.54 |
| 31 Oct 2025 | 9.50 | 9.39 | 9.75 |
| 30 Sep 2025 | 9.58 | 9.15 | 9.90 |
| 29 Aug 2025 | 9.67 | 9.66 | 10.00 |
| 31 Jul 2025 | 9.98 | 9.02 | 9.98 |
| 30 Jun 2025 | 9.07 | 8.20 | 9.18 |
| 30 May 2025 | 8.25 | 7.55 | 8.26 |
| 30 Apr 2025 | 7.56 | 6.79 | 7.56 |
| 28 Mar 2025 | 7.17 | 7.17 | 7.61 |
| 28 Feb 2025 | 7.73 | 7.60 | 7.92 |
| 31 Jan 2025 | 7.70 | 7.02 | 7.70 |

General Information continued

## Shareholder Ownership Structure

The table below sets out the distribution of shareholder ownership as on 31 December 2025:

| Shareholder Category | Percentage of Shares Held | | | |
|---|---|---|---|---|
| | Individuals | Companies | Government | Total |
| Local | 39% | 12% | 33% | 83% |
| Arab | 2% | 2% | - | 4% |
| Foreign | 1% | 12% | - | 13% |
| Total | 42% | 26% | 33% | 100% |

The table below sets out the details of shareholders who own more than 5% of DIB's capital as of 31 December 2025:

| No. | Major shareholder | Number of Shares Held | Ownership % |
|---|---|---|---|
| 1 | Investment Corporation of Dubai | 2,024,955,636 | 27.97% |

The table below sets out how DIB's shareholders are distributed according to the size of the ownership as of 31 December 2025:

| No. | Share ownership | Number of Shareholders | Number of Owned Shares | Ownership % |
|---|---|---|---|---|
| 1 | Less than 50,000 | 18,789 | 163,469,844 | 2% |
| 2 | From 50,000 to less than 500,000 | 155,155 | 516,666,468 | 7% |
| 3 | From 500,000 to less than 5,000,000 | 878 | 1,294,184,034 | 18% |
| 4 | 5,000,000 and more | 159 | 5,266,419,042 | 73% |

## Annual General Assembly Meeting

The Bank's Annual General Assembly Meeting allows shareholders to attend (in person or through proxy) and participate in a hybrid meeting format. In 2025, shareholders were able to fully exercise all their rights to attend and participate in meetings on a real-time basis.

DIB held one (1) General Assembly Meeting during 2025 as set out below:

| Meeting | Date | Format | Attendance |
|---|---|---|---|
| Annual General Assembly Meeting | 13 March 2025 | Hybrid | Shareholders in person and virtually or by proxies representing 57.18% of the share capital of the Bank |

| Special Resolutions | Actions Taken in 2025 |
|---|---|
| The Board was authorised to: | |
| • Issue any senior Sukuk and/or other similar instruments which are not convertible into shares, whether under a programme or otherwise, in an aggregate outstanding face amount not exceeding USD 12.5 billion (or the equivalent thereof in other currencies) on terms to be determined by the Board, subject to regulatory approvals | Issued debut USD 1 billion five-year Sustainability-Linked Financing Sukuk in November 2025. |
| • Issue non-convertible Tier 2 Sukuk up to an aggregate face amount not exceeding USD 1.0 billion (or the equivalent thereof in other currencies) on terms to be determined by the Board, subject to regulatory approvals | No issuance in 2025. |
| • Issue additional non-convertible Tier 1 sukuk up an aggregate face amount not exceeding USD 1.0 billion (or the equivalent thereof in other currencies) on terms to be determined by the Board, subject to regulatory approvals | No issuance in 2025. |

Results and resolutions of General Meetings are published on DIB's website and are shared with the DFM and DIB's regulators.

General Information continued

## Important Events and Disclosures

### January 2025
- DIB announced that it had increased its stake in the T.O.M. Group in Türkiye from 20% to 25%.

### February 2025
- DIB announced its financial results for the financial year ended 31 December 2024, where a Group pre-tax profit of AED 9 billion was reported.
- DIB published its first Sustainability-Linked Finance Facilities financing Framework, the first for any Islamic bank globally.

### March 2025
- DIB convened its Annual General Assembly Meeting and shareholders approved a 45% dividend for 2024.

### April 2025
- DIB announced its financial results for the three-month period ended 31 March 2025, where a Group pre-tax profit of AED 2.1 billion was reported.

### May 2025
- DIB celebrated its golden jubilee with the launch of the new corporate identity and brand positioning – *Progress Never Stops*.

### June 2025
- DIB launched the DIB Academy as a strategic investment in human capital.

### July 2025
- DIB announced that it had arranged a landmark USD 1 billion Sovereign Financing for the Government of Pakistan in collaboration with regional and international financial institutions.

### August 2025
- DIB announced its financial results for the six-month period ended 30 June 2025, where a Group pre-tax profit of AED 4.3 billion was reported.

### October 2025
- DIB announced its financial results for the nine-month period ended 30 September 2025, where a Group pre-tax profit of AED 6.6 billion was reported.
- DIB announced a strategic partnership with HCLTech, a leading global technology company, to accelerate the adoption of Artificial Intelligence (AI) across DIB's ecosystem, reinforcing DIB's commitment to shaping the future of Islamic finance through responsible innovation.

### November 2025
- DIB announced the successful issuance of its debut Sustainability-Linked Financing Sukuk – a USD 1 billion five-year issue with a profit rate of 4.572% per annum.
- Opening of Nomination for Membership of the Board of Directors for the term commencing in 2026.

### December 2025
- DIB announced its strategic cooperation with Mohammed Bin Rashid Housing Establishment to support housing finance services for citizens in the Emirate of Dubai and streamlining financing procedures, contributing to the improvement of citizens' quality of life.

Further details on DIB's announcements to the Dubai Financial Market (DFM) during the year 2025 are available on the DFM website at dfm.ae and press releases issued in the period are available our dedicated **IR website at dib.ae/about-us/investor-relations or on the DFM website at www.dfm.ae**.

DIB was also honoured with numerous awards during 2025 details of which are available in the media center on our website.

## Board Secretary
Ms. Zeina Sammakieh was appointed as the Board Secretary starting 1 August 2024.

Ms. Sammakieh has over 20 years of experience in the field of board secretariat and corporate governance. Ms. Sammakieh is a Certified Board Secretary from Hawkamah Institute of Governance and has an MBA with Finance Emphasis from the American University of Beirut. Ms. Sammakieh is an alumna of Harvard Business School.

## General Information continued

The Board hereby confirms its responsibility for the internal control system, review of its operating procedures, and assurance of its effectiveness. The Corporate Governance Report is signed off by the Chairman of the Board, Chairs of the Board Committees, and the Heads of the internal control functions: Group Chief Compliance Officer, Group Chief Risk Officer, Group Chief of Internal Audit, Group Head of Internal Sharia Control, and Group Head of Internal Sharia Audit.

Chairman of the Board

BAC Chair

BRCGC Chair

BNRC Chair

BCIC Chair

BSC Chair

BPDMC Chair

**Heads of the Internal Control Functions**

Group Chief Risk Officer

Group Chief Compliance Officer

Group Head of Internal Sharia Control

Group Chief of Internal Audit

Group Head of Internal Sharia Audit

# Financial Statements

# Directors' report

Dear Shareholders,

**Assalamu Alaikum wa Rehmatullah wa Barakatahu.**

In a year of special significance for DIB, the Board of Directors is pleased to present the consolidated financial statements to our shareholders for the financial year ended 31 December 2025.

Reflecting on our journey, we take great pride in the milestones achieved during a defining year for the Bank. As we marked our Golden Jubilee, we did so not only by honoring five decades of leadership in Islamic finance, but also by reinforcing the foundations for the next phase of our growth. This legacy continues to be guided by a clear direction, a disciplined approach to governance and risk, and an unwavering commitment to creating long-term value for all stakeholders.

The global economic environment in 2025 remained shaped by transition and recalibration across markets. Against this backdrop, the United Arab Emirates once again demonstrated remarkable resilience and foresight. Supported by prudent policies and a diversified economy, the UAE strengthened its position as a global center for stability, competitiveness, and sustainable growth. Within this context, DIB remained firmly aligned with national priorities, continuing to support strategic sectors, empower communities, and contribute to the UAE's long-term development agenda.

## 2025: Year in review

In 2025, we commemorated our Golden Jubilee and reflected on five decades of progress. While it was a moment to recognize the journey we have traveled together, it was equally a moment to look ahead and reaffirm the future we aim to create together.

Throughout the year, the Bank has made demonstrable progress in delivering another strong operational and financial performance, underscoring the effectiveness of our profound long-term strategy. Guided by disciplined risk management, robust governance, and a customer-centric approach, DIB maintained its leadership position in Islamic banking while strengthening its balance sheet and expanding its reach across key markets.

The performance we have achieved in 2025 demonstrates clearly DIB's commitment to creating long-term value and advancing sustainable growth. The Bank recorded Group Profit (Pre-Tax) of AED 9 billion, while total assets reached AED 416 billion, further reinforcing DIB's position among the largest and most well-capitalized Islamic financial institutions globally. Net financing assets and sukuk investments grew to AED 353 billion, supported by healthy demand across consumer and corporate segments. Customer deposits increased to AED 320 billion, demonstrating the continued trust placed in us by millions of customers. These outcomes were achieved alongside further improvements in asset quality, operational efficiency, and capital strength.

## Shaping our digital journey

Beyond financial performance, 2025 marked another year of meaningful progress in our transformation agenda. We continued to invest in digital innovation, artificial intelligence, and advanced analytics to enhance customer experience, strengthen decision-making, and build a more agile and future-ready organization. We also progressed our sustainable finance platform, mobilizing responsible capital and supporting the UAE's ambition to remain at the forefront of ethical and sustainable financial leadership.

## Expanding responsibly

As part of our strategic vision, the Bank further strengthened its cross-border presence through landmark transactions and strategic partnerships, reinforcing its reputation as a trusted partner in global Islamic finance. A key milestone was the continued momentum of our Türkiye platform, including the successful rollout of T.O.M Katilim and the increase of DIB's shareholding in T.O.M Group to 25%, underlining our commitment to scalable, technology-led banking beyond our home market. Across all markets, we remained focused on innovation while continuing to strengthen governance and risk frameworks in line with international best practice.

At the same time, we deepened our commitment to nurturing talent and fostering a culture of growth, learning and professional achievement. With the opening of DIB Academy, we ensure our workforce remains future-ready and equipped for the evolving demands of the industry.

## A promising resilient future

The Board remains confident in DIB's strategy and operational resilience, and we extend our sincere appreciation to the teams and partners behind these achievements. None of this would have been possible without the dedication of our employees, the confidence of our customers, and the steadfast guidance of our Board of Directors.

As we look ahead, we do so with clarity and conviction. The fundamentals of our business remain strong, our strategic direction is well-defined, and our purpose remains constant: to deliver sustainable value while advancing the principles and promise of Islamic finance. We are confident that 2026 and the years beyond will bring new milestones and greater achievements for DIB, our shareholders, and the communities we serve, keep pushing forward guided by our values and driven by 'Progress Never Stops'.

**H.E. Mohammed Ibrahim Al-Shaibani**
Chairman
Dubai Islamic Bank PJSC

# The Annual Shari'ah Report

Annual Report of the Internal Shari'ah Supervision Committee for Dubai Islamic Bank PJSC for the Financial Year 2025.

Issued on: 25 January 2026
To: Shareholders of Dubai Islamic Bank PJSC ("DIB")

Pursuant to requirements stipulated in the relevant laws, regulations and standards ("the Regulatory Requirements"), the Internal Shari'ah Supervision Committee of the Bank ("ISSC") presents the ISSC's Annual Report for the financial year ending on 31 December 2025 ("Financial Year").

**1. Responsibility of the ISSC**

In accordance with the Regulatory Requirements, the ISSC's charter and the SGS; the ISSC is responsible to undertake Shari'ah supervision of all businesses, activities, products, services, contracts, documents and charters of the Bank; as well as the Bank's policies, accounting standards, operations and activities in general, memorandum of association, charter, financial statements, allocation of expenditures and costs, and distribution of profit & loss between holders of investment accounts and shareholders ("Bank's Activities") and issue Shari'ah resolutions in this regard, and determine Shari'ah parameters necessary for the Bank's Activities, and the Bank's compliance with Shari'ah within the framework of the rules, principles, and standards set by the HSA to ascertain compliance of the Bank with Shari'ah.

The Senior Management will be responsible for ensuring that all business conducted by DIB is in-compliance with Sharia in accordance with the decisions, fatwas, guidance and resolutions issued by the ISSC, in line with the standards, resolutions and principles stipulated by the HSA ("Sharia Compliance"). The Board will be holding the ultimate responsibility in this regard.

**2. Shari'ah Standards**

In accordance with the HSA's resolution (No. 18/3/2018), and with effect from 01/09/2018, the ISSC has adhered to the Shari'ah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as minimum Shari'ah requirements, in all fatwas, approvals, endorsements and recommendations, relating to the Bank's Activities for the financial year 2025 without exception.

**3. Duties Fulfilled by the ISSC During the Financial Year**

The ISSC conducted Shari'ah supervision of the Bank's Activities by reviewing those Activities and monitoring them through the internal Shari'ah Control Department and Internal Shari'ah Audit Department, in accordance with the ISSC's authorities and responsibilities, and pursuant to the Regulatory Requirements in this regard. The ISSC's activities included the following:

a. Convening (17) meetings during the financial year.
b. Issuing fatwas, resolutions and opinions on matters presented to the ISSC in relation to the Bank's Activities.
c. Escalating, to the HSA Secretariat, any matters where a decision by the HSA is required.
d. Reviewing policies, procedures, accounting standards, product structures, contracts, documentation, charters, and other documentation submitted by the Bank to the ISSC for approval.
e. Ascertaining the level of compliance of allocation of expenditures and costs, and distribution of profits between investment accounts holders and shareholders with parameters set by the ISSC.
f. Supervision, through the Internal Shari'ah Control Department and the Internal Shari'ah Audit Department, of the Bank's Activities including supervision of executed transactions and adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard.
g. Providing guidance to relevant departments in the Bank – to rectify (where possible) incidents cited in the reports prepared by internal Shari'ah Control Department and Internal Shari'ah Audit Department – and issuing resolutions with regard to forfeited income, derived from transactions in which non-compliance instances were identified, to be applied in charitable purposes.
h. Approving corrective and preventive measures related to identified incidents to preclude their recurrence in the future.

## The Annual Shari'ah Report continued

i. In line with the Bank's Articles of Association, the ISSC reviewed the Zakat calculation to be paid against shareholders' funds retained with the Bank, in accordance with Islamic Shari'ah guidance. Payment of Zakat on the remaining net Zakat-able assets, shall be the Shareholders' responsibility. The ISSC also calculated the value of Zakat per share of the Bank, in order to convey it to the shareholders.

j. Communicating and meeting with the Board and its subcommittees, and the Senior Management of the Bank, as and when needed, concerning the Bank's compliance with Shari'ah.

The ISSC obtained all information and clarifications it deemed necessary in order to reach a reasonable degree of certainty that the Bank is compliant with Shari'ah.

**4. Independence of the ISSC**

The ISSC acknowledges that it has carried out all its duties independently and with the support and cooperation of the Senior Management and the Board of the Bank. The ISSC received the required assistance to access all documents and data, and to discuss all amendments and Shari'ah requirements.

**5. The ISSC's Opinion on the Shari'ah Compliance Status of the Bank**

The ISSC formed its opinion, as outlined above, exclusively, based on information and explanations provided to us for the purpose of ascertaining compliance with Shari'ah, the ISSC has concluded with a reasonable level of confidence, that the Bank's activities during the Financial Year, are in compliance with Shari'ah, except for the incidents of non-compliance observed, as highlighted in the relevant reports. The ISSC also provided directions to take appropriate measures in this regard.

Signatures of members of the Internal Shari'ah Supervision Committee

| | |
|---|---|
| Dr. Mohammad AbdulRahim Sultan Al Olama | Chairman |
| Dr. Mohamed Ali Ibrahim ElGari BinEid | Vice Chairman |
| Dr. Mohamed Akram Bin Laldin | Member |
| Dr. Muhammad Qaseem Muhammad Ismail | Executive Member |

# Zakat Notice

دبي الإسلامي
DIB

Internal Shariah Supervision Committee

## ZAKAT DUE ON BANK'S SHARE FOR THE YEAR 2025

Pursuant to the provisions of Article (69) of the Bank's Articles of Association regarding Shares' Zakat and to facilitate the matter for the Shareholders, the Bank's Internal Sharia Supervision Committee Would like to inform you that the method of calculating the Zakat payable on your shares is as follows:

1. **The Zakat due on shares, purchased for the purpose of trading (i.e. for selling them when their prices increase), is:**
   **Zakat pool per share =** the market value of the share at the end of the Hijri year.
   **Zakat per share =** Zakat pool per share x 2.5775* – AED 0.0943**
   **Total Zakat due on your shares =** Zakat per share x number of shares

2. **Zakat payable per share, purchased for the purpose of benefiting from its annual return and not for the purpose of trading, is calculated as follows:**
   **Zakat per share payable for the Gregorian year** = AED 0.1684 - 0.0943** = AED 0.0742
   **Total Zakat due on your shares =** AED 0.0742 x number of shares

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* Amount of Zakat for Hijri year is 2.5% and for Gregorian year is 2.5775%

** Represents portion of a share's Zakat that the Bank has paid in respect of the shareholders' funds retained with the Bank, therefore it should be deducted from the Zakat per share payable by a shareholder.

Approved by the ISSC in its meeting No. 361 dated 25 January 2026

Dubai Islamic Bank Public Joint Stock Company, licensed and regulated by the Central Bank of the UAE

Independent Auditor's Report

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Level 4, Office No: 04.01
Sheikh Zayed Road, P.O. Box 3800
Dubai, United Arab Emirates

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**Independent Auditor's report**

**To the Shareholders**
**Dubai Islamic Bank (P.J.S.C.)**
**Dubai**
**United Arab Emirates**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Dubai Islamic Bank P.J.S.C ("the Bank") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the United Arab Emirates. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report continued

**Key Audit Matters** continued

**Expected credit losses (ECL) on Islamic financing and investing assets**
See Note 9 and 47.2 to the Group's consolidated financial statements.

| Key audit matter | How our audit address the key audit matter |
|---|---|
| The estimation of expected credit losses ("ECL") on Islamic financing and investing assets involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Group's estimation of ECL are:<br><br>**Model estimations:**<br>The Group exercises significant judgments and makes a number of assumptions to estimate ECL which involves determining Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD").<br><br>**Stage 3 non-retail customers:**<br>Material exposures within Stage 3 nonretail are individually measured for ECL. This includes the assessment of recovery scenarios, exit strategies, and time to collect. The assessment involves significant management judgement.<br><br>The effect of these matters is that we determined ECL on Islamic financing and investing assets as a key audit matter as it involves significant management judgement, estimation uncertainty and use of complex models which could have material impact on the consolidated financial statements of the Group. | We performed the following audit procedures amongst others, on appropriateness of the ECL included in the Group's consolidated financial statements for the year ended 31 December 2025:<br><br>• Evaluating the appropriateness of the accounting policies adopted by the Group, taking into account the requirements of the applicable IFRS Accounting Standards and our understanding of the Group's business.<br>• Obtaining an understanding of the ECL accounting estimate including, but not limited to the Group's control environment relating to the estimate; the process by which the estimate is developed; and the methods, assumptions and data used in its development. We evaluated the design and implementation, and tested the operating effectiveness of the relevant controls including approvals for exceptions to board approved limits for a sample of facilities originated/renewed during the year.<br>• Involving our Information Technology ("IT") specialists to test the relevant general IT and application controls over key systems used in the ECL process. Involving our Financial Risk Management ("FRM") specialists to assess, for a selection of models, the reasonableness and appropriateness of the methodologies and assumptions applied in key components of ECL models based on their industry knowledge and relevant experience. The procedures performed included, where applicable, challenging key assumptions and judgments relating to significant increase in credit risk ("SICR"), the definition of default, PD, LGD, the use of macro-economic variables, and the probabilityweighted outcomes, to evaluate whether the recorded ECL amounts appropriately reflect underlying credit risk and the prevailing macroeconomic conditions. Further, our FRM specialists assisted us in testing the appropriateness of the ECL calculations by reperforming the calculation for a sample of Islamic financings.<br>• Re-performing key aspects of the Group's SICR determinations for selected samples of Islamic financing and investing assets by analysing the financial information, assumptions, and judgements applied by the Group, to determine whether a SICR event was appropriately identified, including the basis for movement between stages.<br>• Performing independent credit assessments for a sample of non-retail customers by evaluating the quantitative and qualitative factors to assess the appropriateness of credit grades, including staging. This included analysing the customer's financial performance, sources of repayment, future cash flows, collateral values and other relevant risk factors. Where applicable, we also inspected the formally documented Board/Board Committee approvals for any reported exceptions to board approved risk appetite statement. |

Independent Auditor's Report continued

KPMG

| Key audit matter | How our audit address the key audit matter |
| --- | --- |
| | • For a sample of non-retail Stage 3 customers, where applicable, our audit procedures included:<br>- evaluating the design and implementation, and testing the operating effectiveness of controls relevant to valuation and enforceability of collateral; and<br>- assessing the appropriateness of assumptions used in the discounted cash flows, including the collateral valuation.<br>• Assessing the adequacy of the disclosures made in the Group's consolidated financial statements against the requirements of relevant accounting standards. |

**Other Matter**

The consolidated financial statements of the Group as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 11 February 2025.

Management is responsible for the other information. The other information comprises the information included in the Annual Report (including the Directors' Report) but does not include the consolidated financial statements and our auditors' report thereon. We obtained the Directors' Report prior to the date of this auditors' report, and we expect to obtain the remaining sections of the Annual Report after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, and the UAE Federal Decree-Law No. (6) of 2025, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Group's financial reporting process.

Independent Auditor’s Report continued

KPMG

**Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report continued

KPMG

**Report on Other Legal and Regulatory Requirements**

Further, as required by the UAE Federal Decree Law No. 32 of 2021, as amended, we report that for the year ended 31 December 2025:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended;
iii) the Group has maintained proper books of account; iv) the financial information included in the Directors' report is consistent with the books of account of the Group;
v) as disclosed in note 11 to the consolidated financial statements, the Group has purchased shares during the year ended 31 December 2025;
vi) note 43 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;
vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, or in respect of the Bank, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025; and
viii) note 31 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2025.

Further, as required by Article (140) of the UAE Federal Decree-Law No. (6) of 2025, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

**KPMG Lower Gulf Limited**

Maher AlKatout
Registration No.: 5453
Dubai, United Arab Emirates
Date: 10/02/2026

# Consolidated Statement of Financial Position
## As at 31 December 2025

| | Note | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and balances with central banks | 7 | **36,869,986** | 26,700,468 |
| Due from banks and financial institutions | 8 | **5,386,903** | 5,642,110 |
| Islamic financing and investing assets, net | 9 | **262,055,139** | 212,426,748 |
| Investment in Sukuk | 10 | **90,588,649** | 82,160,734 |
| Other investments measured at fair value | 11 | **606,599** | 785,404 |
| Investments in associates and joint ventures | 12 | **2,934,712** | 2,502,668 |
| Properties held for development and sale | 13 | **1,117,731** | 988,138 |
| Investment properties | 14 | **4,756,131** | 4,520,483 |
| Receivables and other assets | 15 | **9,887,781** | 7,081,994 |
| Property and equipment | 16 | **1,744,612** | 1,878,071 |
| **Total assets** | | **415,948,243** | 344,686,818 |
| **LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| Customers' deposits | 18 | **320,184,425** | 248,545,755 |
| Due to banks and financial institutions | 19 | **1,966,428** | 5,854,493 |
| Sukuk issued | 20 | **25,070,676** | 24,154,397 |
| Payables and other liabilities | 21 | **14,909,353** | 12,697,749 |
| Zakat payable | 23 | **681,877** | 581,545 |
| **Total liabilities** | | **362,812,759** | 291,833,939 |
| **EQUITY** | | | |
| Share capital | 24 | **7,240,744** | 7,240,744 |
| Tier 1 Sukuk | 25 | **7,346,000** | 10,100,750 |
| Other reserves and treasury shares | 26 | **16,476,768** | 15,874,668 |
| Investments fair value reserve | 27 | **(1,196,843)** | (1,267,060) |
| Exchange translation reserve | 28 | **(2,371,129)** | (2,028,690) |
| Retained earnings | | **22,412,432** | 19,904,386 |
| **Equity attributable to owners and Sukuk-holders of the Bank** | | **49,907,972** | 49,824,798 |
| Non-controlling interests | 17.3 | **3,227,512** | 3,028,081 |
| **Total equity** | | **53,135,484** | 52,852,879 |
| **Total liabilities and equity** | | **415,948,243** | 344,686,818 |

To the best of our knowledge, the consolidated financial statements present fairly in all material respects the financial position, financial performance and cash flows of the Group as of, and for, the periods presented therein. These consolidated financial statements were approved by the Board of Directors and authorized for issue on 10 February 2026 and signed on its behalf:

**H.E. Mohammad Ibrahim Al Shaibani**
Chairman

**Yahya Saeed Ahmad Lootah**
Vice Chairman

**Dr. Adnan Chilwan**
Group Chief Executive Officer

The notes on pages 142 to 202 form an integral part of these consolidated financial statements.

## Consolidated Statement of Profit or Loss
For the year ended 31 December 2025

| | Note | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| **NET INCOME** | | | |
| Income from Islamic financing and investing transactions | 31 | **19,547,595** | 19,453,766 |
| Commissions, fees and foreign exchange income | 32 | **1,873,858** | 1,748,434 |
| Income from other investments measured at fair value, net | 33 | **28,174** | 17,134 |
| Income from properties held for development and sale, net | 34 | **487,472** | 341,524 |
| Income from investment properties | 35 | **504,722** | 738,850 |
| Share of profit from associates and joint ventures | 12.3 | **381,361** | 485,268 |
| Other income | 36 | **1,003,592** | 556,126 |
| **Total income** | | **23,826,774** | 23,341,102 |
| Less: depositors' and Sukuk-holders' share of profit | 37 | **(10,575,905)** | (10,504,562) |
| **Net income** | | **13,250,869** | 12,836,540 |
| **OPERATING EXPENSES** | | | |
| Personnel expenses | 38 | **(2,256,830)** | (1,989,055) |
| General and administrative expenses | 39 | **(1,250,969)** | (1,180,930) |
| Depreciation of investment properties | 14.1 | **(57,395)** | (64,840) |
| Depreciation of property and equipment | 16 | **(197,575)** | (189,978) |
| **Total operating expenses** | | **(3,762,769)** | (3,424,803) |
| **Net operating income before net impairment charges and taxation** | | **9,488,100** | 9,411,737 |
| Impairment charges, net | 40 | **(485,446)** | (406,813) |
| **Profit for the year before income tax expense** | | **9,002,654** | 9,004,924 |
| Income tax expense | 22.1 | **(1,195,112)** | (839,886) |
| **Net profit for the year** | | **7,807,542** | 8,165,038 |
| Attributable to: | | | |
| Owners of the Bank | | **7,500,278** | 7,934,086 |
| Non-controlling interests | 17.3 | **307,264** | 230,952 |
| **Net profit for the year** | | **7,807,542** | 8,165,038 |
| **Basic and diluted earnings per share (AED per share)** | 41 | **0.98** | 1.04 |

The notes on pages 142 to 202 form an integral part of these consolidated financial statements.

## Consolidated Statement of Comprehensive Income
For the year ended 31 December 2025

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| **Net profit for the year** | **7,807,542** | 8,165,038 |
| **Other comprehensive loss items** | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| Exchange differences on translation of foreign operations, net | **(342,439)** | (287,253) |
| Fair value gain on Sukuk investment, net | **8,315** | 7,567 |
| Items that will not be reclassified subsequently to profit or loss: | | |
| Fair value gain on other investments carried at FVTOCI, net | **41,549** | 39,233 |
| **Other comprehensive loss for the year** | **(292,575)** | (240,453) |
| **Total comprehensive income for the year** | **7,514,967** | 7,924,585 |
| Attributable to: | | |
| Owners of the Bank | **7,205,514** | 7,690,366 |
| Non-controlling interests | **309,453** | 234,219 |
| **Total comprehensive income for the year** | **7,514,967** | 7,924,585 |

The notes on pages 142 to 202 form an integral part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity
## For the year ended 31 December 2025

| | Equity attributable to owners and Sukuk-holders of the Bank | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital AED'000 | Tier 1 Sukuk AED'000 | Other reserves and treasury shares AED'000 | Investments fair value reserve AED'000 | Exchange translation reserve AED'000 | Retained earnings AED'000 | Total AED'000 | Non-controlling interests AED'000 | Total equity AED'000 |
| **Balance at 1 January 2024** | 7,240,744 | 8,264,250 | 14,784,668 | (1,331,986) | (1,741,437) | 17,341,070 | 44,557,309 | 2,876,824 | 47,434,133 |
| Net profit for the year | – | – | – | – | – | 7,934,086 | 7,934,086 | 230,952 | 8,165,038 |
| Other comprehensive income/(loss) for the year | – | – | – | 43,533 | (287,253) | – | (243,720) | 3,267 | (240,453) |
| Total comprehensive income/(loss) for the year | – | – | – | 43,533 | (287,253) | 7,934,086 | 7,690,366 | 234,219 | 7,924,585 |
| **Transaction directly in equity:** | | | | | | | | | |
| Dividend paid (note 29) | – | – | – | – | – | (3,252,200) | (3,252,200) | (96,303) | (3,348,503) |
| Zakat (note 23) | – | – | – | – | – | (580,565) | (580,565) | 15 | (580,550) |
| Tier 1 Sukuk profit distribution | – | – | – | – | – | (404,030) | (404,030) | – | (404,030) |
| Tier 1 Sukuk issuance | – | 1,836,500 | – | – | – | – | 1,836,500 | – | 1,836,500 |
| Board of Directors' remuneration | – | – | – | – | – | (19,296) | (19,296) | – | (19,296) |
| Transfer on disposal of other investments carried at FVTOCI | – | – | – | 21,393 | – | (21,393) | – | – | – |
| Regulatory credit risk reserve (note 26) | – | – | 1,090,000 | – | – | (1,090,000) | – | – | – |
| Others | – | – | – | – | – | (3,286) | (3,286) | 13,326 | 10,040 |
| **Balance at 31 December 2024** | 7,240,744 | 10,100,750 | 15,874,668 | (1,267,060) | (2,028,690) | 19,904,386 | 49,824,798 | 3,028,081 | 52,852,879 |
| **Balance at 1 January 2025** | **7,240,744** | **10,100,750** | **15,874,668** | **(1,267,060)** | **(2,028,690)** | **19,904,386** | **49,824,798** | **3,028,081** | **52,852,879** |
| Net profit for the year | - | - | - | - | - | **7,500,278** | **7,500,278** | **307,264** | **7,807,542** |
| Other comprehensive income/(loss) for the year | - | - | - | **47,675** | **(342,439)** | - | **(294,764)** | **2,189** | **(292,575)** |
| Total comprehensive income/(loss) for the year | - | - | - | **47,675** | **(342,439)** | **7,500,278** | **7,205,514** | **309,453** | **7,514,967** |
| **Transaction directly in equity:** | | | | | | | | | |
| Dividend paid (note 29) | - | - | - | - | - | **(3,252,200)** | **(3,252,200)** | **(120,379)** | **(3,372,579)** |
| Zakat (note 23) | - | - | - | - | - | **(681,290)** | **(681,290)** | **(4,431)** | **(685,721)** |
| Tier 1 Sukuk profit distribution | - | - | - | - | - | **(414,360)** | **(414,360)** | - | **(414,360)** |
| Tier 1 Sukuk redemption | - | **(2,754,750)** | - | - | - | - | **(2,754,750)** | - | **(2,754,750)** |
| Board of Directors' remuneration | - | - | - | - | - | **(22,000)** | **(22,000)** | - | **(22,000)** |
| Transfer on disposal of other investments carried at FVTOCI | - | - | - | **22,542** | - | **(22,542)** | - | - | - |
| Regulatory credit risk reserve (note 26) | - | - | **602,100** | - | - | **(602,100)** | - | - | - |
| Others | - | - | - | - | - | **2,260** | **2,260** | **14,788** | **17,048** |
| **Balance at 31 December 2025** | **7,240,744** | **7,346,000** | **16,476,768** | **(1,196,843)** | **(2,371,129)** | **22,412,432** | **49,907,972** | **3,227,512** | **53,135,484** |

The notes on pages 142 to 202 form an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows
## For the year ended 31 December 2025

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| **Operating activities** | | |
| Profit for the year before income tax expense | **9,002,654** | 9,004,924 |
| **Adjustments for:** | | |
| Share of profit of associates and joint ventures | **(381,361)** | (485,268) |
| Dividend income | **(28,174)** | (17,134) |
| Gain on disposal of property and equipment | **(293,311)** | (82,846) |
| Gain on sale of investment properties | **(356,151)** | (607,205) |
| Gain on sale of investment in Sukuk | **(140,898)** | (96,657) |
| Depreciation of property and equipment | **197,575** | 189,978 |
| Depreciation of investment properties | **57,395** | 64,840 |
| Amortization of Sukuk premium/discount | **(1,131)** | 170 |
| Provision for employees' end-of-service benefits | **29,194** | 42,870 |
| Amortization of intangible assets | **5,273** | 10,545 |
| Impairment charge for the year, net | **485,446** | 406,813 |
| **Operating cash flow before changes in operating assets and liabilities** | **8,576,511** | 8,431,030 |
| Increase in balances with central banks | **(10,038,475)** | – |
| Increase in due from banks and financial institutions | **(918,250)** | – |
| Increase in Islamic financing and investing assets | **(50,472,464)** | (13,462,495) |
| Increase in receivables and other assets | **(2,818,139)** | (55,396) |
| (Increase)/decrease in properties held for development and sale | **(109,759)** | 59,859 |
| Increase in customers' deposits | **71,674,458** | 26,455,865 |
| Decrease in due to banks and other financial institutions | **(3,888,065)** | (7,112,472) |
| Increase in payables and other liabilities | **1,775,642** | 1,112,656 |
| **Cash generated from operations** | **13,781,459** | 15,429,047 |
| Employees' end-of-service benefits paid | **(11,879)** | (23,182) |
| Tax paid | **(786,657)** | (146,073) |
| **Net cash generated from operating activities** | **12,982,923** | 15,259,792 |
| **Investing activities** | | |
| Additions in Investment in Sukuk | **(20,378,723)** | (21,729,952) |
| Proceeds from disposal/maturity of investment in Sukuk | **12,115,232** | 7,858,978 |
| Additions to other investments measured at fair value | **(3,060)** | (23,076) |
| Proceeds from disposal of other investments measured at fair value | **41,601** | 120,552 |
| Dividend received | **28,174** | 17,134 |
| Additions to investment properties | **(45,702)** | (96,345) |
| Proceeds from disposal of investment properties | **417,856** | 1,109,995 |
| Additions in investments in associates and joint ventures, net | **(190,236)** | (32,015) |
| Dividend received from investment in associates and joint ventures | **9,313** | 152,543 |
| Additions of property and equipment | **(384,315)** | (268,066) |
| Proceeds from sale of property and equipment | **613,302** | 202,528 |
| **Net cash used in investing activities** | **(7,776,558)** | (12,687,724) |

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| **Financing activities** | | |
| Issuance of Sukuk | **3,673,000** | 3,673,000 |
| Payment of Sukuk | **(2,754,572)** | – |
| Tier 1 Sukuk issuance | **-** | 1,836,500 |
| Tier 1 Sukuk redemption | **(2,754,750)** | – |
| Tier 1 Sukuk profit distribution | **(414,360)** | (404,030) |
| Tier 1 Sukuk issuance cost | **(751)** | (3,286) |
| Zakat paid | **(581,545)** | (491,370) |
| Dividend paid | **(3,372,579)** | (3,348,503) |
| **Net cash (used in)/generated from financing activities** | **(6,205,557)** | 1,262,311 |
| **Net (decrease)/increase in cash and cash equivalents** | **(999,192)** | 3,834,379 |
| Cash and cash equivalents at the beginning of the year | **32,342,578** | 28,503,211 |
| Effect of exchange rate changes on the balance of cash held in foreign currencies | **(43,222)** | 4,988 |
| **Cash and cash equivalents at the end of the year (note 42)** | **31,300,164** | 32,342,578 |

The notes on pages 142 to 202 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

## 1 Legal status and principal activity

Dubai Islamic Bank (Public Joint Stock Company) (the "Bank") was incorporated by an Amiri Decree issued on 29 Safar 1395 Hijri, corresponding to 12 March 1975 by His Highness, the Ruler of Dubai, to provide banking and related services based on Islamic Sharia principles. It was subsequently registered under the Commercial Companies Law number 8 of 1984 (as amended) as a Public Joint Stock Company.

The accompanying consolidated financial statements combine the activities of the Bank and its subsidiaries as disclosed in note 17 (together referred to as the "Group").

The Bank is listed on the Dubai Financial Market (Ticker: "DIB").

The Group is primarily engaged in corporate, retail and investment banking activities in accordance with Islamic Sharia principles under the guidance of Internal Sharia Supervision Committee ("ISSC") and Higher Sharia Authority of Central Bank of UAE ("HSA") and carries out its operations through its local branches and overseas subsidiaries. The principal activities of the Group entities are described in note 17 to these consolidated financial statements.

The registered head office of the Bank is at P.O. Box 1080, Dubai, United Arab Emirates.

## 2 Application of new and revised International Financial Reporting Standards (IFRSs)

### 2.1 New and revised IFRSs applied on the consolidated financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in the consolidated financial statements. The application of these revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability.

### 2.2 New and revised IFRSs in issue but not yet effective

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements.

| New and revised IFRS | Effective for annual periods beginning on or after |
|---|---|
| Amendment to IFRS 9 and IFRS 7 relating to classification and measurement of financial instruments | 01 January 2026 |
| Annual improvements to IFRS Accounting Standards | 01 January 2026 |
| IFRS 18 *Presentation and Disclosures in Financial Statements* | 01 January 2027 |
| Amendment to IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures* relating to treatment of sale or contribution of assets from investors | Effective date deferred indefinitely. |

Management anticipates that these amendments will be adopted in the consolidated financial statements in the initial period when they become mandatorily effective. The impact of these standards and amendments are currently being assessed by the management.

## 3 Definitions

The following terms are used in the consolidated financial statements with the meaning specified below:

### 3.1 Murabaha

A contract whereby the Seller sells an asset to the Purchaser, on a deferred payment basis, after purchasing the asset and obtaining possession thereof and title thereto. This sale is based on a promise received from the Purchaser to buy the asset from the Seller according to specific Murabaha terms and conditions. The Murabaha sale price comprises the cost of the asset and a pre-agreed profit amount. Murabaha profit is internally accounted for on a time-apportioned basis over the period of the contract based on the outstanding Murabaha cost price. The Murabaha sale price is paid by the Purchaser to the Seller either through instalments over the period of the Murabaha contract or as a lump sum payment, as stated in the contract.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 3 Definitions continued

### 3.2 Ijarah

#### 3.2.1 Ijarah Muntahiya Biltamleek

An agreement whereby the Group (the "Lessor") leases a specific/identified asset to its customer (the "Lessee") (after purchasing/acquiring the specified asset, either from a third party seller or from the customer itself, according to the customer's request and based on his promise to lease), against certain rental payments for specific lease term/periods, payable on fixed and variable rental basis.

The Ijarah agreement identifies the leased asset, duration of the lease term, as well as the basis for rental calculation and the timing of rental payment. The Lessee undertakes under this agreement to renew the lease periods and pay the relevant rental payment amounts as per the agreed schedule and applicable formula throughout the lease term.

The Lessor retains the ownership of the asset throughout the lease term. At the end of the lease term, upon fulfillment of all the obligations by the Lessee under the Ijarah agreement, the Lessor will sell the leased asset to the Lessee at nominal value based on a sale undertaking given by the Lessor.

Ijarah rentals accrue upon the commencement of the lease and continues throughout the lease term based on the outstanding fixed rental (which predominantly represents the cost of the leased asset).

#### 3.2.2 Istisna' & Forward Ijarah

Under this structure, the Bank and the customer will enter into an Istisna' Agreement for the construction/manufacturing of a fully described asset against an agreed price which is normally paid through an agreed payment schedule corresponding with different milestones of the manufacturing/construction process. Under the Istisna' Agreement, the Customer is responsible for constructing/manufacturing the Istisna' Asset and delivering it to the Bank on an agreed future date.

In parallel, the Bank (as Lessor) and the Customer (as Lessee) will enter into a Forward Lease Agreement (Ijarah Mausoofa Fiz Zimma). Under this agreement, the Bank will lease a fully described asset to be manufactured and delivered to the Customer (Ijara Asset) on a specified future date.

The Forward Ijarah agreement sets out the full description of the leased asset, duration of the lease term, and the basis for rental calculation and the timing of rental payment.

During the construction period under Istisna, the Group pays the purchase price of the Istisna' asset to the Seller either as a lumpsum in a single payment or through multiple payments throughout the construction period. Pursuant to Forward Lease Agreement, the Customer normally pays certain instalments on account of rental to the Bank before the asset is delivered by the Bank to the Customer. Once the Ijara Asset is delivered to the Customer, the amounts paid on account of rental will be adjusted against the additional rental element and treated as income of the Bank.

The lease rental under Forward Ijarah commences only upon the Lessee having received possession of the leased asset from the Lessor. The Lessee undertakes under the Forward Ijarah agreement to renew the lease periods and pay the relevant rental payment amounts as per the agreed schedule and applicable formula throughout the lease term.

The Lessor retains the ownership of the asset throughout the lease term. At the end of the lease term, upon fulfillment of all the obligations by the Lessee under the Forward Ijarah agreement, the Lessor will sell the leased asset to the Lessee at nominal value based on a sale undertaking given by the Lessor.

In case the Group fails to give possession of the asset under Forward Ijarah to the lessee, the Forward Ijarah will be canceled and the Group will refund all on account rentals collected during the construction period to the lessee.

### 3.3 Musharaka

An agreement between the Group and its customer, whereby both parties contribute towards the capital of the Musharaka (the "Musharaka Capital"). The Musharaka Capital may be contributed in cash or in kind, as valued at the time of entering into the Musharaka. The subject of the Musharaka may be a certain investment enterprise, whether existing or new, or the ownership of a certain property either permanently or according to a diminishing arrangement ending up with the acquisition by the customer of the full ownership. The profit is shared according to a pre-agreed profit distribution ratio as stipulated under the Musharaka agreement. In principle, Musharaka profit is distributed on liquidation of the Musharaka and declaration/distribution by the managing partner. However, when actual liquidation is not possible, Sharia allows constructive liquidation of the Musharaka as per the agreed schedule and distribution of profit based upon it. The loss, if any, is shared in proportion to the capital contribution ratios of the partners, provided the Group, in the absence of the managing partner's negligence, breach or default, receives satisfactory evidence that such loss was due to force majeure and that the managing partner neither was able to predict the same nor could have prevented the negative consequences of the same on the Musharaka.

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 3 Definitions continued

### 3.4 Mudaraba

A contract between two parties whereby one party is a fund provider (the "Rabb-ul-Maal") who would provide a certain amount of funds (the "Mudaraba Capital"), to the other party (the "Mudarib"). Mudarib would then invest the Mudaraba Capital in a specific enterprise or activity based on its experience and expertise for a specific pre-agreed share in the resultant profit, if any. The Rabb-ul-Maal is not involved in the management of the Mudaraba activity. In principle Mudaraba profit is distributed on liquidation of the Mudaraba and declaration/distribution by the Mudarib. However, when the actual liquidation is not possible, Sharia allows constructive liquidation of the Mudaraba and distribution of profit based on it. The Mudarib shall bear the loss in case of its default, negligence or violation of any of the terms and conditions of the Mudaraba contract; otherwise the loss would be borne by the Rabb-ul-Maal, provided the Rabb-ul-Maal receives satisfactory evidence that such loss was due to force majeure and that the Mudarib neither was able to predict the same nor could have prevented the negative consequences thereof on the Mudaraba. Under the Mudaraba contract the Group may act either as Mudarib or as Rabb-ul-Maal, as the case may be. The Mudarib with the consent of the Rabb-ul-Maal can commingle his own funds with the Mudaraba capital, and thus establish a common Mudaraba pool.

### 3.5 Investment Wakala

An agreement between two parties whereby one party is a fund provider (the "Muwakkil") who provides a certain amount of money (the "Wakala Capital") to the agent (the "Wakeel"), who invests the Wakala Capital in a Sharia compliant manner and according to the feasibility study/investment plan submitted to the Muwakkil by the Wakeel. The Wakeel is entitled to a fixed fee (the "Wakala Fee") as a lump sum amount or a percentage of the Wakala Capital and the Muwakkil is entitled to the entire profit generated from the Wakala. The Wakeel may be granted any excess profit over and above a certain pre-agreed rate of return as a performance incentive. In principle, Wakala profit is distributed on liquidation of Wakala Capital and declaration/distribution by the Wakeel. However, when actual liquidation is not possible, Sharia allows constructive liquidation of the Wakala and distribution of profit based upon it. The Wakeel would bear the loss in case of its default, negligence or violation of any of the terms and conditions of the Wakala Agreement; otherwise, the loss would be borne by the Muwakkil, provided the Muwakkil receives satisfactory evidence that such loss was due to force majeure and that the Wakeel neither was able to predict the same nor could have prevented the negative consequences of the same on the Wakala. Under the Wakala agreement the Group may act either as Muwakkil or as Wakeel, as the case may be.

### 3.6 Service Agency

Under this structure, the Bank will purchase an Asset from the owner (whether it is the Customer or a third party) through a purchase agreement. Subsequently, the Bank will appoint the customer as its service agent to carry out specific Sharia-compliant services related to managing the Asset on behalf of the Bank, in exchange for a pre-agreed fee and/or incentive. Under the service agency arrangement, the Customer will collect income generated from the Asset and transfer it to the Bank in accordance with the terms of the Service Agency Agreement. Upon maturity, the Bank will sell the Asset to the Customer, pursuant to a Purchase Undertaking issued by the Customer in favor of the Bank, at an agreed-upon exercise price.

Pursuant to the Agency Agreement, the Customer will be obliged to collect income generated from the Asset and transfer the same to the Bank on each Income Payment Date.

If the Income payable to Bank on an Income Payment Date is greater than the Expected Income Amount (as agreed between the Bank and Agent), the surplus income will be kept in a reserve for the payment of future income and will be credited to the Income Reserve Account maintained by the Agent.

The Agent will be entitled to any amount available in the Income Reserve Account on the facility end date as an incentive.

The Service Agency may be terminated pursuant to the purchase of the Asset by the Agent from the Bank either by exercise under the Purchase Undertaking or under the Sale Undertaking. The Asset Purchase Agreement provided as an addendum to the Sale Undertaking and Purchases Undertaking shall be duly executed between the Customer and DIB to conclude sale of the Asset to the Customer.

### 3.7 Salam

A Salam financing contract is a contract whereby the Group purchases a fixed quantity of a specified commodity from the customer and pays to him the full Salam price of the commodity in advance, whereas the customer delivers the quantity of the commodities in accordance with an agreed delivery schedule. The customer may appoint an agent to act on its behalf in procuring and delivering the commodities to the Group.

The Group makes profit on Salam transactions, when the Salam commodities are received from the customer and subsequently sold to a third party at profit. Salam profit is internally accounted for on a time-apportioned basis over the period of the Salam contract based on the value of the outstanding Salam commodities.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 3 Definitions continued

### 3.8 Istisna'

A sale contract between two parties whereby the Sani (Seller) undertakes to construct or manufacture, for the Mustasni (Purchaser), a described asset or property (being "Al-Masnoo'") according to certain pre-agreed specifications and deliver the same at a pre-agreed time against an agreed price. The work undertaken is not required to be carried out by the Seller alone and the whole or part of the construction/development or manufacturing can be undertaken by third parties but it would be the responsibility of the Seller to deliver the asset at the agreed time as per the agreed specifications.

Under an Istisna' contract the Group could be the Seller or the Purchaser. Istisna' profit (difference between the sale price of Al-Masnoo to the customer and the Group total Istisna' cost) is internally accounted for on a time-apportioned basis over the period of the contract based on the principal amount outstanding.

### 3.9 Sukuk

Sukuk is defined as "investment certificates of equal denomination representing undivided ownership interests in a portfolio of eligible assets. Sukuk commonly refers to the Islamic alternative of bonds. Sukuk, generally, represent ownership of the underlying assets by the holder with all the rights and obligations of ownership; however, it may represent usufruct, services or receivables in some cases.

### 3.10 Investment accounts & Relevant Asset Pools

Deposits are generated primarily under Sharia compliant Qard, Mudaraba and Wakala contracts.

Deposits taken on Qard basis are classified as 'Current accounts' and deposits generated on Mudaraba and Wakala basis are classified as 'Savings deposits' and 'Fixed deposits'. The current account depositors are not entitled to any profit nor do they bear any losses. While the product features of each product differ, there is usually no restriction on withdrawals or number of transactions in current and savings accounts. In case of fixed deposits, pre-mature withdrawals can be made as per approved terms only.

The Bank is managing separate asset pools for Mudaraba (also referred to as common pool) and Wakala deposits.

Profits realized in common pool are initially distributed between the Bank and the Mudaraba in proportion to their respective shares in the pool. The Mudaraba Profit (if any) is then distributed between the Bank, as Mudarib, and the depositors, as Rab-ul-Maal, according to the pre-agreed profit-sharing ratio between Mudarib and Rab-ul-Maal. All Mudaraba based deposits are fully invested (except for cash reserves margins required under the central bank regulations) in the Common Pool to produce returns for them. In case where the Bank is unable to utilize all funds; including shareholders' funds, available for investment, priority is given to the funds available in the Common Pool. Rab-ul-Maal share of profit is distributed among depositors according to the weightages assigned at the inception of profit calculation period. In certain circumstances, the Mudarib may give away a portion of its share of profit to Rabb-ul-Maal as a gift (Hiba). The investment deposits in a pool are entitled to the profit, if any, of the assets of that pool during the profit distribution period as per the allocated weightages and/or profit sharing ratio, and if there is any loss, bear the same, in accordance with the ratio of their investments.

Fixed deposits under Wakala structure are maintained in a separate asset pool to match expected yields and maturity of Wakala deposits. In accordance with the terms of Wakala agreement, the agent/bank (wakil) is granted the excess over the expected profit as incentive.

#### 3.10.1 Asset Pools and Allocation Approach

The Bank operates general and specific pools for deposits and inter-bank funds accepted/acquired under Mudaraba and Wakala modes.

Under the general deposits pool, the Bank accepts funds on Mudaraba basis from depositors (Rabb-ul-Maal) where the Bank acts as Manager (Mudarib) and invests the funds in Sharia compliant modes of financing, investments and placements. When utilizing and investing funds, the Bank prioritises the funds available in the Common Pool over the shareholders' funds after meeting the regulatory requirement relating to such deposits.

Specific pools are operated for deposits accepted on Wakala basis. The profit of each deposit pool is calculated on all the remunerative assets booked by utilizing the funds from the pool after deduction of specific impact losses/recoveries expenses directly incurred in earning the income of such pool along with related fee, if any. No expense of general or administrative nature is charged to the pools. The profit of the pool is shared between shareholders and Wakala depositors on pro-rata basis at gross level (i.e. before charging of Wakeel's fee) as per the investment ratio of the equity. The profit of the pool is shared among the depositors of the pool on pre-defined mechanism based on the weightages announced before the commencement of profit calculation period after deducting Wakeel's fee. These weightages are declared by the Bank in compliance with the requirements of the Higher Sharia Authority of Central Bank of U.A.E. and Internal Shariah Supervision Committee.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 3 Definitions continued

### 3.10 Investment accounts & Relevant Asset Pools continued

#### 3.10.1 Asset Pools and Allocation Approach continued

The Bank has made all the investments in its subsidiaries and associates from the Mudaraba Pool which consists of the Mudaraba based deposits and Shareholders' funds. However, no asset is moved from one portfolio or pool to another without proper procedures as required under the ISSC approved policies and procedures.

Key features and risk & reward characteristics of all pools

The risk characteristics of each pool mainly depends on the assets and liability profile of each pool. The pools are exposed to general credit risk, asset ownership risk and profit rate risk of the underlying assets involved, along with the risk that is associated with mode of finance(s) applied/used under the transaction structure(s). The Bank is well equipped to identify and properly mitigate such risks.

The allocation (of income and expenses to different pools) is based on pre-defined mechanism and accounting principles/standards. There have been no changes in any asset allocation strategies to pools during the year.

## 4 Basis of preparation

### 4.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB) and in compliance with applicable requirements of the laws of the U.A.E., including the UAE Federal Law No. 32 of 2021 as amended and the Federal Decree Law No. (6) of 2025.

### 4.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values as explained in the accounting policies below.

### 4.3 Functional and reporting currency

The consolidated financial statements are presented in United Arab Emirates Dirham (AED) which is the functional and presentation currency of the Bank. All values are rounded to the nearest thousand Dirhams, except when otherwise indicated.

## 5 Material accounting policies

### 5.1 Basis of consolidation

#### 5.1.1 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date i.e., when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of Islamic financing or equity instruments.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

#### 5.1.2 Subsidiary

These consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group. Control is achieved when the Group has:

- power over the investee;
- exposure, or has rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group voting rights in an investee are sufficient to give it power, including:

- the size of the Group holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders and other parties;
- rights raising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns and previous shareholders' meetings.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued

### 5.1 Basis of consolidation continued

#### 5.1.2 Subsidiary continued

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary Profit or loss and each component of other comprehensive income are attributable to the owners of the Group and to the non-controlling interests.

Total comprehensive income of the subsidiaries is attributable to the owners of the group and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group accounting policies.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Changes in the Group ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid/payable or received/receivable is recognized directly in equity and attributed to owners of the Group.

#### 5.1.3 Foreign currencies

In preparing the consolidated financial statements, each individual Group entity's transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in the consolidated statement of profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to the consolidated statement of profit or loss on settlement of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group foreign operations are translated into United Arab Emirates Dirham, which is the Group presentation currency, using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group is reclassified to the consolidated statement of profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in the consolidated statement of profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated statement of profit or loss.

Fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in equity.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued

### 5.1 Basis of consolidation continued

#### 5.1.4 Loss of control

When the Group loses control of a subsidiary, a gain or loss is recognized in the consolidated statement of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary, and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

#### 5.1.5 Special purpose vehicles ("SPVs")

Special purpose vehicles are entities that are created to accomplish a narrow and well-defined objective such as the securitisation of assets, or the execution of a specific Islamic financing transaction. An SPV is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPV's risk and rewards, the Group concludes that it controls the SPV.

#### 5.1.6 Fiduciary activities

The Group acts as trustee/manager and in other capacities that result in holding or placing of assets in a fiduciary capacity on behalf of trusts or other institutions. Such assets and income arising thereon are not included in the Group consolidated financial statements as they are not assets of the Group.

### 5.2 Financial instruments

#### 5.2.1 Initial recognition

Financial assets and liabilities are recognized when a Group entity becomes a party to the contractual provisions of the instrument.

#### 5.2.2 Initial measurement

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the consolidated statement of profit or loss.

### 5.3 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace subject to the Sharia guidance provided in this regard.

All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### 5.3.1 Classification of financial assets

Balances with central banks, due from banks and financial institutions, Islamic financing and investing assets, investments in Sukuk and certain items in receivables and other assets that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued

### 5.3 Financial assets continued

#### 5.3.2 Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchases financial assets going forward.

Financial assets that are held for sale or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

#### 5.3.3 Cash flow characteristics assessment

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic financing arrangement. Contractual cash flows are consistent with a basic financing arrangement if they represent cash flows that are solely payments of principal and profit on the principal amount outstanding.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Profit' is defined as any excess to the principal generated from the business for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic financing risks and costs (e.g. liquidity risk and administrative costs), as well as profit rate margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

#### 5.3.4 Amortised cost and effective profit rate method

The effective profit rate method is a method of calculating the amortised cost of those financial instruments measured at amortised cost and of allocating income over the relevant period. The effective profit rate is the rate that is used to calculate the present value of the estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective profit rate, transaction costs and other premiums or discounts) through the expected life of the financing and investing instruments, or, where appropriate, a shorter period, to arrive at the net carrying amount on initial recognition.

Income is recognized in the consolidated statement of profit or loss on an effective profit rate basis for financing and investing instruments measured subsequently at amortised cost.

#### 5.3.5 Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in Sharia compliant equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a Sharia-compliant derivative that is not designated and effective as an Islamic hedging instrument.

FVTOCI assets are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income. The cumulative gain or loss will not be reclassified to profit or loss on disposals.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued

### 5.3 Financial assets continued

#### 5.3.6 Debt instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments are measured at FVTOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset meet the SPPI test.

FVTOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Profit income and foreign exchange gains and losses are recognized in profit or loss. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

#### 5.3.7 Financial assets at fair value through profit or loss (FVTPL)

Investments in Sharia compliant equity instruments are classified as at FVTPL, unless the Group designates an investment at fair value through other comprehensive income (FVTOCI) on initial recognition.

Financial assets (other than equity instruments) that do not meet the amortised cost criteria are measured at FVTPL. In addition, financial assets (other than equity instruments) that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. Financial assets (other than equity instruments) may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

The Group has not designated any financial assets at FVTPL.

Financial assets are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of financial assets (other than equity instruments) that are designated as at FVTPL on initial recognition is not allowed.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in the consolidated statement of profit/loss. The net gain or loss recognized in the consolidated statement of profit or loss is included in the 'gain from other investments at fair value' line item in the consolidated statement of profit or loss. Fair value is determined in the manner described in note 46.2.1 to these consolidated financial statements.

#### 5.3.8 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Accordingly:

- for financial assets that are classified as at FVTPL, the foreign exchange component is recognised in consolidated statement of profit or loss; and
- for financial assets that designated as at FVTOCI, any foreign exchange component is recognized in other comprehensive income.

For foreign currency denominated financial instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognized in the consolidated statement of profit or loss.

#### 5.3.9 Impairment of financial assets

Financial assets that are measured at amortised cost are assessed for impairment at each reporting date.

The Bank applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for the following categories of financial instruments:

- Islamic financing and investing assets and investment in Sukuk;
- Off-balance sheet instruments issued;
- Financial guarantee contracts issued;
- Due from banks and financial institutions;
- Balances with Central Banks; and
- Other financial assets

Financial assets migrate through three stages based on the change in credit risk since initial recognition.

No impairment loss is recognized on equity investments.

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued
### 5.3 Financial assets continued
#### 5.3.9 Impairment of financial assets continued
Expected credit loss impairment model

The Expected Credit Loss (ECL) model contains a three-stage approach which is based on the change in credit quality of financial assets since initial recognition. Expected credit losses reflect the present value of all cash shortfalls related to default events either (i) over the following twelve months or (ii) over the expected life of a financial instrument depending on credit deterioration from inception.

- Under Stage 1, where there has not been a significant increase in credit risk since initial recognition, an amount equal to 12 months ECL will be recorded. The 12 months ECL is calculated as the portion of life time ECL that represents the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12 month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original effective profit rate.
- Under Stage 2, where there has been a significant increase in credit risk since initial recognition but the financial instruments are not considered credit impaired, an amount equal to the default probability weighted lifetime ECL will be recorded. The PD and LGD are estimated over the lifetime of the instrument and the expected cash shortfalls are discounted by an approximation to the original effective profit rate.
- Under the Stage 3, where there is objective evidence of impairment at the reporting date these financial instruments will be classified as credit impaired and an amount equal to the lifetime ECL will be recorded for the financial assets, with the PD set at 100%.

When estimating ECL for undrawn commitments, the Bank estimates the expected portion of the commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the financing is drawn down. The expected cash shortfalls are discounted at an approximation to the expected effective profit rate on the financing.

The Bank's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the income statement, and the ECL provision. For this purpose, the Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted rate relevant to the exposure.

The ECL model is forward looking and requires the use of reasonable and supportable forecasts of future economic conditions in the determination of significant increases in credit risk and measurement of ECL.

Measurement of ECL

The Bank calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the effective profit rate. A cash shortfall is the difference between the cash flows that are due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive. IFRS 9 considers the calculation of ECL by multiplying the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The Bank has developed methodologies and models taking into account the relative size, quality and complexity of the portfolios.

These parameters are generally derived from internally developed statistical models and other historical data and are adjusted to reflect forward-looking information.

Details of these statistical parameters/inputs are as follows:

- The probability of default (PD) is an estimate of the likelihood of default over a given time horizon;
- The exposure at default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date; and

The loss given default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Bank would expect to receive (and expected cash flows generally in case of stage 3 accounts), including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

Macroeconomic factors, forward looking information and multiple scenarios

IFRS 9 requires an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside and a downside) with a weightage of 40%, 30% and 30% respectively. Each of these is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted financing are expected to be recovered, including the probability that the financing will cure and the value of collateral or the amount that might be received for selling the asset.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued

### 5.3 Financial assets continued

#### 5.3.9 Impairment of financial assets continued

In its ECL models, the Bank relies on a broad range of forward looking information as economic inputs, such as:

- Real Government consumption
- Real imports of goods and services
- House price index
- Residential properties – Abu Dhabi and Dubai
- Consumer price index
- Real gross domestic product
- General Government finance expenditure
- National Accounts: Real export of goods and services

Macroeconomic factors and forward looking information are required to be incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECLs at each reporting period should reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

##### Assessment of significant increase in credit risk

The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Bank compares the risk of default occurring over the expected life of the financial assets at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Bank's existing risk rating and risk management processes. At each reporting date, the assessment of a change in credit risk is assessed individually for both corporate and retail exposures.

The group of assets are moved from stage 1 to stage 2 if:

- the probability of default or credit risk rating change beyond the Bank's established threshold related to the initial recognition (4-notch downgrade from origination rating for investment grade customers and 3-notch downgrade from origination rating for non-investment grade customers and 2-notch downgrade from origination rating for watchlist);
- an instrument is past due beyond 30 days;
- Financial assets that have been modified or restructured due to credit distress and breach of material financial covenants by corporate customers; and
- Additional regulatory and prudential requirements for unlikeness to pay (number of deferrals, early warning alerts etc).

The instruments moved to stage 2 from stage 1 remain in the stage until they perform for a sustained period as per the Bank's policy.

Movement from stage 2 to stage 3 are based on whether the financial assets are credit impaired at the reporting date.

##### Experienced credit judgment

The Bank's ECL allowance methodology requires the use of experienced credit judgment to incorporate the estimated impact of factors not captured in the modeled ECL results, in all reporting periods.

When measuring ECL, the Bank considers the maximum contractual period over which the Bank is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options.

Default definition followed by the Bank for impairment assessment remains in line with the guidelines of IFRS 9, without any recourse to the assumptions, and consistent with regulatory requirements.

##### Expected life

When measuring expected credit loss, the Bank considers the maximum contractual period over which the Bank is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment, and extension and rollover options.

##### Definition of default

The Bank considers a financial asset to be in default when:

- it is established that due to financial or non-financial reasons the customer is unlikely to pay its credit obligations to the Bank in full without recourse by the Bank to actions such as realizing security (if any is held); or
- the customer is past due 90 days or more on any material credit obligation to the Bank.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued

### 5.3 Financial assets continued

#### 5.3.9 Impairment of financial assets continued

In assessing whether a customer is in default, the Bank considers indicators that are:

(i) qualitative – e.g. material breaches of covenant;
(ii) quantitative – e.g. overdue status and non-payment on another obligation of the same customer/customer group to the banks; and
(iii) based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financing exposure is in default and their significance may vary over time to reflect changes in circumstances. Indicators of unlikeness to pay may include, but are not limited to, sector crisis, repeated restructuring, significant deterioration in operating assets and very high likelihood of bankruptcy.

Renegotiated financing facilities

The Bank sometimes makes concessions or modifications to the original terms of financing as a response to the customer's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Bank considers a financing forborne when such concessions or modifications are provided as a result of the customer's present or expected financial difficulties and the Bank would not have agreed to them if the customer had been financially healthy. Indicators of financial difficulties include defaults on covenants or that a customer may not be in a position to honor contractual commitments. Forbearance may involve extending the payment arrangements and the agreement of new financing conditions. Once the terms have been renegotiated, any impairment is measured using the original effective profit rate as calculated before the modification of terms. It is the Bank's policy to monitor forborne financing to help ensure that future payments continue to be likely to occur. Classification between Stage 2 and Stage 3 are determined based on IFRS 9 staging criteria. If these procedures identify a loss in relation to a financing, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

When the financing has been renegotiated or modified but not derecognized, the Bank also reassesses whether there has been a significant increase in credit risk. The Bank also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum 12-month probation period. In order for the financing to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities have to be considered performing;
- The probation period of one year has passed from the date the forborne contract was considered performing; and
- Regular payments of more than an insignificant amount of principal or profit have been made during the probation period.

Write-off

Islamic financing and investing assets are normally written off, either partially or in full, when there is no realistic prospect of recovery of the principal amount and the Group has exhausted all legal and remedial efforts to recover from the customers.

Acquired financing

All acquired financing is initially measured at fair value on the date of acquisition. As a result no allowance for expected credit losses is recorded in the consolidated statement of financial position on the date of acquisition. Acquired financing may fit into either of the two categories: performing financing or Purchased or Originated Credit Impaired (POCI) financing.

Purchased performing financing follow the same accounting as originated performing financing and are reflected in Stage 1 on the date of the acquisition. They will be subject to a 12 month ECL which is recorded as a provision for expected credit losses in the consolidated statement of profit or loss when the carrying value of these assets exceed the nominal values of acquired exposure. The fair value adjustment set up for these financing on the date of acquisition is amortized into profit income over the life of these financing.

POCI financing are separately presented and are always subject to lifetime allowance for credit losses. Any changes in the expected cash flows since the date of acquisition are recorded as a charge/recovery in the provision for credit losses in the consolidated statement of profit or loss at the end of all reporting periods subsequent to the date of acquisition.

#### 5.3.10 Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized Islamic financing for the proceeds received.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued

### 5.3 Financial assets continued

#### 5.3.10 Derecognition of financial assets continued

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the consolidated statement of profit or loss.

On derecognition of a financial asset that is investment in equity instrument and is classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve in equity is not reclassified to the consolidated statement of profit or loss, but is transferred to retained earnings within equity.

#### 5.3.11 Financial guarantees, letters of credit and undrawn financing commitments

A financial guarantee is an undertaking/commitment that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to meet its obligation when due in accordance with the contractual terms. The Bank issues financial guarantees, letters of credit and financing commitments in the normal course of business. Financial guarantees are initially recognized in the consolidated financial statements at fair value, being the charges received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the income statement and an ECL provision.

Undrawn financing commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a financing with pre-specified terms to the customer. These contracts are in the scope of the ECL requirements.

### 5.4 Offsetting

Financial assets and liabilities are offset and reported net in the consolidated financial position only when there is a legally enforceable right to set off the recognized amounts and when the Group intends to settle either on a net basis, or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Group trading activity.

The Group is party to a number of arrangements, including master netting agreements, that give it the right to offset financial assets and financial liabilities but where it does not intend to settle the amounts net or simultaneously and therefore the assets and liabilities concerned are presented on a gross basis.

### 5.5 Classification of financial liabilities and equity instruments

Liability and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

### 5.6 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Own equity instruments of the Bank which are acquired by it or by any of its subsidiaries (treasury shares) are recognized and deducted directly in equity. No gain or loss is recognized in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Bank's own equity instruments.

Tier 1 Sukuk are perpetual Mudaraba Sukuk which are not redeemable by Sukuk-holders and bear an entitlement to profit distributions that is non-cumulative and at the discretion of the Board of Directors. Accordingly, Tier 1 Sukuk are presented as a component of equity instruments issued by the Group in equity.

Dividends on ordinary shares and profit distribution to Tier 1 Sukuk are recognized as a liability and deducted from equity when they are approved by the Group shareholders and Board of Directors, respectively. Dividends for the year that are approved after the reporting date are disclosed as an unadjusted event after the reporting date.

### 5.7 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective profit rate method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantees issued by the Group, and commitments issued by the Group to provide a facility at below-market profit rate are measured in accordance with the specific accounting policies set out below.

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued
### 5.7 Financial liabilities continued
#### 5.7.1 Financial liabilities subsequently measured at amortised cost
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective profit rate method.

The effective profit rate method is a method of calculating the amortised cost of a financial liability and of allocating customers' share of profit over the relevant period. The effective profit rate is the rate that is used to calculate the present value of estimated future cash payments (including all fees and points paid or received that form an integral part of the effective profit rate, transaction costs through the expected life of the financial liability, or (where appropriate) a shorter period, to arrive at the net carrying amount on initial recognition.

Financial liabilities measured at amortised cost include due to banks and financial institutions, customers' deposits (Al Qard Al Hassan, Mudaraba and Wakala Deposits), Sukuk instruments, certain payables and other liabilities.

Customer deposits or funds are invested in well-defined and managed asset pools to meet and match risk and rewards associated with varied nature of investment deposits under the guidance of the relevant investment and credit committees and in line with the decisions and guidance of Internal Sharia Supervision Committee of the Bank ("ISSC"). All associated returns and costs are grouped according to asset pools to provide distribution of returns and profits to depositors and investment accountholders.

#### 5.7.2 Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognized in the consolidated statement of profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

#### 5.7.3 De-recognition of financial liabilities
The Group derecognizes financial liabilities when, and only when, the Group obligations are discharged, canceled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, if any, including any non-cash assets transferred or liabilities assumed, is recognized in consolidated statement of profit or loss.

### 5.8 Sharia-compliant derivative financial instruments
A derivative is a financial instrument whose value changes in response to an underlying variable, that requires little or no initial investment and that is settled at a future date. The Group enters into a variety of Sharia-compliant derivative financial instruments to manage the exposure to profit and foreign exchange rate risks, including unilateral promise to buy/sell currencies and Sharia-compliant profit rate swap.

Sharia-compliant derivative financial instruments are initially measured at cost, being the fair value at contract date, and are subsequently re-measured at fair value. All Sharia-compliant derivatives are carried at their fair values as assets where the fair values are positive and as liabilities where the fair values are negative. Sharia-compliant derivative assets and liabilities arising from different transactions are only offset if the transactions are with the same counterparty, a legal right to setoff exists, and the parties intend to settle the cash flows on a net basis.

Sharia-compliant derivative fair values are determined from quoted prices in active markets where available. Where there is no active market for an instrument, fair value is derived from prices for the Sharia-compliant derivative's components using appropriate pricing or valuation models.

The method of recognizing fair value gains and losses depends on whether Sharia-compliant derivatives are held for trading or are designated as hedging instruments, and if the latter, the nature of the risks being hedged. All gains and losses from changes in the fair value of Sharia-compliant derivatives held for trading are recognized in consolidated statement of profit or loss.

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued

### 5.9 Unilateral promises to buy/sell currencies (the "Promises")

The Promises are stated at fair value. The fair value of a Promise is the equivalent of the unrealized gain or loss from marking to market the Promise using prevailing market rates. Promises with positive market value (unrealized gain) are included in other assets and Promises with negative market value (unrealized losses) are included in other liabilities in the consolidated statement of financial position.

### 5.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances held with Central Banks, deposits and balances due from banks with original maturities of less than three months from the date of acquisition and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position.

### 5.11 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of acquisition over the Group share of the net fair value of the identifiable assets, liabilities and contingent liabilities of associates and joint ventures recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in the consolidated statement of profit or loss in the period in which the investment is acquired.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting from the date on which the investment becomes an associate or joint venture. Under the equity method, an investment in associates and joint ventures is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group share of the profit or loss and other comprehensive income of the associates and joint ventures.

When the Group share of losses of associates and joint ventures exceeds the Group interest in that associates and joint ventures (which includes any long-term interests that, in substance, form part of the Group net investment in the associates and joint ventures), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates and joint ventures.

The requirements of International Financial Reporting Standards are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group investment in associates and joint ventures. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains its interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associates and joint ventures on the same basis as would be required if that associates and joint ventures had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associates and joint ventures would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associates and joint ventures.

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued

### 5.11 Investments in associates and joint ventures continued

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture is recognized in the Group consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### 5.12 Properties held for sale

Properties acquired or constructed with the intention of sale are classified as properties held for sale. Properties held for sale are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for properties less all estimated costs of completion and costs necessary to make the sale.

Cost includes the cost of land, infrastructure, construction and other related expenditure such as professional fees and engineering costs attributable to the project, which are capitalized as and when the activities that are necessary to get the assets ready for the intended use are in progress.

### 5.13 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured at cost less accumulated depreciation and impairment loss, if any. Depreciation on investment in buildings is charged on a straight-line basis over 40 years.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the period in which the property is derecognized.

Transfers to investment properties are made when, and only when there is change in use evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development.

Transfers from investment properties are made when, and only when, there is change in use evidenced by commencement of owner-occupation or commencement of development with a view to sale.

### 5.14 Acceptances

Acceptances are recognized as financial liability in the consolidated statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as financial assets and financial liabilities.

### 5.15 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are charged to the consolidated statement of profit or loss in the period in which they are incurred.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives using the straight-line method as follows:

- Buildings 40 years;
- Furniture, office equipment and motor vehicles 3 – 5 years; and
- Information technology 3 – 15 years.

Freehold land is not depreciated. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of profit or loss.

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued

### 5.15 Property and equipment continued

Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss, if any. Cost includes all direct costs attributable to the design and construction of the property including related staff costs, and for qualifying assets, financing costs capitalized in accordance with the Group accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment category and is depreciated in accordance with the Group policies.

### 5.16 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the present value of the estimated future cash flows is calculated using a profit rate that reflects current market assessments of the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the consolidated statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized in the consolidated statement of profit or loss.

### 5.17 Intangible assets

Intangible assets acquired in a business combination are measured at fair value at acquisition date. Subsequent to the initial recognition, the intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

### 5.18 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is reasonably certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued

### 5.19 Employees' end of service benefits

Pension and national insurance contributions for the U.A.E. citizens are made by the Group in accordance with Federal Law No. 2 of 2000 as amended by Federal Law No. 33 of 2021.

The Group provides end of service benefits for its expatriate employees in accordance with U.A.E. Labor Law.

The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

### 5.20 Directors' remuneration

Pursuant to Article 169 of the UAE Federal Law No. 32 of 2021, as amended, and in accordance with the articles of association of the Bank, the Directors shall be entitled for remuneration which shall not exceed 10% of the net profits after deducting depreciation and the reserves.

### 5.21 Taxation

Provision is made for current and deferred taxes for the Bank and its subsidiaries in accordance with the regulations of the respective jurisdictions.

#### 5.21.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

#### 5.21.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### 5.22 Zakat payable by shareholders

Zakat per share is computed based on "Net Asset Method" which is in accordance with the guidance of the Internal Sharia Supervision Committee.

The Zakat for the shareholders is accounted for as follows:

#### 5.22.1 Zakat payable by the Bank on shareholders' behalf

Zakat is calculated as per the Articles and Memorandum of Association of the Bank and is approved by the Bank's Internal Sharia Supervision Committee on the following basis:

- The portion of Zakat payable by the Bank on its shareholders' behalf is calculated on 'statutory reserve', 'general reserve', 'retained earnings', 'other comprehensive income', exchange translation reserve' and 'provision for employees' end of service benefits';
- Zakat paid by investee companies directly are adjusted in shareholders Zakat, if the Bank only accounts for net profit after Zakat of investee;
- Zakat on depositors' investment risk reserve is calculated and deducted from the investment risk reserve balance held with the bank and added to the Zakat payable balance; and
- Zakat is disbursed by a committee appointed by the Board of Directors and operating as per the terms set by the Board of Directors and the policy approved by the ISSC.

#### 5.22.2 Zakat payable by the shareholders

Zakat payable by the shareholders directly represents the differential/remaining Zakat after deducting the Zakat payable by the Bank on shareholders' behalf. The ISSC issues a letter detailing and explaining the calculation of the Zakat payable by the shareholders.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued

### 5.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

#### 5.23.1 Income from financial assets measured at amortised cost

Income from a financial asset measured at amortised cost is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Income from a financial asset measured at amortised cost is accrued/amortised on a time basis, by reference to the principal outstanding and at the effective profit rate applicable, which is the rate that is used to calculate the present value of estimated future net cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### 5.23.2 Fee and commission income

Fee and commission income is recognized when the related services are performed. The Group earns fee and commission income from a range of services provided to its customers. The recognition of fee and commission in statement of profit or loss depends on the purposes for which the fees are collected as follows:

- income earned from the provision of services is recognized as revenue as the services are provided;
- income earned on the execution of a significant act is recognized as revenue when the act is completed; and
- income which forms an integral part of the effective profit rate of a financial instrument is recognized as an adjustment to the effective profit rate and considered as funded income.

#### 5.23.3 Dividend income

Dividend income from other investments at fair value is recognized when the right to receive the dividend is established.

#### 5.23.4 Income from cancellation of properties sale contract

Income from cancellation of properties sale contract (forfeiture income) is recognized in the consolidated statement of profit or loss when, in the case of properties sold and not yet recognized as revenue, a customer does not fulfil the contractual payment terms. This is deemed to take place when, despite rigorous follow-up with the defaulted customer, the customer continues to default on the contractual terms and an amount is taken under a settlement or pursuant to a decision issued by Dubai Real Estate Regulatory Authority.

#### 5.23.5 Revenue from sale of properties, net

Revenue is recognized when (or as) the Group satisfies the performance obligation at an amount that reflects the consideration to which the Group is entitled in exchange for transferring goods or services to a customer. A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). For performance obligations satisfied over time, the Group recognizes revenue over time by selecting an appropriate method for measuring the progress towards complete satisfaction of that performance obligation.

#### 5.23.6 Rental income

The Group recognizes revenue from operating leases on a straight line basis over the lease term.

#### 5.23.7 Forfeited income

It is an income resulting from transaction errors and wrong execution of the transactions as determined by the Internal Sharia Supervision Committee and directed to the charity account of the Bank. In addition, the late payment donations by the customers who delay in payment of their liabilities are also added to the same account. In line with the policy approved by the Bank's Internal Sharia Supervision Committee, the Group is required to identify these incomes and to set aside such amount in a separate account used to pay for charitable causes and activities as per the approved policy for Community Support Services.

### 5.24 Depositors' share of profit calculation

Allocation of profits between depositors and shareholders is calculated according to the Bank's standard procedures and is approved by the Bank's Internal Sharia Supervision Committee.

### 5.25 Profit equalization reserve

Profit equalization reserves are amounts appropriated out of the Common Mudaraba Pool's income, before allocating the Mudarib's share of profit, in order to maintain a certain level of return on investments for all the investment accountholders and other investors in the Common Mudaraba Pool.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 5 Material accounting policies continued

### 5.26 Depositors' investment risk reserve

Depositors' investment risk reserve represents a portion of the depositors' share of profits set aside as a reserve. This reserve is payable to the depositors only after the approval of the Bank's Internal Sharia Supervision Committee in line with the approved policy. Zakat on depositors' investment risk reserve is included under Zakat payable and is deducted from the depositors' investment risk reserve balance. The reserve can be utilized with the approval of ISSC to compensate the depositors against any loss occurred for respective period. In the event of voluntary liquidation of the Bank, the Bank shall dispose of the outstanding IRR in accordance with the agreed terms and conditions at the time of establishing the reserves.

### 5.27 Lease

The Group initially measures the right-of-use asset at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The Group initially measures the lease liability at the present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for profit and lease payments, as well as the impact of lease modifications, amongst others.

The Group has elected to apply the expedient allowed by IFRS 16 on its general requirements to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets. For this the Group recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term or another systematic basis if that basis is representative of the pattern of the lessee's benefits, similar to the current accounting for operating leases.

### 5.28 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segment income, segment expenses and segment performance include transfers between business segments and between geographical segments. Refer to note 44 on Segment reporting.

## 6 Critical accounting judgments and key sources of estimation of uncertainty

While applying the accounting policies as stated in note 5, the management of the Group has made certain judgments. These judgments mainly have a significant effect on the carrying amounts of Islamic financing and investing assets, investment securities and the fair values of Sharia-compliant derivative financial instruments. The significant judgments made by the management in arriving at the carrying amounts of Islamic financing and investing assets, investment securities and fair values of Sharia-compliant derivative financial instruments are summarized as follows:

### 6.1 Significant increase in credit risk

As explained in note 5.3.9, ECL are measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased or not, the Bank takes into account qualitative and quantitative reasonable and supportable forward looking information.

### 6.2 Macroeconomic variables

Sensitivity assessment due to movement in the macroeconomic variable and the respective weights under the three scenarios is periodically assessed by the Group. The table below summarizes key macroeconomic indicators included in the economic scenarios for the years ending 2026 to 2029:

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 6 Critical accounting judgments and key sources of estimation of uncertainty continued

### 6.2 Macroeconomic variables continued

| Macro-economic variable | Scenario | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|
| Real House Price Index, Real, (Index 2010=100) | Baseline | **170.0** | 178.2 | 186.2 | 193.8 |
| | Upside | **175.1** | 186.6 | 195.3 | 202.5 |
| | Downside | **143.1** | 140.1 | 146.5 | 154.7 |
| Residential properties – Abu Dhabi and Dubai, (Index 2010=100) | Baseline | **188.2** | 204.1 | 220.1 | 235.6 |
| | Upside | **195.5** | 215.2 | 231.5 | 247.0 |
| | Downside | **152.9** | 155.1 | 170.4 | 185.8 |
| Real Export of Goods and Services, (AED, bln) | Baseline | **2,104.3** | 2,184.6 | 2,283.5 | 2,393.1 |
| | Upside | **2,128.3** | 2,233.4 | 2,356.2 | 2,485.2 |
| | Downside | **1,892.2** | 1,957.4 | 2,046.8 | 2,160.0 |
| Real Gross Domestic Product, (AED, bln) | Baseline | **1,995.4** | 2,082.6 | 2,173.2 | 2,255.7 |
| | Upside | **2,048.6** | 2,150.1 | 2,243.7 | 2,328.8 |
| | Downside | **1,876.7** | 1,918.8 | 2,038.8 | 2,140.0 |
| General Government debt to GDP ratio 9(%) | Baseline | **34.4** | 34.7 | 34.1 | 32.4 |
| | Upside | **29.2** | 29.2 | 29.6 | 28.6 |
| | Downside | **45.6** | 50.0 | 45.7 | 41.0 |
| Commodity prices: Crude oil (USD per Bbl, NSA) | Baseline | **62.0** | 63.7 | 65.0 | 65.8 |
| | Upside | **67.5** | 66.7 | 66.1 | 66.9 |
| | Downside | **40.5** | 54.7 | 63.2 | 63.9 |
| National Accounts: Real Domestic Demand, (Bil. 2010 AED, SAAR) | Baseline | **1,909.3** | 1,963.4 | 2,006.8 | 2,052.9 |
| | Upside | **1,962.4** | 2,044.2 | 2,094.9 | 2,143.2 |
| | Downside | **1,802.1** | 1,783.2 | 1,868.5 | 1,930.0 |

### 6.3 Establishing groups of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Bank monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets.

### 6.4 Models and assumptions used

The Bank uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

### 6.5 Classification of investments

The classification and measurement of the financial assets depends on the management's business model for managing its financial assets and on the contractual cash flow characteristics of the financial assets assessed. Management is satisfied that the Group investments in securities are appropriately classified and measured.

Financial assets that are measured at amortised cost are those assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit.

Financial assets that are measured at FVTOCI are investments in Sharia compliant equity instruments and investment funds that are not held to benefit from changes in their fair value and are not held for trading. The management believes that designating these instruments as at FVTOCI provides a more meaningful presentation of its medium to long-term interest in its investments than holding the investments at fair value through profit and loss.

Financial assets that are measured at FVTPL are either held for trading or designated as FVTPL.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 7 Cash and balances with central banks

### 7.1 Analysis by category

| | Note | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| Cash on hand | | **2,230,239** | 1,999,306 |
| Balances with central banks: | | | |
| Balances and reserve requirements with central banks | 7.3 | **18,582,894** | 17,688,630 |
| Certificates of deposits with the Central Bank of the U.A.E. | | **16,056,853** | 7,012,532 |
| **Total** | | **36,869,986** | 26,700,468 |

Balances with Central Banks are at stage 1 at 31 December 2025 and 31 December 2024.

### 7.2 Analysis by geography

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Within the U.A.E. | **36,515,157** | 26,254,870 |
| Outside the U.A.E. | **354,829** | 445,598 |
| **Total** | **36,869,986** | 26,700,468 |

### 7.3 Statutory cash reserve requirements

The reserve requirements are kept with the Central Banks of the U.A.E., Pakistan and Kenya in the respective local currencies and US Dollar. These reserves are available for use in the Group's day to day operations under specified conditions. The level of reserve required by Central Bank of the UAE changes every 14 days whereas for other jurisdictions changes every month in line with the requirements of the respective central banks' directives.

## 8 Due from banks and financial institutions

### 8.1 Analysis by category

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Current accounts | **2,369,216** | 1,954,571 |
| Wakala deposits | **816,805** | 1,137,577 |
| Treasury Placement (Commodity Murabaha) – short term | **2,203,800** | 2,552,880 |
| Less: Provision for impairment | **(2,918)** | (2,918) |
| **Total** | **5,386,903** | 5,642,110 |

### 8.2 Analysis by geography

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Within the U.A.E. | **1,725,563** | 3,096,242 |
| Outside the U.A.E. | **3,661,340** | 2,545,868 |
| **Total** | **5,386,903** | 5,642,110 |

Due from banks and financial institutions are at stage 1 at 31 December 2025 and 31 December 2024.

## 9 Islamic financing and investing assets, net

### 9.1 Analysis by category

| | Note | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| **Islamic financing assets** | | | |
| Vehicles Murabaha | | **16,549,650** | 13,204,627 |
| Commodity Murabaha – long term | | **102,625,508** | 64,368,770 |
| Other Murabaha | | **2,429,564** | 3,388,585 |
| **Total Murabaha** | | **121,604,722** | 80,961,982 |
| Ijarah | | **35,080,426** | 36,352,657 |
| Home Finance Ijarah | | **33,530,338** | 27,132,738 |
| Personal Finance | | **29,692,635** | 24,423,117 |
| Istisna' & Forward Ijarah | | **473,798** | 594,000 |
| Credit/covered cards | | **4,234,931** | 3,611,172 |
| | | **224,616,850** | 173,075,666 |
| Less: deferred income | | **(5,440,718)** | (4,847,735) |
| **Total Islamic financing assets** | | **219,176,132** | 168,227,931 |
| **Islamic investing assets** | | | |
| Musharaka | | **4,241,364** | 4,375,147 |
| Mudaraba | | **8,609,837** | 8,188,545 |
| Wakala | | **35,655,350** | 38,120,817 |
| **Total Islamic investing assets** | | **48,506,551** | 50,684,509 |
| **Gross Islamic financing and investing assets at amortized cost** | | **267,682,683** | 218,912,440 |
| Less: provisions for impairment | 9.4 | **(5,915,075)** | (6,760,692) |
| **Islamic financing and investing assets at amortized cost, net** | | **261,767,608** | 212,151,748 |
| Islamic financing and investing assets measured at FVTPL | | **287,531** | 275,000 |
| **Total Islamic financing and investing assets, net** | | **262,055,139** | 212,426,748 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 9 Islamic financing and investing assets, net continued

### 9.2 Carrying value of exposure by internal risk rating category and by stage

**As at 31 December 2025**

| | Gross book values (AED'000) | | | | | Expected credit loss (AED'000) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **POCI** | **Total** | **Stage 1** | **Stage 2** | **Stage 3** | **POCI** | **Total** |
| Low | **96,907,462** | **-** | **-** | **-** | **96,907,462** | **25,043** | **-** | **-** | **-** | **25,043** |
| Moderate | **147,427,023** | **6,490,538** | **-** | **-** | **153,917,561** | **921,588** | **406,731** | **-** | **-** | **1,328,319** |
| Fair | **6,084,293** | **3,606,501** | **-** | **-** | **9,690,794** | **159,032** | **328,937** | **-** | **-** | **487,969** |
| Default | **-** | **-** | **6,926,761** | **240,105** | **7,166,866** | **-** | **-** | **4,053,468** | **20,276** | **4,073,744** |
| **Total** | **250,418,778** | **10,097,039** | **6,926,761** | **240,105** | **267,682,683** | **1,105,663** | **735,668** | **4,053,468** | **20,276** | **5,915,075** |

As at 31 December 2024

| | Gross book values (AED'000) | | | | | Expected credit loss (AED'000) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Low | 74,317,439 | – | – | – | 74,317,439 | 24,712 | – | – | – | 24,712 |
| Moderate | 115,096,255 | 6,517,540 | – | – | 121,613,795 | 588,220 | 525,398 | – | – | 1,113,618 |
| Fair | 9,478,119 | 4,364,961 | – | – | 13,843,080 | 178,747 | 320,766 | – | – | 499,513 |
| Default | – | – | 8,606,826 | 531,300 | 9,138,126 | – | – | 4,832,180 | 290,669 | 5,122,849 |
| **Total** | 198,891,813 | 10,882,501 | 8,606,826 | 531,300 | 218,912,440 | 791,679 | 846,164 | 4,832,180 | 290,669 | 6,760,692 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 9 Islamic financing and investing assets, net continued

### 9.3 Movement in gross exposure

Movement of gross exposure by stage is as follows:

| 2025 | Stage 1 AED'000 | Stage 2 AED'000 | Stage 3 AED'000 | POCI AED'000 | Total AED'000 |
|---|---|---|---|---|---|
| **Balance at 1 January** | **198,891,813** | **10,882,501** | **8,606,826** | **531,300** | **218,912,440** |
| Transfer from stage 1 | **(3,821,281)** | **2,942,438** | **878,843** | **-** | **-** |
| Transfer from stage 2 | **3,178,019** | **(3,785,812)** | **607,793** | **-** | **-** |
| Transfer from stage 3 | **324** | **788,607** | **(788,931)** | **-** | **-** |
| Net increase/ (decrease) during the year | **52,169,903** | **(730,695)** | **(960,840)** | **-** | **50,478,368** |
| Amounts written off | **-** | **-** | **(1,416,930)** | **(300,393)** | **(1,717,323)** |
| Other adjustments | **-** | **-** | **-** | **9,198** | **9,198** |
| **Balance at 31 December** | **250,418,778** | **10,097,039** | **6,926,761** | **240,105** | **267,682,683** |

| 2024 | Stage 1 AED'000 | Stage 2 AED'000 | Stage 3 AED'000 | POCI AED'000 | Total AED'000 |
|---|---|---|---|---|---|
| **Balance at 1 January** | 182,532,317 | 14,326,958 | 10,760,881 | 735,827 | 208,355,983 |
| Transfer from stage 1 | (5,676,506) | 3,867,173 | 1,809,333 | – | – |
| Transfer from stage 2 | 3,998,811 | (5,877,747) | 1,878,936 | – | – |
| Transfer from stage 3 | 316,629 | 161,865 | (370,485) | (108,009) | – |
| Net increase/ (decrease) during the year | 17,720,563 | (1,595,749) | (2,748,568) | (96,518) | 13,279,728 |
| Amounts written off | – | – | (2,724,530) | – | (2,724,530) |
| Other adjustments | – | – | 1,259 | – | 1,259 |
| **Balance at 31 December** | 198,891,814 | 10,882,500 | 8,606,826 | 531,300 | 218,912,440 |

### 9.4 Provision for impairment

Movement of provision for impairment, including regulatory profit suspension, is as follows:

| 2025 | Note | Stage 1 AED'000 | Stage 2 AED'000 | Stage 3 AED'000 | POCI AED'000 | Total AED'000 |
|---|---|---|---|---|---|---|
| **Balance at 1 January** | | **791,679** | **846,164** | **4,832,180** | **290,669** | **6,760,692** |
| Impairment charge during the year, net | 40 | **323,902** | **13,269** | **300,271** | **-** | **637,442** |
| Transfers to other stages, net | | **(41,329)** | **(126,528)** | **167,857** | **-** | **-** |
| Write off | | **-** | **-** | **(1,416,930)** | **(300,393)** | **(1,717,323)** |
| Exchange and other adjustments | | **31,411** | **2,763** | **170,090** | **30,000** | **234,264** |
| **Balance at 31 December** | | **1,105,663** | **735,668** | **4,053,468** | **20,276** | **5,915,075** |

| 2024 | Note | Stage 1 AED'000 | Stage 2 AED'000 | Stage 3 AED'000 | POCI AED'000 | Total AED'000 |
|---|---|---|---|---|---|---|
| **Balance at 1 January** | | 950,721 | 1,273,964 | 6,393,479 | 284,470 | 8,902,634 |
| Impairment charge during the year, net | 40 | 187,441 | (124,672) | 345,144 | (490) | 407,423 |
| Transfer to other stages, net | | (403,000) | (110,684) | 513,684 | – | – |
| Write off | | – | – | (2,724,530) | – | (2,724,530) |
| Exchange and other adjustments | | 56,517 | (192,444) | 304,403 | 6,689 | 175,165 |
| **Balance at 31 December** | | 791,679 | 846,164 | 4,832,180 | 290,669 | 6,760,692 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 9 Islamic financing and investing assets, net continued

### 9.5 Collaterals and mitigations

The Group, in the ordinary course of providing finance, holds collateral as security to mitigate credit risk associated with Islamic financing and investing assets. The collaterals include mortgage on land and buildings and lien on deposits, equities and other fixed assets. The estimated value of collaterals for Islamic financing and investing assets which are mainly asset based financing, is as follows:

| | **2025 AED'000** | 2024 AED'000 |
|---|---|---|
| Properties and mortgages | **69,188,820** | 61,456,224 |
| Deposits and shares | **3,728,202** | 4,008,572 |
| Movable assets | **13,118,303** | 14,661,720 |
| Government and financial guarantees | **5,156,980** | 977,004 |

The estimated fair value of collaterals that the Group holds relating to facilities individually determined to be impaired at 31 December 2025 amounts to AED 7.1 billion (2024: AED 8.1 billion).

During the year ended 31 December 2025, the Group took possession of various underlying assets, primarily vehicles and residential mortgage properties. The Group has sold repossessed assets amounting to AED 21.7 million (2024: AED 25.0 million) and acquired the properties amounting to AED 186.2 million (2024: AED 120.6 million) which has been adjusted against the outstanding receivables.

### 9.6 Analysis by economic sector and geography

| | **Within the U.A.E. AED'000** | **Outside the U.A.E. AED'000** | **Total AED'000** |
|---|---|---|---|
| **2025** | | | |
| Government | **20,951,464** | **12,501,668** | **33,453,132** |
| Financial institutions | **7,736,101** | **9,363,840** | **17,099,941** |
| Real estate | **34,325,694** | **379,453** | **34,705,147** |
| Contracting | **1,597,013** | **1,063,722** | **2,660,735** |
| Trade | **7,826,089** | **1,434,988** | **9,261,077** |
| Aviation | **16,641,583** | **36,820** | **16,678,403** |
| Services and others | **54,279,291** | **20,852,297** | **75,131,588** |
| Consumer financing | **45,173,980** | **309,481** | **45,483,461** |
| Consumer home finance | **33,281,387** | **215,343** | **33,496,730** |
| | **221,812,602** | **46,157,612** | **267,970,214** |
| Less: provision for impairment | | | **(5,915,075)** |
| **Total** | | | **262,055,139** |
| 2024 | | | |
| Government | 21,662,606 | 8,626,758 | 30,289,364 |
| Financial institutions | 3,454,333 | 2,415,604 | 5,869,937 |
| Real estate | 27,910,666 | 260,677 | 28,171,343 |
| Contracting | 1,916,417 | 951,396 | 2,867,813 |
| Trade | 7,436,293 | 287,088 | 7,723,381 |
| Aviation | 14,222,054 | 38,857 | 14,260,911 |
| Services and others | 50,851,478 | 14,504,738 | 65,356,216 |
| Consumer financing | 36,926,413 | 270,402 | 37,196,815 |
| Consumer home finance | 27,195,110 | 256,550 | 27,451,660 |
| | 191,575,370 | 27,612,070 | 219,187,440 |
| Less: provision for impairment | | | (6,760,692) |
| **Total** | | | 212,426,748 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 10 Investments in Sukuk

### 10.1 Analysis by geography

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Within the U.A.E. | **27,830,227** | 27,892,209 |
| Other G.C.C. Countries | **39,142,329** | 31,954,242 |
| Rest of the World | **23,838,439** | 22,625,532 |
| | **90,810,995** | 82,471,983 |
| Less: provision for impairment | **(222,346)** | (311,249) |
| **Total** | **90,588,649** | 82,160,734 |

### 10.2 Analysis by economic sector

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Government | **57,725,167** | 57,108,784 |
| Financial institutions | **11,924,557** | 8,149,033 |
| Real estate | **3,337,476** | 3,227,270 |
| Aviation | **70,279** | 432,920 |
| Services and others | **17,753,516** | 13,553,976 |
| | **90,810,995** | 82,471,983 |
| Less: provision for impairment | **(222,346)** | (311,249) |
| **Total** | **90,588,649** | 82,160,734 |

Investments in Sukuk within the U.A.E. include investments in bilateral Sukuk amounting to AED 2.6 billion as at 31 December 2025 (2024: AED 4.7 billion). Investment in Sukuk include an amount of AED 0.22 billion (2024: AED 0.22 billion) which is measured at fair value through other comprehensive income.

Investment in Sukuk classified at stage 3 at 31 December 2025 amounts to AED 35.0 million (31 December 2024: AED 27.9 million).

### 10.3 Provision for impairment

| 2025 | Stage 1 AED'000 | Stage 2 AED'000 | Stage 3 AED'000 | Total AED'000 |
|---|---|---|---|---|
| **Balance at 1 January** | **297,852** | **-** | **13,397** | **311,249** |
| Impairment charge during the year, net | **(32,000)** | **-** | **-** | **(32,000)** |
| Exchange and other adjustments | **(53,221)** | **-** | **(3,682)** | **(56,903)** |
| **Balance at 31 December** | **212,631** | **-** | **9,715** | **222,346** |

| 2024 | Stage 1 AED'000 | Stage 2 AED'000 | Stage 3 AED'000 | Total AED'000 |
|---|---|---|---|---|
| **Balance at 1 January** | 169,390 | 94,240 | 37,815 | 301,445 |
| Impairment charge during the year, net | 112,240 | (78,240) | – | 34,000 |
| Exchange and other adjustments | 16,222 | (16,000) | (24,418) | (24,196) |
| **Balance at 31 December** | 297,852 | – | 13,397 | 311,249 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 11 Other investments measured at fair value

### 11.1 Analysis by category and geography

| | Within the U.A.E. AED'000 | Other G.C.C. countries AED'000 | Rest of the World AED'000 | Total AED'000 |
|---|---|---|---|---|
| **As at 31 December 2025** | | | | |
| **Investments measured at fair value through other comprehensive income** | | | | |
| Quoted equity instruments | **140,616** | **22,784** | **6,134** | **169,534** |
| Unquoted equity instruments | **40,485** | **23,167** | **373,413** | **437,065** |
| **Total** | **181,101** | **45,951** | **379,547** | **606,599** |
| **As at 31 December 2024** | | | | |
| **Investments measured at fair value through other comprehensive income** | | | | |
| Quoted equity instruments | 172,626 | 16,518 | 21,275 | 210,419 |
| Unquoted equity instruments | 144,297 | 24,098 | 406,590 | 574,985 |
| **Total** | 316,923 | 40,616 | 427,865 | 785,404 |

During the year ended 31 December 2025, dividends received from investments measured at fair value through other comprehensive income amounting to AED 28.2 million (2024: AED 17.1 million) were recognized in the consolidated statement of profit or loss (note 33).

During the year ended 31 December 2025, the Group purchased shares worth AED 3.1 million (2024: AED Nil).

### 11.2 Analysis by economic sector

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Services and others | **98,379** | 218,282 |
| Financial institutions | **448,128** | 428,503 |
| Real estate | **60,092** | 138,619 |
| **Total** | **606,599** | 785,404 |

## 12 Investments in associates and joint ventures

### 12.1 Analysis of carrying value

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Balance at 1 January | **2,502,667** | 2,431,828 |
| Addition | **217,606** | 32,015 |
| Dividend received | **(9,313)** | (152,543) |
| Share of profit | **381,361** | 485,268 |
| Others | **(157,609)** | (293,900) |
| **Balance at 31 December** | **2,934,712** | 2,502,668 |

### 12.2 Analysis by geography

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Within the U.A.E. | **1,632,006** | 1,351,532 |
| Other G.C.C. Countries | **46,341** | 45,092 |
| Rest of the world | **1,256,365** | 1,106,044 |
| **Total** | **2,934,712** | 2,502,668 |

### 12.3 Analysis of the Group's share of total comprehensive income of associates and joint ventures

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| The Group's share of profit for the year | **381,361** | 485,268 |
| The Group's share of other comprehensive income/(loss) for the year | **-** | – |
| **The Group's share of total comprehensive income for the year** | **381,361** | 485,268 |

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 12 Investments in associates and joint ventures continued

### 12.4 List of associates and joint ventures

| | Name of associate or joint venture | Principal activity | Place of incorporation | Group Percentage holding 2025 | 2024 |
|---|---|---|---|---|---|
| 1. | Bank of Khartoum | Banking | Sudan | **29.5%** | 29.5% |
| 2. | PT. Bank Panin Dubai Syariah Tbk | Banking | Indonesia | **25.1%** | 25.1% |
| 3. | Bosnia Bank International | Banking | Bosnia | **27.3%** | 27.3% |
| 4. | Liquidity Management Center | Financial services | Bahrain | **25.0%** | 25.0% |
| 5. | Ejar Cranes & Equipment L.L.C. | Equipment leasing | U.A.E. | **20.0%** | 20.0% |
| 6. | Al Bustan Center Company L.L.C | Leasing apartments and shops | U.A.E. | **50.0%** | – |
| 7. | Solidere International Al Zorah Equity Investments Inc | Property development | Cayman Islands | **22.7%** | 22.7% |
| 8. | Arady Development LLC | Property development | U.A.E. | **50.0%** | 50.0% |
| 9. | T.O.M. Katilim Bankasi Anonim Sirketi | Financial services | Turkey | **25.0%** | 20.0% |
| 10. | T.O.M. Pay Elektronik Para Ve Odeme Hizmetleri Anonim Sirketi | Financial services | Turkey | **25.0%** | 20.0% |
| 11. | T.O.M. Finansman Anonim Sirketi | Financial services | Turkey | **25.0%** | 20.0% |

All of the above associates and joint ventures are accounted for using the equity accounting method in these consolidated financial statements.

### 12.5 Material associates and joint ventures

Summarized financial information in respect of the Group material joint ventures is set out below.

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| **Arady Development LLC** | | |
| **Statement of financial position** | | |
| Assets | **1,256,871** | 1,262,568 |
| Liabilities | **69,721** | 70,792 |
| Net assets | **1,187,150** | 1,191,776 |
| Carrying amount of Group's interest | **970,997** | 962,841 |
| **Statement of Comprehensive income** | | |
| Revenue | **198,809** | 209,522 |
| Net profit | **151,563** | 129,455 |

## 13 Properties held for development and sale

### 13.1 Movement in properties held for development and sale

| | Note | Other real estate AED'000 | Properties under construction AED'000 | Land AED'000 | Total AED'000 |
|---|---|---|---|---|---|
| **Balance at 1 January 2025** | | **177,599** | **261,700** | **548,839** | **988,138** |
| Additions | | **8,867** | **964,372** | **264,009** | **1,237,248** |
| Disposals | 34 | **(66,366)** | **(1,056,970)** | **-** | **(1,123,336)** |
| Reclassification | | **-** | **-** | **-** | **-** |
| Transfers | | **3,252** | **-** | **-** | **3,252** |
| Exchange and others | | **12,429** | **-** | **-** | **12,429** |
| **Balance at 31 December 2025** | | **135,781** | **169,102** | **812,848** | **1,117,731** |
| **Balance at 1 January 2024** | | 275,928 | 303,108 | 471,045 | 1,050,081 |
| Additions | | 16,889 | 603,118 | 173,162 | 793,169 |
| Disposals | 34 | (113,134) | (739,894) | – | (853,028) |
| Reclassification | | – | 95,368 | (95,368) | – |
| Transfers | | (2,955) | – | – | (2,955) |
| Exchange and others | | 871 | – | – | 871 |
| **Balance at 31 December 2024** | | 177,599 | 261,700 | 548,839 | 988,138 |

Properties held for sale represent properties in the U.A.E. and outside the U.A.E. that are registered in the name of the Group entities.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 14 Investment properties

### 14.1 Movement in investment properties at cost

| | Other real estate AED'000 | Investment properties under construction AED'000 | Land AED'000 | Total AED'000 |
|---|---|---|---|---|
| **Cost:** | | | | |
| **Balance at 1 January 2025** | **2,497,144** | **1,223,966** | **1,435,977** | **5,157,087** |
| Additions | **45,702** | **-** | **-** | **45,702** |
| Disposal | **(300,041)** | **-** | **(118,445)** | **(418,486)** |
| Transfers* | **70,735** | **-** | **341,233** | **411,968** |
| Reclassification | **-** | **-** | **-** | **-** |
| **Balance at 31 December 2025** | **2,313,540** | **1,223,966** | **1,658,765** | **5,196,271** |
| **Accumulated depreciation and impairment:** | | | | |
| **Balance at 1 January 2025** | **610,603** | **-** | **26,001** | **636,604** |
| Depreciation charged for the year | **57,395** | **-** | **-** | **57,395** |
| Depreciation on disposals | **(32,489)** | **-** | **-** | **(32,489)** |
| Impairment | **(204,602)** | **-** | **(16,768)** | **(221,370)** |
| **Balance at 31 December 2025** | **430,907** | **-** | **9,233** | **440,140** |
| **Carrying amount at 31 December 2025** | **1,882,633** | **1,223,966** | **1,649,532** | **4,756,131** |
| **Cost:** | | | | |
| **Balance at 1 January 2024** | 3,323,672 | 1,223,966 | 1,864,696 | 6,412,334 |
| Additions | – | – | 96,345 | 96,345 |
| Disposal | (950,683) | – | (526,034) | (1,476,717) |
| Transfers* | 119,595 | – | 970 | 120,565 |
| Reclassification | 4,560 | – | – | 4,560 |
| **Balance at 31 December 2024** | 2,497,144 | 1,223,966 | 1,435,977 | 5,157,087 |
| **Accumulated depreciation and impairment:** | | | | |
| **Balance at 1 January 2024** | 683,723 | – | 103,387 | 787,110 |
| Depreciation charged for the year | 64,840 | – | – | 64,840 |
| Depreciation on disposals | (95,869) | – | – | (95,869) |
| Impairment | (42,091) | – | (77,386) | (119,477) |
| **Balance at 31 December 2024** | 610,603 | – | 26,001 | 636,604 |
| **Carrying amount at 31 December 2024** | 1,886,541 | 1,223,966 | 1,409,976 | 4,520,483 |

* Transfer to investment properties include properties acquired in settlement of Islamic financing and investing assets amounting to AED 186.2 million (2024: AED 120.6 million).

### 14.2 Analysis by geography

| | Other real estate AED'000 | Investment properties under construction AED'000 | Land AED'000 | Total AED'000 |
|---|---|---|---|---|
| **2025** | | | | |
| ***Carrying amount at 31 December:*** | | | | |
| Within the U.A.E. | **1,882,494** | **1,223,966** | **1,596,880** | **4,703,340** |
| Outside the U.A.E. | **139** | **-** | **52,652** | **52,791** |
| **Total carrying amount** | **1,882,633** | **1,223,966** | **1,649,532** | **4,756,131** |
| **2024** | | | | |
| ***Carrying amount at 31 December:*** | | | | |
| Within the U.A.E. | 1,886,393 | 1,223,966 | 1,357,275 | 4,467,634 |
| Outside the U.A.E. | 148 | – | 52,701 | 52,849 |
| Total carrying amount | 1,886,541 | 1,223,966 | 1,409,976 | 4,520,483 |

### 14.3 Fair value of investment properties

The fair value of the Group's investment properties as at 31 December 2025 is AED 5.9 billion (2024: AED 5.6 billion) based on unobservable market inputs (i.e. level 3).

The Group has carried out external valuations of these properties as at 31 December 2025. The valuations are carried out by professional valuators who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment properties being valued. The valuations were based on comparable transaction method and present value calculation of the estimated future cash flow model supported by existing lease and current market rents for similar properties in the same location adjusted to reflect the level of completion of construction of these properties. The profit rate, which is used to calculate the present value of the future cash flows, reflects current market assessments of the uncertainty and timing of the cash flows.

The valuations were based on an individual assessment, for each property type, of both the future earnings and the required yield. In assessing the future earnings of the properties, potential changes in rental levels from each contract's rent and expiry date is compared with estimated current market rent, as well as changes in occupancy rates and property costs.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 15 Receivables and other assets

### 15.1 Analysis by category

| | Note | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| Receivables on sale of investment properties, net | | **-** | 187,473 |
| Due from customers | 15.1.1 | **177,646** | 201,321 |
| Acceptances | | **1,501,727** | 934,213 |
| Prepaid expenses | | **150,128** | 102,050 |
| Fair value of Sharia-compliant derivatives | 45.1 | **1,401,426** | 1,001,705 |
| Deferred tax asset | 22.3 | **123,533** | 126,997 |
| Right of use asset | | **443,193** | 196,337 |
| Intangible assets | | **-** | 5,273 |
| Others | | **6,090,128** | 4,326,625 |
| **Total** | | **9,887,781** | 7,081,994 |

#### 15.1.1 Due from customers

Due from customers represent overdrawn current accounts and other accounts that do not meet the definition of Islamic financing and investing assets and are in stage 2 and 3 respectively. The balances are stated net of provision for impairment amounting to AED 46.4 million (2024: AED 297.0 million). The Group does not hold any collateral against these accounts.

## 16 Property and equipment

| | Land and buildings AED'000 | Furniture, equipment, and vehicles AED'000 | Information technology AED'000 | Capital work in progress AED'000 | Total AED'000 |
|---|---|---|---|---|---|
| **Cost:** | | | | | |
| **Balance at 1 January 2025** | **1,625,988** | **397,560** | **1,478,655** | **238,743** | **3,740,946** |
| Additions | **6,039** | **32,837** | **7,502** | **337,937** | **384,315** |
| Disposals | **(329,548)** | **(6,473)** | **(3,319)** | **(10)** | **(339,350)** |
| Transfers | **113,484** | **(40,988)** | **241,351** | **(313,847)** | **-** |
| Write off | **-** | **-** | **-** | **(4,968)** | **(4,968)** |
| Exchange and others | **(14,194)** | **(444)** | **(373)** | **(20)** | **(15,031)** |
| **Balance at 31 December 2025** | **1,401,769** | **382,492** | **1,723,816** | **257,835** | **3,765,912** |
| **Accumulated depreciation:** | | | | | |
| **Balance at 1 January 2025** | **519,316** | **287,426** | **1,056,133** | **-** | **1,862,875** |
| Charge for the year | **24,559** | **35,902** | **137,114** | **-** | **197,575** |
| Disposals | **(16,579)** | **(5,646)** | **(2,936)** | **-** | **(25,161)** |
| Write-off | **-** | **-** | **-** | **-** | **-** |
| Exchange and others | **(6,072)** | **(5,442)** | **(2,475)** | **-** | **(13,989)** |
| **Balance at 31 December 2025** | **521,224** | **312,240** | **1,187,836** | **-** | **2,021,300** |
| **Carrying amount** | | | | | |
| **Balance at 31 December 2025** | **880,545** | **70,252** | **535,980** | **257,835** | **1,744,612** |
| **Cost:** | | | | | |
| **Balance at 1 January 2024** | 1,540,181 | 274,179 | 1,232,879 | 610,474 | 3,657,713 |
| Additions | 12,198 | 16,734 | 4,374 | 263,721 | 297,027 |
| Disposals | (212,054) | (7,512) | (5,249) | – | (224,815) |
| Transfers | 283,229 | 112,780 | 241,224 | (637,233) | – |
| Write off | (820) | – | – | – | (820) |
| Exchange and others | 3,254 | 1,379 | 5,427 | 1,781 | 11,841 |
| **Balance at 31 December 2024** | 1,625,988 | 397,560 | 1,478,655 | 238,743 | 3,740,946 |
| **Accumulated depreciation:** | | | | | |
| **Balance at 1 January 2024** | 571,196 | 268,687 | 932,834 | – | 1,772,717 |
| Charge for the year | 41,047 | 24,202 | 124,729 | – | 189,978 |
| Disposals | (93,202) | (6,710) | (5,221) | – | (105,133) |
| Write off | (820) | – | – | – | (820) |
| Exchange adjustments | 1,095 | 1,247 | 3,791 | – | 6,133 |
| **Balance at 31 December 2024** | 519,316 | 287,426 | 1,056,133 | – | 1,862,875 |
| **Carrying amount** | | | | | |
| **Balance at 31 December 2024** | 1,106,672 | 110,134 | 422,522 | 238,743 | 1,878,071 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 16 Property and equipment continued

Property and equipment amounting to AED 103.4 million (2024: 67.6 million) are held outside UAE. Various technology softwares with carrying value of AED 418.4 million (2024: 310.8 million) are included in the 'Information technology' category.

## 17 Subsidiaries

### 17.1 List of material subsidiaries

(a) Below are material interest held by the Group directly or indirectly in subsidiaries:

| | Name of subsidiary | Principal activity | Place of incorporation and operation | Ownership interest and voting power 2025 | Ownership interest and voting power 2024 |
|---|---|---|---|---|---|
| 1. | Dubai Islamic Bank Pakistan Ltd. | Banking | Pakistan | **100.0%** | 100.0% |
| 2. | Noor Bank P.J.S.C. | Banking | U.A.E | **100.0%** | 100.0% |
| 3. | Tamweel P.S.C | Financing | U.A.E | **92.0%** | 92.0% |
| 4. | DIB Bank Kenya Ltd. | Banking | Kenya | **100.0%** | 100.0% |
| 5. | Dubai Islamic Financial Services L.L.C. | Brokerage services | U.A.E. | **100.0%** | 100.0% |
| 6. | Deyaar Development P.J.S.C. | Real estate development | U.A.E | **44.9%** | 44.9% |
| 7. | Dar al Shariah Islamic Finance Consultancy L.L.C. | Islamic finance advisory | U.A.E. | **100.0%** | 100.0% |
| 8. | Al Tanmyah Services L.L.C. | Labor services | U.A.E. | **100.0%** | 100.0% |
| 9. | Al Tatweer Al Hadith Real Estate | Real estate development | Egypt | **100.0%** | 100.0% |
| 10. | Al Tameer Modern Real Estate Investment | Real estate development | Egypt | **100.0%** | 100.0% |
| 11. | Al Tanmia Modern Real Estate Investment | Real estate development | Egypt | **100.0%** | 100.0% |
| 12. | Instaprint LLC (formerly Dubai Islamic Bank Printing Press L.L.C.) | Printing | U.A.E. | **100.0%** | 100.0% |
| 13. | Al Islami Real Estate Investments Ltd. | Investments | U.A.E. | **-** | 100.0% |
| 14. | Creek Union Limited FZ LLC | Investments | U.A.E | **100.0%** | 100.0% |
| 15. | Madinat Bader Properties Co. L.L.C. | Real Estate Development | U.A.E. | **100.0%** | 100.0% |

(b) The Bank has ceased the operations for entity 5 and is in process to liquidate the entity.

### 17.2 List of Special Purpose Vehicles ("SPV")

(c) Below is the list of special purpose vehicles which were formed to manage specific transactions including funds, and are expected to be closed upon completion of the related transactions:

| | Name of SPV | Principal activity | Place of incorporation and operation | Ownership interest and voting power 2025 | Ownership interest and voting power 2024 |
|---|---|---|---|---|---|
| 16. | Al Islami Trade Company Limited | Investments | U.A.E. | **100.0%** | 100.0% |
| 17. | Deyaar Investments LLC | Investments | U.A.E. | **-** | 100.0% |
| 18. | Deyaar Funds LLC | Investments | U.A.E. | **-** | 100.0% |
| 19. | Sequia Investments L.L.C. | Investments | U.A.E. | **100.0%** | 100.0% |
| 20. | DIB FM Ltd | Investments | Cayman Islands | **100.0%** | 100.0% |
| 21. | Star Digital Investments SPV Limited | Investments | U.A.E | **100.0%** | 100.0% |

(d) The entities 13, 17 and 18 have been liquidated during the year.

### 17.3 Non-controlling interests

Below are details of subsidiaries of the Group that have material non-controlling interests:

| Name of subsidiary | Proportion of ownership interests and voting rights held by the non-controlling interests 2025 AED'000 | 2024 AED'000 | Profit allocated to non-controlling interests 2025 AED'000 | 2024 AED'000 | Accumulated non-controlling interests 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|---|---|---|
| 1. Tamweel P.S.C. | **8.0%** | 8.0% | **16,715** | 16,421 | **217,546** | 205,882 |
| 2. Deyaar Development P.J.S.C. | **55.0%** | 55.0% | **290,549** | 214,531 | **3,009,966** | 2,822,199 |
| Total | | | **307,264** | 230,952 | **3,227,512** | 3,028,081 |

### 17.4 Material non-controlling interests

Summarized financial information of material non-controlling interests before intragroup elimination is as follows:

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 17 Subsidiaries continued
### 17.4 Material non-controlling interests continued
#### 17.4.1 Tamweel P.S.C

| | 31 December 2025 AED'000 | 31 December 2024 AED'000 |
|---|---|---|
| ***Statement of financial position*** | | |
| Islamic financing and investing assets, net | **304,924** | 465,328 |
| Receivable and other assets | **3,136,039** | 2,735,844 |
| **Total assets** | **3,440,963** | 3,201,172 |
| Payable and other liabilities | **69,354** | 67,567 |
| **Total liabilities** | **69,354** | 67,567 |
| **Net assets** | **3,371,609** | 3,133,605 |

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| ***Statement of comprehensive income*** | | |
| Total revenue | **300,348** | 251,545 |
| Total operating expenses | **(84,890)** | (82,533) |
| Impairment release | **16,159** | 57,427 |
| Tax charge | **(17,292)** | (15,794) |
| Net profit for the year | **214,325** | 210,646 |
| Other comprehensive income | **26,915** | 16,388 |
| **Total comprehensive income** | **241,240** | 227,034 |
| ***Statement of cash flows*** | | |
| Net cash flows generated from operating activities | **66,194** | 99,662 |
| Net cash flows generated from investing activities | **399,100** | 426,617 |
| **Net cash flows during the year** | **465,294** | 526,279 |

#### 17.4.2 Deyaar Development P.J.S.C

| | 31 December 2025 AED'000 | 31 December 2024 AED'000 |
|---|---|---|
| ***Statement of financial position*** | | |
| Investment in associates and joint ventures | **1,408,811** | 1,311,162 |
| Properties held for development and sale | **1,085,674** | 956,082 |
| Investment properties | **814,759** | 793,180 |
| Receivables and other assets | **1,774,671** | 1,321,953 |
| Other | **2,784,997** | 2,411,157 |
| **Total assets** | **7,868,912** | 6,793,534 |
| Due to banks and financial institutions | **403,530** | 472,300 |
| Payables and other liabilities | **1,949,679** | 1,164,349 |
| **Total liabilities** | **2,353,209** | 1,636,649 |
| **Net assets** | **5,515,703** | 5,156,885 |

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| ***Statement of comprehensive income*** | | |
| Total income | **786,292** | 595,851 |
| Total expenses | **(270,776)** | (231,242) |
| Depositors' share of profit | **(55,370)** | (42,976) |
| Share of profit from associates and joint ventures | **111,948** | 92,131 |
| Tax charge | **(44,015)** | (23,849) |
| **Profit for the year** | **528,079** | 389,915 |
| **Other comprehensive loss** | **(985)** | (4,393) |
| **Total comprehensive income** | **527,094** | 385,522 |
| ***Statement of cash flows*** | | |
| Net cash flows generated from operating activities | **716,370** | 577,953 |
| Net cash flows used in investing activities | **377,862** | (1,297,132) |
| Net cash flows used in financing activities | **(365,575)** | (217,401) |
| **Net cash flows during the year** | **728,657** | (936,580) |

Adjustments were made to the above financial information to bring the subsidiary's accounting policies in line with those used by the Group.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 18 Customers' deposits

### 18.1 Analysis by category

| | Note | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| Current accounts | | **47,525,138** | 40,812,670 |
| Saving accounts | | **62,197,456** | 53,121,280 |
| Investment deposits (Term deposits based on Mudaraba and Wakala) | | **209,737,184** | 153,945,440 |
| Margin accounts | | **484,837** | 390,912 |
| Depositors' investment risk reserve | 18.3 | **22,197** | 20,954 |
| Depositors' share of profit payable | 18.4 | **217,613** | 254,499 |
| **Total** | | **320,184,425** | 248,545,755 |

### 18.2 Analysis by geography

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Within the U.A.E. | **308,818,851** | 241,793,085 |
| Outside the U.A.E. | **11,365,574** | 6,752,670 |
| **Total** | **320,184,425** | 248,545,755 |

### 18.3 Depositors' investment risk reserve

Depositors' investment risk reserve represents a portion of the depositors' share of profits set aside as a reserve and earns profit from periodic distribution from the common pool. This reserve is payable to the depositors upon the approval of the Bank's Internal Sharia Supervision Committee.

Investment Risk Reserve represents the amount appropriated by the Bank out of the income of investment account holders after the Mudarib share is allocated. This reserve is used as a cushion against future losses that investment account holders may incur and is available for the benefit of all the categories of the depositors. Investment risk reserve represents 0.06% of total Mudabara deposit pool at 31 December 2025 (31 December 2024: 0.07%).

Movement of depositors' investment risk reserve is as follows:

| | Note | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| **Balance at 1 January** | | **20,954** | 18,940 |
| Zakat for the year | 23 | **(587)** | (554) |
| Net transfer from depositors' share of profit during the year | 18.4 | **1,830** | 2,568 |
| **Balance at 31 December** | | **22,197** | 20,954 |

### 18.4 Depositors' share of profit payable

| | Note | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| **Balance at 1 January** | | **254,499** | 62,982 |
| Depositors' share of profit for the year | 37 | **1,272,577** | 1,567,153 |
| Net transfer to depositors' investment risk reserve | 18.3 | **(1,830)** | (2,568) |
| Less: amount paid during the year | | **(1,307,633)** | (1,373,068) |
| **Balance at 31 December** | | **217,613** | 254,499 |

## 19 Due to banks and financial institutions

### 19.1 Analysis by category

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Current accounts with banks | **30,261** | 58,222 |
| Investment deposits (Term deposits based on Mudaraba) | **1,936,167** | 5,796,271 |
| **Total** | **1,966,428** | 5,854,493 |

Investment deposits include deposits of AED 1.3 billion (2024: AED 1.3 billion) under collateralized commodity Murabaha arrangement from banks and financial institutions.

### 19.2 Analysis by geography

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Within the U.A.E. | **1,530,289** | 3,967,414 |
| Outside the U.A.E. | **436,139** | 1,887,079 |
| **Total** | **1,966,428** | 5,854,493 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 20 Sukuk issued

### 20.1 Analysis by issuance

The analysis of the Sukuk instruments issued by the Group is as follows:

| | Expected annual profit rate | Maturity | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|---|
| ***Listed Sukuk - Irish Stock Exchange/Nasdaq Dubai*** | | | | |
| Sukuk issued by the Bank | 2.95% | February 2025 | **-** | 2,754,572 |
| Sukuk issued by the Bank | 2.95% | January 2026 | **4,774,947** | 4,776,077 |
| Sukuk issued by the Bank | 1.96% | June 2026 | **3,673,000** | 3,673,000 |
| Sukuk issued by the Bank | 2.74% | February 2027 | **2,754,750** | 2,754,750 |
| Sukuk issued by the Bank | 5.49% | November 2027 | **2,754,750** | 2,754,750 |
| Sukuk issued by the Bank | 4.80% | August 2028 | **3,673,000** | 3,673,000 |
| Sukuk issued by the Bank | 5.24% | March 2029 | **3,673,000** | 3,673,000 |
| Sukuk issued by the Bank | 4.57% | November 2030 | **3,673,000** | – |
| ***Private placement*** | | | | |
| Sukuk issued by a subsidiary | 6M Kibor + 70 bps | December 2032 | **52,912** | 53,415 |
| Sukuk issued by a subsidiary | 3M Kibor + 175 bps | December 2028 | **41,317** | 41,833 |
| **Total** | | | **25,070,676** | 24,154,397 |

### 20.2 Sukuk issued by the Bank

The terms of the Program include transfer of certain identified assets (the "Co-Owned Assets") including original leased and Musharaka assets, Sharia compliant authorized investments and any replaced assets of the Bank to DIB Sukuk Limited, Cayman Islands (the "Issuer"). These assets are under the control of the Bank and shall continue to be serviced by the Bank.

The Issuer will pay the semi-annually distribution amount from returns received in respect of the Co-Owned Assets. Such proceeds are expected to be sufficient to cover the semi-annually distribution amount payable to the Sukuk holders on the semi-annually distribution dates. Upon maturity of the Sukuk, the Bank has undertaken to buy these assets at the exercise price from the Issuer.

These Sukuk are expected to pay profit to the investors semi-annually based on relevant margin at the time of issuance.

### 20.3 Sukuk issued by a subsidiary

In December 2022, a subsidiary issued Sharia Compliant Trust Certificates of PKR 4,000 million (AED 52.9 million) at an expected profit rate equal to 6M Kibor plus 70 bps per annum. Realized profit on these certificates is payable semi-annually in arrears. The certificates are privately placed among the local banks and financial institution.

In December 2018, a subsidiary issued Sharia Compliant Trust Certificates of PKR 3,300 million (AED 41.3 million) at an expected profit rate equal to 3M Kibor plus 175 bps per annum. Realized profit on these certificates is payable monthly in arrears. The certificates are privately placed among the local banks and financial institutions.

## 21 Payables and other liabilities

### 21.1 Analysis by category

| | Note | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| Sundry deposits and amanat | | **1,555,011** | 1,606,674 |
| Acceptances payable | | **1,501,727** | 934,213 |
| Depositors' and Sukuk holders' share of profit payable | 21.2 | **3,690,366** | 1,993,744 |
| Provision for employees' end-of-service benefits | 21.3 | **293,259** | 275,944 |
| Fair value of Sharia-compliant derivative liabilities | 45.1 | **1,294,604** | 969,806 |
| Provision for taxation | 22.2 | **1,127,301** | 730,669 |
| Lease liability | | **496,362** | 211,755 |
| Others | | **4,950,723** | 5,974,944 |
| **Total** | | **14,909,353** | 12,697,749 |

### 21.2 Depositors' and Sukuk-holders share of profit payable

| | | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| **Balance at 1 January** | | **1,993,744** | 2,012,021 |
| Wakala and other investment deposits from banks and customers | 37 | **8,451,049** | 8,050,682 |
| Sukuk-holders' accrued/realized profit on Sukuk issued | 37 | **852,279** | 886,727 |
| Paid during the year | | **(7,606,706)** | (8,955,686) |
| **Balance at 31 December** | | **3,690,366** | 1,993,744 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 21 Payables and other liabilities continued

### 21.3 Provision for employees' end-of-service benefits

| | Note | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| **Balance at 1 January** | | **275,944** | 256,256 |
| Charged during the year | 38 | **29,194** | 42,870 |
| Paid during the year | | **(11,879)** | (23,182) |
| **Balance at 31 December** | | **293,259** | 275,944 |

## 22 Taxation

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime became effective for accounting periods beginning on or after 1 June 2023. The Group is subject to CT Law starting 1 January 2024. The taxable income of the entities that are in scope for UAE CT purposes is subject to tax at 9%.

Aligning with the OECD's Global Minimum Tax effort (Pillar Two), the UAE MoF has announced certain amendments to the CT Law introducing a Qualified Domestic Minimum Top-Up Tax of 15% for Multinational Enterprises (MNEs) with effect from financial years starting on or after 1st Jan 2025. The Group is within the scope of Pillar Two legislation and as such is subject to the Pillar Two rules.

The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The effective tax rate (ETR) for the year 31 December 2025 is 13.3% which includes Top-up tax (31 December 2024: 9.3%). The deviation from the statutory tax rate is primarily driven by the geographical mix, Top-up tax and partly offset by certain exempt income and exempt gains under the CT Law in the UAE.

The Group estimates of current tax expense related to Pillar Two amounts to AED 420.6 million for the year ended 31 December 2025. The Pillar Two impact is in relation to the entities operating in the UAE.

### 22.1 Income tax expense

| | | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| Current taxation | 22.2 | **1,183,136** | 871,277 |
| Deferred taxation | 22.3 | **11,976** | (31,391) |
| **Total** | | **1,195,112** | 839,886 |

### 22.2 Provision for taxation

| | | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| **Balance at 1 January** | | **730,669** | 6,696 |
| Charged during the year | 22.1 | **1,183,136** | 871,277 |
| Paid during the year | | **(786,657)** | (146,073) |
| Foreign exchange effect | | **153** | (1,231) |
| **Balance at 31 December** | | **1,127,301** | 730,669 |

### 22.3 Deferred tax asset

| | | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| **Balance at 1 January** | | **126,997** | 84,495 |
| Charged during the year | 22.1 | **(11,976)** | 31,391 |
| Foreign exchange effect and others | | **8,512** | 11,111 |
| **Balance at 31 December** | | **123,533** | 126,997 |

### 22.4 Reconciliation of effective tax rate

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Profit before tax | **9,002,654** | 9,004,924 |
| Tax expense (at 9%) | **810,239** | 810,443 |
| Tax effect of: | | |
| Exempt income/gain | **(97,030)** | (75,410) |
| Non-deductible expenses | **30,154** | 17,494 |
| Jurisdiction tax rate difference | **51,681** | 88,137 |
| UAE Domestic minimum top up tax | **420,606** | – |
| Others | **(20,538)** | (778) |
| **Balance at 31 December** | **1,195,112** | 839,886 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 23 Zakat payable

| | Note | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| Zakat charged to equity attributable to shareholders of the Bank | | **681,367** | 581,036 |
| Zakat accounted and paid by investees | | **(77)** | (45) |
| Shareholders' Zakat for the year payable by the Bank | | **681,290** | 580,991 |
| Zakat adjustment related to previous years | | **-** | (426) |
| Net Zakat payable by the Bank on shareholders' behalf | | **681,290** | 580,565 |
| Zakat on depositors' investment risk reserve | 18.3 | **587** | 554 |
| Zakat adjusted/paid for previous years | | **-** | 426 |
| **Total Zakat payable** | | **681,877** | 581,545 |

## 24 Share capital

As at 31 December 2025, 7,240,744,377 authorized ordinary shares of AED 1 each (2024: 7,240,744,377 ordinary shares of AED 1 each) were fully issued and paid up.

## 25 Tier 1 Sukuk

| SPV ("the Issuer") | Date of issuance | Discretionary profit rate | Callable period | Issuance amount Equivalent AED'000 31 December 2025 | 31 December 2024 |
|---|---|---|---|---|---|
| DIB Tier 1 Sukuk (3) Limited | January 2019 | 6.25% per annum paid semi-annually | On or after January 2025 | **-** | 2,754,750 |
| DIB Tier 1 Sukuk (4) Limited | November 2020 | 4.63% per annum paid semi-annually | On or after May 2026 | **3,673,000** | 3,673,000 |
| DIB Tier 1 Sukuk (5) Limited | April 2021 | 3.38% per annum paid semi-annually | On or after October 2026 | **1,836,500** | 1,836,500 |
| DIB Tier 1 Sukuk (6) Limited | October 2024 | 5.25% per annum paid semi-annually | On or after April 2030 | **1,836,500** | 1,836,500 |
| | | | | **7,346,000** | 10,100,750 |

Tier 1 Sukuk is a perpetual security in respect of which there is no fixed redemption date and constitutes direct, unsecured, subordinated obligations (senior only to share capital) of the Bank subject to the terms and conditions of the Mudaraba Agreement. The Tier 1 Sukuk are listed on the Irish Stock Exchange and Dubai Financial Market/Nasdaq Dubai callable by the Bank after the "First Call Date" or any profit payment date thereafter subject to certain redemption conditions.

The net proceeds of Tier 1 Sukuk are invested by way of Mudaraba with the Bank (as Mudarib) on an unrestricted co-mingling basis, by the Bank in its general business activities carried out through the Mudaraba Common pool.

At the Issuer's sole discretion, it may elect not to make any Mudaraba profit distributions expected and the event is not considered an event of default. In such event, the Mudaraba profit will not be accumulated but forfeited to the issuer. If the Issuer makes a non-payment election or a non-payment event occurs, then the Bank will not (a) declare or pay any distribution or dividend or make any other payment on, and will procure that no distribution or dividend or other payment is made on ordinary shares issued by the Bank, or (b) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire ordinary shares issued by the Bank.

## 26 Other reserves and treasury shares

### 26.1 Movements in other reserves and treasury shares

Movement of the other reserves and treasury shares during the years ended 31 December 2025 and 2024 is as follows:

| | Statutory reserve AED'000 | General reserve AED'000 | Regulatory credit risk reserve AED'000 | Treasury shares AED'000 | Total AED'000 |
|---|---|---|---|---|---|
| **2025** | | | | | |
| **Balance at 1 January 2025** | **11,465,984** | **2,350,000** | **2,090,000** | **(31,316)** | **15,874,668** |
| Transfer to retained earnings | **-** | **-** | **602,100** | **-** | **602,100** |
| **Balance at 31 December 2025** | **11,465,984** | **2,350,000** | **2,692,100** | **(31,316)** | **16,476,768** |
| **2024** | | | | | |
| **Balance at 1 January 2024** | 11,465,984 | 2,350,000 | 1,000,000 | (31,316) | 14,784,668 |
| Transfer from retained earnings | – | – | 1,090,000 | – | 1,090,000 |
| **Balance at 31 December 2024** | 11,465,984 | 2,350,000 | 2,090,000 | (31,316) | 15,874,668 |

### 26.2 Statutory reserve

Article 239 of the U.A.E. Federal Law No. (32) of 2021 and the Articles of Association of the Bank, require that 10% of the profit attributable to the shareholders is transferred to a non-distributable statutory reserve until this reserve equals 50% of the paid-up share capital. This reserve is not available for distribution other than in circumstances stipulated by law.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 26 Other reserves and treasury shares continued

### 26.3 Regulatory credit risk reserve

Per the new credit risk management standards (CRMS) issued by CBUAE, Banks must ensure that the total provision corresponding to all Stage 1 and Stage 2 exposures is not less than the required percentage of Credit Risk weighted assets as computed under the CBUAE capital regulations. Where the collective provisions held are lower, the shortfall may be held in a dedicated non-distributable balance sheet reserve called the 'impairment reserve-general'. The amount held in the impairment reserve-general must be deducted from the capital base (Tier 1 capital for Banks) when computing the regulatory capital.

| Non-Distributable impairment reserve - general | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Minimum provision for Stage 1 & 2 as per CBUAE requirements | **4,774,693** | 4,095,593 |
| Less: Stage 1 and 2 impairment provision taken against income | **2,106,086** | 2,034,408 |
| Shortfall in stage 1 & 2 provision to meet minimum CBUAE requirement | **2,668,607** | 2,061,185 |
| Balance of Regulatory credit risk reserve – general as at 01 January | **2,090,000** | 1,000,000 |
| Non-distributable reserve during the year (Impairment reserve-general) | **602,100** | 1,090,000 |
| **Balance of Regulatory credit risk reserve - general as at 31 December** | **2,692,100** | 2,090,000 |

### 26.4 General reserve

Transfer to general reserve is made based on the discretion of the Board of Directors and is subject to the approval of the Shareholders at the annual general meeting.

### 26.5 Treasury shares

The Group holds 13,633,477 treasury shares (2024: 13,633,477 shares) amounting to AED 31.3 million (2024: AED 31.3 million).

## 27 Investments fair value reserve

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| **Balance at 1 January** | **(1,267,060)** | (1,331,986) |
| Fair value loss on other investments at FVTOCI, net | **47,675** | 43,533 |
| Transfer to retained earnings on disposal of investments carried at FVTOCI | **22,542** | 21,393 |
| **Balance at 31 December** | **(1,196,843)** | (1,267,060) |

## 28 Exchange translation reserve

Exchange translation reserve relating to the translation of the results and net assets of the Bank's foreign operations from their functional currencies to the Bank's presentation currency (i.e. AED) are recognized directly in other comprehensive income and accumulated in the exchange translation reserve.

## 29 Dividends paid and proposed

The Board of Directors has proposed a cash dividend of AED 0.35 per share at their meeting held on 10 February 2026.

For the year ended 31 December 2024, the shareholders approved a cash dividend of AED 0.45 per share (AED 3,252.2 million) at the Annual General Meeting held on 13 March 2025.

## 30 Contingent liabilities and commitments

Financing-related financial instruments include commitments to extend Islamic financing, standby letters of credit and guarantees which are designed to meet the requirements of the Group customers.

Commitments to extend Islamic financing represent contractual commitments to provide Islamic financing. Commitments generally have fixed expiration dates, or other termination clauses and normally require the payment of a fee. Since commitments may expire without being utilized, the total contract amounts do not necessarily represent future cash requirements. Standby letters of credit and guarantees commit the Group to make payments on behalf of customers contingent upon the failure of the customer to perform under the terms of the contract.

Analysis of contingent liabilities and commitments as at 31 December 2025 and 2024 is as follows:

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| **Contingent liabilities and commitments:** | | |
| Letters of guarantee | **11,383,041** | 10,021,268 |
| Letters of credit | **1,560,251** | 1,771,153 |
| Undrawn facilities commitments | **21,651,684** | 19,552,029 |
| **Total contingent liabilities and commitments** | **34,594,976** | 31,344,450 |
| **Other commitments:** | | |
| Capital expenditure and commitments | **1,743,762** | 1,494,767 |
| **Total other commitments** | **1,743,762** | 1,494,767 |
| **Total contingent liabilities and commitments** | **36,338,738** | 32,839,217 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 31 Income from Islamic financing and investing transactions

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Income from Islamic financing and investing assets | **14,478,989** | 14,877,398 |
| Income from investments in Sukuk | **4,387,538** | 3,828,079 |
| Income from Treasury Placement (Commodity Murabaha) with the Central Bank | **476,471** | 567,918 |
| Income from investment and Wakala deposits with financial institutions | **176,324** | 134,909 |
| Income from Treasury Placement (Commodity Murabaha) with financial institutions | **28,273** | 45,462 |
| **Total** | **19,547,595** | 19,453,766 |

Income from financing and investing assets is presented net of forfeited income of AED 1.3 million (2024: AED 1.3 million). During the year ended 31 December 2025, the Group has disbursed from the charity fund of the Bank AED 149.5 million (2024: AED 93.0 million) for various social contribution purposes. The disbursement from charity fund is done in accordance with the approved Zakat and charity policy of DIB and in accordance with the guidance of ISSC and Community Support Services (CSS) Committee of DIB.

## 32 Commissions, fees and foreign exchange income

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Commission and fees | **1,960,932** | 1,795,660 |
| Foreign exchange income | **286,524** | 338,917 |
| Other commissions and fees | **154,627** | 197,094 |
| Total fee and commission income | **2,402,083** | 2,331,671 |
| Fee and commission expense | **(528,225)** | (583,237) |
| **Total** | **1,873,858** | 1,748,434 |

## 33 Income from other investments measured at fair value, net

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Dividend income from investments measured at FVTOCI | **28,174** | 17,134 |
| **Total** | **28,174** | 17,134 |

## 34 Income from properties held for development and sale, net

| | Notes | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| Sales proceeds | | **1,610,808** | 1,194,552 |
| Less: cost of sale | 13.1 | **(1,123,336)** | (853,028) |
| **Total** | | **487,472** | 341,524 |

## 35 Income from investment properties

Income from investment properties represents the rental income amounting to AED 148.6 million (2024: AED 131.6 million) recognized by the Group from its investment properties and a gain of AED 356.2 million (2024: AED 607.2 million) on disposal of certain investment properties.

## 36 Other income

| | Note | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| Realized gain on disposal of investments in Sukuk | | **140,898** | 96,657 |
| Services income | | **222,480** | 184,298 |
| Net gain on disposal of property and equipment | | **293,311** | 82,846 |
| Others | | **346,903** | 192,325 |
| **Total** | | **1,003,592** | 556,126 |

## 37 Depositors' and Sukuk-holders' share of profit

| | | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| Mudaraba investment and savings deposits from customers | 18.4 | **1,272,577** | 1,567,153 |
| Wakala and other investment deposits of banks and customers | 21.2 | **8,451,049** | 8,050,682 |
| Sukuk-holders' accrued/realized profit on Sukuk issued | 21.2 | **852,279** | 886,727 |
| **Total** | | **10,575,905** | 10,504,562 |

## 38 Personnel expenses

| | | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| Salaries, wages and other benefits | | **2,227,636** | 1,946,185 |
| Staff terminal benefits | 21.3 | **29,194** | 42,870 |
| **Total** | | **2,256,830** | 1,989,055 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 39 General and administrative expenses

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Premises and equipment maintenance costs | **306,660** | 265,016 |
| Administrative expenses | **339,337** | 346,637 |
| Rental charges under leases | **108,906** | 90,083 |
| Other operating expenses | **496,066** | 479,194 |
| **Total** | **1,250,969** | 1,180,930 |

## 40 Impairment charges, net

| | | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| **Financial assets** | | | |
| Provision for Islamic financing and investing assets charged | 9.4 | **637,442** | 407,423 |
| Net provision (reversal)/charge for other assets | | **(120,850)** | 15,390 |
| Impairment charges for financial assets, net | | **516,592** | 422,813 |
| **Non-financial assets** | | | |
| Impairment release for non-financial assets | | **(31,146)** | (16,000) |
| **Total impairment charges, net** | | **485,446** | 406,813 |

## 41 Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the profit for the year attributable to owners of the Bank, net of directors' remuneration and profit attributable to Tier 1 Sukuk-holders by the weighted average number of shares outstanding during the year as follows:

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Profit for the year attributable to owners of the Bank | **7,500,278** | 7,934,086 |
| Profit attributable to Tier 1 Sukuk-holders | **(414,360)** | (404,030) |
| Board of Directors' remuneration | **(22,000)** | (19,296) |
| | **7,063,918** | 7,510,760 |
| Weighted average number of shares outstanding during the year ('000) | **7,227,111** | 7,227,111 |
| Basic and diluted earnings per share (AED per share) | **0.98** | 1.04 |

As of the reporting date, the diluted earnings per share is equal to the basic earnings per share as the Bank has not issued any financial instruments that should be taken into consideration when the diluted earnings per share is calculated.

## 42 Cash and cash equivalents

| | Note | 2025 AED'000 | 2024 AED'000 |
|---|---|---|---|
| Cash and balances with the central banks | 7.1 | **36,869,986** | 26,700,468 |
| Due from banks and financial institutions | 8.1 | **5,386,903** | 5,642,110 |
| | | **42,256,889** | 32,342,578 |
| Less: Balances with Banks and financial institutions over three months | | **(10,956,725)** | – |
| **Balance at 31 December** | | **31,300,164** | 32,342,578 |

## 43 Related party transactions

### 43.1 Identification of related parties

Parties are considered to be related if one party has the ability to control or influence the other party in making financial or operating decisions.

The Bank enters into transactions with shareholders, associates, directors, key management personnel and their related concerns in the ordinary course of business at terms agreed between both parties on arm's length basis.

Balances and transactions between the Bank and its subsidiaries, which are related parties of the Bank, have been eliminated on consolidation and are not disclosed in this note.

### 43.2 Major shareholders

As at 31 December 2025, the major shareholder of the Bank is Investment Corporation of Dubai ("ICD"), a company in which the Government of Dubai is the majority shareholder, which holds 27.9% shareholding of the Bank.

### 43.3 Significant balances and transactions

Proportion of various assets and liabilities with Investment Corporation of Dubai ("ICD") related entities, other than those that have been individually disclosed below are as follows. These entities are independently run commercial entities, and all financial transactions with the Bank are on arm's length basis. The Group has applied the exemption in IAS 24 Related Party Disclosures that allows to present reduced related party disclosures regarding transactions with government related parties.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 43 Related party transactions continued

### 43.3 Significant balances and transactions continued

| | 2025 % | 2024 % |
|---|---|---|
| Islamic financing and investing assets | **3.5** | 3.7 |
| Investment in Sukuk | **1.9** | 2.1 |
| Customer deposits | **7.1** | 5.4 |
| Income from Islamic financing and investing | **3.0** | 1.6 |
| Income from investment in Sukuk | **1.4** | 1.9 |
| Depositors' share of profits | **8.9** | 4.5 |

### 43.4 Compensation of key management personnel

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| Salaries and other benefits | **90,193** | 83,806 |
| Employee terminal benefits | **1,864** | 2,000 |

### 43.5 Related parties balances

Significant balances of related parties included in the consolidated financial statement are as follows:

| | Major shareholder AED'000 | Directors and key management personnel AED'000 | Associates and joint ventures AED'000 | Total AED'000 |
|---|---|---|---|---|
| **2025** | | | | |
| Islamic financing and investing assets | **1,528,159** | **605,060** | **16,389** | **2,149,608** |
| Investment in Sukuk | **817,368** | **-** | **-** | **817,368** |
| Customers' deposits | **662,776** | **774,400** | **13,427** | **1,450,603** |
| Contingent liabilities and commitments | **-** | **419,938** | **591** | **420,529** |
| Income from Islamic financing and investing assets | **80,651** | **28,804** | **1,320** | **110,775** |
| Income from investment in Sukuk | **39,924** | **-** | **-** | **39,924** |
| Depositors' share of profits | **45,713** | **23,499** | **-** | **69,212** |
| **2024** | | | | |
| Islamic financing and investing assets | 1,651,379 | 451,159 | – | 2,102,538 |
| Investment in Sukuk | 820,501 | – | – | 820,501 |
| Customers' deposits | 68,649 | 470,970 | 324 | 539,943 |
| Contingent liabilities and commitments | – | 155,953 | – | 155,953 |
| Income from Islamic financing and investing assets | 57,294 | 23,567 | – | 80,861 |
| Income from investment in Sukuk | 37,101 | – | – | 37,101 |
| Depositors' share of profits | 39,202 | 15,585 | – | 54,787 |

Related party balances are at stage 1 as at 31 December 2025 and 31 December 2024. The Group recognizes impairment allowance against related party balances in accordance with the IFRS accounting standards. The impairment allowance is immaterial as of 31 December 2025 and 31 December 2024.

## 44 Segmental information

### 44.1 Reportable segments

Reportable segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group's reportable segments are organized into following major segments as follows:

| | |
|---|---|
| Consumer banking: | Principally handling individual customers' deposits, providing consumer Murabaha, Salam, Home Finance, Ijarah, Credit Cards and funds transfer facilities, priority banking and wealth management. |
| Corporate banking: | Principally handling financing, other credit facilities, deposits, current accounts, cash management and risk management products for corporate and institutional customers. |
| Treasury: | Principally responsible for managing the Bank's overall liquidity and market risk and provides treasury services to customers. Treasury also runs its own Sukuk and specialized financial instruments book to manage the above risks. |
| Others: | Functions other than above core lines of businesses including international business and properties. |

The accounting policies of the above reportable segments are the same as the Group's accounting policies.

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 44 Segmental information continued

### 44.2 Segment profitability

The following table presents profit or loss and certain asset and liability information regarding the Group's business segments for the year ended 31 December:

| | Consumer banking | | Corporate banking | | Treasury | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2025 AED'000** | 2024 AED'000 | **2025 AED'000** | 2024 AED'000 | **2025 AED'000** | 2024 AED'000 | **2025 AED'000** | 2024 AED'000 | **2025 AED'000** | 2024 AED'000 |
| Net operating revenue | **4,851,480** | 4,392,252 | **3,278,593** | 3,389,708 | **2,623,610** | 2,541,793 | **2,497,186** | 2,512,787 | **13,250,869** | 12,836,540 |
| Operating expense | **(1,898,376)** | (1,609,022) | **(641,797)** | (642,042) | **(117,396)** | (110,685) | **(1,105,200)** | (1,063,054) | **(3,762,769)** | (3,424,803) |
| Net operating revenue | **2,953,104** | 2,783,230 | **2,636,796** | 2,747,666 | **2,506,214** | 2,431,108 | **1,391,986** | 1,449,733 | **9,488,100** | 9,411,737 |
| Impairment charge, net | | | | | | | | | **(485,446)** | (406,813) |
| Profit before income tax | | | | | | | | | **9,002,654** | 9,004,924 |
| Income tax expense | | | | | | | | | **(1,195,112)** | (839,886) |
| Profit for the year | | | | | | | | | **7,807,542** | 8,165,038 |

### 44.3 Segment financial position

Following table presents assets and liabilities regarding the Group's business segments:

| | Consumer banking | | Corporate banking | | Treasury | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2025 AED'000** | 2024 AED'000 | **2025 AED'000** | 2024 AED'000 | **2025 AED'000** | 2024 AED'000 | **2025 AED'000** | 2024 AED'000 | **2025 AED'000** | 2024 AED'000 |
| Segment assets | **78,385,226** | 63,126,961 | **178,402,887** | 145,346,952 | **97,448,226** | 86,304,915 | **61,711,904** | 49,907,990 | **415,948,243** | 344,686,818 |
| Segment liabilities | **105,208,409** | 89,523,721 | **216,967,178** | 160,868,013 | **3,969,921** | 3,288,817 | **36,667,251** | 38,153,388 | **362,812,759** | 291,833,939 |

### 44.4 Geographical information

Although the management of the Group is based primarily on business segments, the Group operates in two geographic markets: inside the U.A.E. which is designated as domestic and outside the U.A.E. which is designated as international.

The following table show the distribution of the Group's external gross income allocated based on the location of the operating centers for the years ended 31 December 2025 and 2024:

| | Gross income from external customers | |
|---|---|---|
| | **2025 AED'000** | 2024 AED'000 |
| Within the U.A.E. | **22,847,415** | 21,974,350 |
| Outside the U.A.E. | **979,359** | 1,366,752 |
| Total | **23,826,774** | 23,341,102 |

Gross income from external customers geographical analysis is based on the Group's operating centers and subsidiaries and associates' locations.

Revenue from major products and services are disclosed in notes 31 to 36 to the consolidated financial statements.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 44 Segmental information continued

### 44.4 Geographical information continued

The segments have been regrouped/reclassified based on management's current performance management process.

## 45 Sharia-compliant derivative financial instruments

### 45.1 Fair values of Sharia-compliant derivative financial instruments

The table below shows the positive and negative fair values of Sharia-compliant derivative financial instruments, which are equivalent to the market values, together with the notional amounts analyzed by the term to maturity. The notional amount is the amount of a Sharia-compliant derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of Sharia-compliant derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year end and are neither indicative of the market risk nor credit risk.

| | | | | Notional amounts by term to maturity | | | | |
|---|---|---|---|---|---|---|---|---|
| | Positive fair value AED'000 | Negative fair value AED'000 | Notional amount total AED'000 | Within 3 months AED'000 | Over 3 months to 1 year AED'000 | Over 1 year to 3 years AED'000 | Over 3 to 5 years AED'000 | Over 5 years AED'000 |
| **2025** | | | | | | | | |
| ***Sharia-compliant Derivatives held for trading:*** | | | | | | | | |
| Unilateral promise to buy/sell currencies | **167,914** | **173,528** | **22,583,378** | **18,897,290** | **3,686,088** | **-** | **-** | **-** |
| Sharia-compliant profit rate swaps | **1,229,582** | **1,117,215** | **94,882,526** | **1,191,347** | **4,606,862** | **13,968,914** | **53,329,320** | **21,786,083** |
| Sharia-compliant currency (Call/Put) options | **1,565** | **1,565** | **1,714,219** | **-** | **1,714,219** | **-** | **-** | **-** |
| Commodity options | **2,365** | **2,296** | **78,283** | **17,287** | **42,699** | **18,297** | **-** | **-** |
| **Total** | **1,401,426** | **1,294,604** | **119,258,406** | **20,105,924** | **10,049,868** | **13,987,211** | **53,329,320** | **21,786,083** |
| **2024** | | | | | | | | |
| ***Sharia-compliant Derivatives held for trading:*** | | | | | | | | |
| Unilateral promise to buy/sell currencies | 131,670 | 164,446 | 15,735,865 | 13,769,069 | 1,966,796 | – | – | – |
| Sharia-compliant profit rate swaps | 819,115 | 754,440 | 86,599,410 | 54,000 | 7,940,188 | 13,515,189 | 42,082,630 | 23,007,403 |
| Sharia-compliant currency (Call/Put) options | 41,865 | 41,865 | 2,563,901 | – | 2,563,901 | – | – | – |
| | 9,055 | 9,055 | 420,049 | 317,278 | 102,771 | – | – | – |
| **Total** | 1,001,705 | 969,806 | 105,319,225 | 14,140,347 | 12,573,656 | 13,515,189 | 42,082,630 | 23,007,403 |

### 45.2 Types of Sharia-compliant derivatives

#### 45.2.1 Unilateral Promise to buy/sell currencies

Unilateral promises to buy/sell currencies are promises to either buy or sell a specified currency at a specific price and date in the future. The actual transactions are executed on the value dates, by exchanging the purchase/sale offers and acceptances between the relevant parties and delivering (exchanging) the relevant currencies on spot basis.

#### 45.2.2 Sharia-compliant Swaps

Sharia-compliant Swaps are based on a Waa'd (promise) structure between two parties to buy a specified Sharia compliant commodity at an agreed price on the relevant date in future. It is a conditional promise to purchase a commodity through a unilateral purchase undertaking. Sharia-compliant swap structure comprises profit rate swap and currency swap. For Sharia-compliant profit rate swaps, counterparties generally exchange fixed and floating rate profit payments by executing the purchase/sale of commodity under "Murabaha Sale Agreement" in a single currency. For Sharia-compliant currency swaps, fixed or floating profit payments as well as cost of underlying commodity are exchanged in different currencies, by executing the purchase/sale of commodity under "Murabaha Sale Agreement".

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 46 Financial assets and liabilities
### 46.1 Financial instruments classification
The table below sets out the Group classification of each class of financial assets and liabilities and their carrying amounts as at 31 December 2025 and 2024:

| | Fair value through OCI AED'000 | Fair value through profit or loss AED'000 | Amortised cost AED'000 | Carrying amount AED'000 |
|---|---|---|---|---|
| **2025** | | | | |
| ***Financial assets*** | | | | |
| Cash and balances with central banks | **-** | **-** | **36,869,986** | **36,869,986** |
| Due from banks and financial institutions | **-** | **-** | **5,386,903** | **5,386,903** |
| Islamic financing and investing assets, net | **-** | **287,531** | **261,767,608** | **262,055,139** |
| Investment in Sukuk | **220,152** | **-** | **90,368,497** | **90,588,649** |
| Other investments measured at fair value | **606,599** | **-** | **-** | **606,599** |
| Receivables and other assets | **-** | **1,401,426** | **7,497,185** | **8,898,611** |
| | **826,751** | **1,688,957** | **401,890,179** | **404,405,887** |
| ***Financial liabilities*** | | | | |
| Customers' deposits | **-** | **-** | **320,184,425** | **320,184,425** |
| Due to banks and financial institutions | **-** | **-** | **1,966,428** | **1,966,428** |
| Sukuk issued | **-** | **-** | **25,070,676** | **25,070,676** |
| Payables and other liabilities | **-** | **1,294,604** | **12,097,686** | **13,392,290** |
| | **-** | **1,294,604** | **359,319,215** | **360,613,819** |
| **2024** | | | | |
| ***Financial assets*** | | | | |
| Cash and balances with central banks | – | – | 26,700,468 | 26,700,468 |
| Due from banks and financial institutions | – | – | 5,642,110 | 5,642,110 |
| Islamic financing and investing assets, net | – | 274,862 | 212,151,886 | 212,426,748 |
| Investment in Sukuk | 220,047 | – | 81,940,687 | 82,160,734 |
| Other investments measured at fair value | 785,404 | – | – | 785,404 |
| Receivables and other assets | – | 1,001,705 | 5,543,456 | 6,545,161 |
| | 1,005,451 | 1,276,567 | 331,978,607 | 334,260,625 |
| ***Financial liabilities*** | | | | |
| Customers' deposits | – | – | 248,545,755 | 248,545,755 |
| Due to banks and financial institutions | – | – | 5,854,493 | 5,854,493 |
| Sukuk issued | – | – | 24,154,397 | 24,154,397 |
| Payables and other liabilities | – | 969,806 | 12,156,570 | 13,126,376 |
| | – | 969,806 | 290,711,215 | 291,681,021 |

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 46 Financial assets and liabilities continued

### 46.2 Fair value of financial instruments

This note provides information about how the Group determines the fair value of various financial assets and financial liabilities.

#### 46.2.1 Fair value of the Group's financial assets and financial liabilities

All of the Group's financial assets and financial liabilities, which are reported at their fair value in these consolidated financial statements, are measured at fair value at end of each reporting period. The fair value of financial assets and financial liabilities are determined as follows:

- Fair value of all quoted other investments measured at fair value through profit or loss and at fair value through other comprehensive income (note 11) are based on quoted price in an active market (unadjusted);
- Fair value of all unquoted other investments measured at fair value through other comprehensive income are mainly based on unobservable inputs like net asset valuation method and market based valuation techniques which include comparable proxy inputs and recent market transactions. The Group has determined that the reported net asset value represents the fair value at end of the reporting period; and
- Fair value of all Sharia-compliant derivatives financial instruments (Sharia compliant profit rate swap and unilateral promise to buy/sell currencies) is based on present value calculation of the estimated future cash flows. Future cash flows are estimated, based on forward (promise) profit rates and/or exchange rates (from observable yield curves and/or forward exchange rates at the end of each reporting period) and contract (based on promise) profit and/or forward (promise) rates, estimated at a rate that reflects the credit risk of various counterparties.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumption are required to reflect differences between the instruments.

The table below summarizes the Group's financial instruments' fair value according to fair value hierarchy:

| | **Level 1 AED'000** | **Level 2 AED'000** | **Level 3 AED'000** | **Total AED'000** |
|---|---|---|---|---|
| **2025** | | | | |
| **Islamic financing and investing assets are fair value through profit or loss** | **-** | **-** | **287,531** | **287,531** |
| **Investments measured at fair value through other comprehensive income** | | | | |
| Quoted instruments | **389,686** | **-** | **-** | **389,686** |
| Unquoted instruments | **-** | **-** | **437,065** | **437,065** |
| **Other assets** | | | | |
| Sharia-compliant derivative assets | **-** | **1,401,426** | **-** | **1,401,426** |
| **Financial assets measured at fair value** | **389,686** | **1,401,426** | **724,596** | **2,515,708** |
| **Other liabilities** | | | | |
| Sharia-compliant derivative liabilities | **-** | **1,294,604** | **-** | **1,294,604** |

| | Level 1 AED'000 | Level 2 AED'000 | Level 3 AED'000 | Total AED'000 |
|---|---|---|---|---|
| **2024** | | | | |
| **Islamic financing and investing assets are fair value through profit or loss** | | | 275,000 | 275,000 |
| **Investments measured at fair value through other comprehensive income** | | | | |
| Quoted instruments | 430,466 | – | – | 430,466 |
| Unquoted instruments | – | – | 574,985 | 574,985 |
| **Other assets** | | | | |
| Sharia-compliant derivative assets | – | 1,001,705 | – | 1,001,705 |
| **Financial assets measured at fair value** | 430,466 | 1,001,705 | 849,985 | 2,282,156 |
| **Other liabilities** | | | | |
| Sharia-compliant derivative liabilities | – | 969,806 | – | 969,806 |

There were no transfers between Level 1, 2 and 3 during the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 46 Financial assets and liabilities continued

### 46.2 Fair value of financial instruments continued

#### 46.2.2 Reconciliation of Level 3 fair value measurement of financial assets measured at fair value through other comprehensive income

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| **Balance at 1 January** | **574,985** | 639,633 |
| Loss in other comprehensive income | **(11,691)** | (62,329) |
| Disposal during the year | **(506)** | (1,763) |
| Others | **(125,723)** | (556) |
| **Balance at 31 December** | **437,065** | 574,985 |

#### 46.2.3 Fair value of financial instruments

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities (other than cash which is stated at level 2) recognized in the consolidated financial statement approximate their fair values and is included in level 3.

| | Carrying amount AED'000 | Fair value | | | |
|---|---|---|---|---|---|
| | | Level 1 AED'000 | Level 2 AED'000 | Level 3 AED'000 | Total AED'000 |
| **2025** | | | | | |
| ***Financial assets:*** | | | | | |
| Investments in Sukuk | **90,588,649** | **87,301,661** | **873,443** | **2,665,875** | **90,840,979** |
| ***Financial liabilities:*** | | | | | |
| Sukuk issued | **25,070,676** | **24,965,427** | **-** | **94,229** | **25,059,656** |
| **2024** | | | | | |
| ***Financial assets:*** | | | | | |
| Investments in Sukuk | 82,160,734 | 74,109,157 | 1,436,484 | 4,682,609 | 80,228,250 |
| ***Financial liabilities:*** | | | | | |
| Sukuk issued | 24,154,397 | 23,599,008 | – | 95,248 | 23,694,256 |

## 47 Financial risk management

### 47.1 Introduction

Risk is inherent in the Group's activities and is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his responsibilities.

The Group is exposed to various risks including but not limited to:

- Credit risk;
- Liquidity risk;
- Market risk;
- Profit rate risk;
- Operational risk;
- Financial crime;
- Model risk;
- Reputational risk;
- Regulatory/compliance risk;
- Information and cyber security risk;
- Sharia non-compliance risk;
- Market conduct risk;
- Strategic risk; and
- Environment, social and governance risk.

#### 47.1.1 Risk management structure

The Board of Directors, supported by the Board Risk Compliance and Governance Committee, Risk Management Committee of the management and Group Risk Management Department, is ultimately responsible for identifying, monitoring and controlling risks; additionally there are other independent bodies/functions also responsible for managing and monitoring risks.

Board of Directors

The Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and policies.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued

### 47.1 Introduction continued

#### 47.1.1 Risk management structure continued

Board Risk Compliance and Governance Committee

The Board Risk Compliance and Governance Committee (BRCGC) has the overall responsibility for the development of the risk strategies, frameworks, policies and limits, and for recommending these strategies and policies to the Board of Directors. BRCGC supports the Board in fulfilling its oversight responsibilities with respect to implementation of DIB's governance, enterprise risk management and internal control frameworks and their related operations. Further, BRCGC maintains a group wide view of current and future risk position relative to its risk appetite and capital strength. It is responsible for the fundamental risk issue and manages and monitors relevant risk decisions.

Risk Management Committee

The day-to-day monitoring of risk has been delegated to Risk Management Committee of the Bank. The Risk Management Committee has the overall responsibility to support the Board Risk Compliance and Governance Committee for the development and formulation of the risk strategies, frameworks, policies and limits. It is responsible for ensuring the compliance with all risk limits, monitoring risk exposures and implementing the regulatory guidelines issued by the regulatory bodies (e.g. The Central Bank of the U.A.E.). Oversee and champion efforts to instil a robust risk culture within DIB which supports embedding the Risk Management Framework, Risk policies and processes and ensure that business is conducted in an ethical manner.

Group Risk Management Department

The Group Risk Management Department is responsible for implementing and maintaining risk related procedures to ensure risk remains within the acceptable range as approved by the Board Risk Compliance and Governance Committee and the Board of Directors. The department is responsible for credit administration, portfolio management, credit risk, liquidity risk, market risk, operational risk, conduct risk and overall risk control.

Asset and Liability Management Committee

Asset and Liability Management Committee ("ALCO") is a management committee responsible for managing the Group's assets and liabilities. The Committee:

- Act as guardian in overseeing all matters that impact the Banks asset and liability structure, including but not limited to management of liquidity, profit rate risk, market risk, and oversight on compliance with the related internal and regulatory limits and guidelines.
- Oversee liquidity management of the Bank, develop strategies, operating policies and practices to manage liquidity risk in accordance with Board approved policies and risk tolerance/limits to ensure the Bank maintains sufficient liquidity at all times.
- Ensure adequate systems and capabilities are in place to identify, measure, monitor, control and report on liquidity, ALM, PRRBB and market risk exposures and related risks.

Provision and Impairment Review Committee

Provision and impairment review committee (PIRC) is established to assist management in fulfilling their responsibilities with respect to the following:

- Compliance with IFRS 9 standards, related CBUAE applicable regulatory rules, and the Bank's policies;
- that the DIB Group prudently recognizes significant deterioration in credit quality and non-performance and carries appropriate level of expected credit loss; and
- Review and consider impairment and fair value considerations for other classes of assets such as investments in subsidiaries, associates, investment properties and other investments.

The Committee's primary responsibility comprises supervising, monitoring, application and review of all impairment models in respect of use of expected credit losses and related central bank guidelines including monitoring of staging of exposures and considering ordinary and extraordinary circumstances in determining ECL stage and ECL levels. The Committee meets regularly and reports to Risk Management Committee (RMC). Further, BRCGC approved the provisioning process and associated provisions as per Article 9.16 of the Credit Risk Management Regulation and accompanying standards, Circular No. 5131 dated 17 October 2024.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued

### 47.1 Introduction continued

#### 47.1.1 Risk management structure continued

**Model Risk Management Committee**

The Committee is established to oversee models which are used for valuation, risk measurement, decision-making etc. with the objective of providing substantiated decisions related to each step of the model life-cycle and ensuring the models meet quality standards to support informed decision making. The Committee's primary responsibility comprises requesting, approving and/or overseeing material decisions throughout the model life-cycle, such as new developments, re-development, modeling choices and methodologies, re-calibration, implementation, model usage, withdrawal, amongst other, ensuring good model governance and compliance with DIB's Model Governance Policy (MGP) and the Model Management Standards and Guidance issued by the Central Bank of the United Arab Emirates (MMSG). The Committee meets at least on a quarterly basis and reports to Risk Management Committee (RMC).

**Compliance Committee**

The Committee has been established to provide oversight of compliance at an enterprise level and ensure DIB's compliance framework is robust, effective and fit for purpose to safeguard its reputation and operations. The Committee facilitates Executive Management in fulfilling their responsibilities with respect to compliance, and plays a particularly important role in promoting a strong compliance culture across the Group.

**Sharia Compliance Function**

The Sharia Compliance function of Internal Sharia Control Department is responsible to continuously monitor the compliance of the Bank's businesses and activities with resolutions, fatwas, regulations and standards which are issued by the Higher Sharia Authority as well as ISSC.

**Group Internal Audit Department**

The Group Internal Audit is an independent and objective function which is designed to support the Group to accomplish its objectives by bringing a systematic auditing approach to evaluate the effectiveness of risk management, control, and governance processes. Group Internal Audit, as a third line of defense, is accountable to provide independent assurance to the Board of Directors through the Board Audit Committee. Risk management processes throughout the Group are audited periodically by the Group Internal Audit Department which examines both the adequacy of the procedures and the Group's compliance with the procedures.

**Group Internal Sharia Audit Department**

Compliance to Sharia and the Fatwas issued by the ISSC of the Bank in all the matters of the Bank including the execution of the transactions are audited periodically by the Group Internal Sharia Audit Department which examines the adequacy of the procedures and the Group's Operations' compliance with the Fatwas and guidance of the ISSC. Group Internal Sharia Audit Department discusses its findings and assessments with the management and submits the findings along with responses of the relevant departments and its recommendations to the ISSC for its guidance and corrective measures and then submit the final report to the Board Audit Committee for execution of ISSC decision.

#### 47.1.2 Risk measurement and reporting systems

The Group measures risks using qualitative as well as quantitative methods for credit, market, liquidity and operational risks. Further, the Group also uses quantitative analysis and methods to support revisions in business and risk strategies as and when required. These analysis and methods reflect both the expected loss likely to arise in normal course of business or unexpected losses in an unforeseen event based on simple statistical techniques and probabilities derived from historical experience. The Group also runs stress scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Board of Directors and management. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept, with additional emphasis on selected industries.

Information compiled from all the businesses is examined and processed in order to analyze the risk profile and identify inherent risks. This information is presented and explained to the management, management committees, the Risk Management Committee, and Board Risk Compliance and Governance Committee. Specialized reports are presented to the pertinent heads of business and are delivered with a frequency suited to the volatility of the risk. The report includes aggregate credit exposure, limit exceptions, liquidity, operational loss incidents and other risk profile changes. At appropriate frequencies, detailed reporting of industry, customer and geographic risks takes place.

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued

### 47.1 Introduction continued

#### 47.1.3 Model risk management

The Bank uses a number of quantitative models in many of its financial and business activities from underwriting a credit facility to reporting expected credit losses under IFRS 9, assessing liquidity risk, profit rate risk and many other areas.

To manage the model risks, the Bank has developed and implemented Model Risk Management Policy which contains bank wide development, implementation and validation policies and practices. According to the framework, all internally or externally developed risk quantification models that directly affect the financial reporting on expected credit losses require validation periodically (internally or externally). Model Risk Management Committee (MRMC) is responsible for overseeing all model related development, implementation of framework and performance of the models. MRMC reports to Risk Management Committee of the Bank.

The Framework establishes a systematic approach to manage the development, implementation, approval, validation and ongoing use of models. It sets out an effective governance and management structure with clearly defined roles and responsibilities, policies and controls for managing model risk. The Framework is reviewed on a regular basis to ensure it meets regulatory standards and international practices. Any major change to the Framework is approved by the Risk Management Committee upon recommendation of MRMC.

The Bank has an independent validation function that performs independent model validation. It provides Fit-for-Purpose, Conditional Approval or Not Fit-for-Purpose recommendation to MRMC to approve the use of the new risk quantification/valuation models. In addition to new model validation, the validation function also evaluates the performance of existing models through an annual validation process.

#### 47.1.4 Risk mitigation

As part of its overall risk management, the Group uses various methods to manage exposures resulting from changes in credit risks, liquidity risks, market risks (including profit rate risk, foreign exchange risk, and equity price risk), and operational risks.

The Group seeks to manage its credit risk exposures through diversification of financing and investing activities to avoid undue concentration of risk with individuals and groups of customers in specific locations or businesses. The Group actively uses collateral to reduce its credit risks.

In order to guard against liquidity risk, management has diversified funding sources and assets are managed with overall liquidity in consideration maintaining a healthy balance of liquid assets (i.e. cash and cash equivalents).

The market risks are managed on the basis of predetermined asset allocation across various asset categories and continuous appraisal of market conditions for movement and expectation of foreign currencies rate, bench mark profit rates and equity prices.

To manage all other risks, the Group has developed a detailed risk management framework to identify and apply resources to mitigate the risks.

#### 47.1.5 Risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group performance to developments affecting a particular industry or geographical location.

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued

### 47.2 Credit risk

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

#### Credit risk measurement

The Group's approach to credit risk management is based on the foundation of independence and integrity of risk management as well as applicable regulatory standards. This is ensured through a well defined and robust organization structure duly supported by various risk committees, forums, systems, policies, procedures and processes providing a strong risk infrastructure and management framework.

The Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparties. These segments include: Corporate, Contracting, SME, FI and Real Estate. Models are developed with the external support of accredited consultants and are also subjected to external validation. Models are calibrated to the Group's internal rating scale, and are housed within the Moody's CreditLens platform. The assessment is undertaken in accordance with Bank's policies and procedures and considers the risk profile and characteristics of the customer along with drivers of their credit performance.

The rating tools are kept under review and upgraded as necessary. The Group regularly validates the performance of the rating and their predictive power with regard to default events.

#### Management of watch list and non-performing Financing

The Group has a well-defined process for identification of watch list and non-performing financing and dealing with them effectively. There are policies which govern credit grading of these customers and their impairment, in line with IFRS and regulatory guidelines. Once an account is classified as non-performing, it is assessed for recoverability by an independent Special Assets Management unit reporting directly to GCRO to ascertain appropriate classification, recovery actions and appropriate level of provision.

#### Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of securities for facilities provided, which is a common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. Collaterals are revalued regularly as per Bank's credit policy and applicable regulations. The principal collateral types for Islamic financing and investing assets are:

- Mortgages over residential and commercial properties;
- Corporate guarantees;
- Charges over business assets such as premises, machinery, vehicles and inventory; and
- Charges over financial instruments such as deposits and equity investments.

When eligible collaterals are used in calculating provisions for stage 3 accounts, the Bank employs haircuts which are conservative considering regulatory requirements.

#### Sharia-compliant derivative financial instruments

Credit risk arising from Sharia-compliant derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the consolidated financial position.

#### Credit-related commitments risks

The Bank makes available to its customers guarantees and letters of credit which require that the Bank makes payments in the event that the customer fails to fulfil certain obligations to other parties. This exposes the Group to a similar risk to Islamic financing and investing assets and these are mitigated by the same control processes and policies.

#### 47.2.1 Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

The table below shows the maximum exposure to credit risk by class of financial asset, including Sharia-compliant derivatives. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting and collateral agreements.

| | **Gross maximum exposure 2025 AED'000** | Gross maximum exposure 2024 AED'000 |
|---|---|---|
| Balances with central banks | **34,639,747** | 24,701,162 |
| Due from banks and financial institutions | **5,389,821** | 5,645,028 |
| Islamic financing and investing assets | **267,682,683** | 218,912,440 |
| Investment in Sukuk | **90,810,995** | 82,471,983 |
| Receivables and other assets | **8,898,614** | 6,882,122 |
| | **407,421,860** | 338,612,735 |
| Contingent liabilities | **12,943,292** | 11,792,421 |
| Commitments | **21,651,684** | 19,596,087 |
| **Total** | **442,016,836** | 370,001,243 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued

### 47.2 Credit risk continued

#### 47.2.2 Risk concentrations of the maximum exposure to credit risk

Concentration of risk is managed by client/counterparty, by geographical region and by industry sector. The Group's financial assets, before taking into account any collateral held or other credit enhancements can be analyzed by the following geographical regions:

| | **2025 AED'000** | 2024 AED'000 |
|---|---|---|
| The U.A.E. | **326,620,173** | 282,971,355 |
| Other Gulf Cooperation Council (GCC) countries | **70,754,506** | 54,371,955 |
| Asia | **22,735,163** | 19,168,432 |
| Europe | **15,288,156** | 11,666,974 |
| Africa | **4,318,071** | 1,678,356 |
| Others | **2,300,767** | 144,172 |
| **Total** | **442,016,836** | 370,001,243 |

An industry sector analysis of the Group's financial assets, before taking into account collateral held or other credit enhancements, is as follows:

| | **Gross Maximum Exposure 2025 AED'000** | Gross Maximum Exposure 2024 AED'000 |
|---|---|---|
| Government | **90,084,549** | 85,797,410 |
| Financial Institutions | **69,875,838** | 46,896,153 |
| Real estate | **58,568,028** | 50,323,962 |
| Contracting | **7,541,360** | 6,814,738 |
| Trade | **10,050,248** | 8,781,044 |
| Aviation | **16,918,085** | 14,753,543 |
| Services and others | **109,645,186** | 92,188,828 |
| Consumer financing | **45,483,460** | 37,196,816 |
| Consumer home finance | **33,850,082** | 27,248,748 |
| **Total** | **442,016,836** | 370,001,243 |

#### 47.2.3 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Credit policy guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- For commercial Islamic financing and investing facilities, charges over real estate properties, inventory, leased assets and trade receivables;
- For retail Islamic financing and investing facilities, charge over assets and mortgages over properties; and
- Shares, corporate guarantees, deposits and equity investments.

The Group also obtains guarantees from parent companies for Islamic financing and investing assets granted to their subsidiaries, but the benefits are not included in the above table.

#### 47.2.4 Analysis of credit quality

Credit risk exposure of the Group's financial assets for each internal risk rating

| | Moody's equivalent grades | **Total 2025 AED'000** | Total 2024 AED'000 |
|---|---|---|---|
| **Low risk** | | | |
| *Risk rating class 1a to 4c* | *Aaa – Baa3* | **233,031,376** | 186,376,422 |
| **Moderate risk** | | | |
| *Risk rating class 5a to 6c* | *Ba1 – B3* | **187,613,500** | 155,291,019 |
| **Fair risk** | | | |
| *Risk rating classes 7a to 7d* | *Caa1 – Ca* | **13,144,991** | 17,442,830 |
| **Default** | | | |
| *Risk rating classes 8 to10* | *C* | **8,226,969** | 10,890,973 |
| **Total** | | **442,016,836** | 370,001,243 |

It is the Group policy to maintain accurate and consistent risk ratings across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of financing exposures across all lines of business, geographic regions and products. All internal risk ratings are tailored to the various categories and are derived in accordance with the Group rating policy. The attributable risk ratings are assessed and updated regularly.

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued

### 47.2 Credit risk continued

#### 47.2.5 Analysis of financial instruments by stage

The stage wise analysis of the financial instruments is as follows:

| | Stage 1 AED'000 | Stage 2 AED'000 | Stage 3 AED'000 | Total AED'000 |
|---|---|---|---|---|
| **2025** | | | | |
| Balances with central banks | **34,639,747** | **-** | **-** | **34,639,747** |
| Due from banks and financial institutions | **5,389,821** | **-** | **-** | **5,389,821** |
| Islamic financing and investing assets | **250,418,778** | **10,097,039** | **7,166,866** | **267,682,683** |
| Investment in Sukuk | **90,776,020** | **-** | **34,975** | **90,810,995** |
| Receivables and other assets | **8,674,552** | **-** | **224,062** | **8,898,614** |
| | **389,898,918** | **10,097,039** | **7,425,903** | **407,421,860** |
| Contingent liabilities | **11,833,496** | **308,730** | **801,066** | **12,943,292** |
| Commitments | **21,651,684** | **-** | **-** | **21,651,684** |
| **Total** | **423,384,098** | **10,405,769** | **8,226,969** | **442,016,836** |

| | Stage 1 AED'000 | Stage 2 AED'000 | Stage 3 AED'000 | Total AED'000 |
|---|---|---|---|---|
| **2024** | | | | |
| Balances with central banks | 24,701,162 | – | – | 24,701,162 |
| Due from banks and financial institutions | 5,645,028 | – | – | 5,645,028 |
| Islamic financing and investing assets | 198,891,813 | 10,882,501 | 9,138,126 | 218,912,440 |
| Investment in Sukuk | 82,444,218 | – | 27,765 | 82,471,983 |
| Receivables and other assets | 6,156,368 | 227,473 | 498,281 | 6,882,122 |
| | 317,838,589 | 11,109,974 | 9,664,172 | 338,612,735 |
| Contingent liabilities | 10,427,293 | 138,327 | 1,226,801 | 11,792,421 |
| Commitments | 19,596,087 | – | – | 19,596,087 |
| **Total** | 347,861,969 | 11,248,301 | 10,890,973 | 370,001,243 |

### 47.3 Liquidity risk and funding management

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. The Group also has committed lines of credit that it can access to meet liquidity needs. In addition, the Group maintains statutory deposits with the central banks. The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group.

The high quality of the asset portfolio ensures its liquidity and coupled with the Group's own funds and stable customer deposits help form a stable funding source. Even under expected adverse conditions, the Group ensures to maintain adequate liquid buffers to meet its funding requirements.

The key measurement tools for liquidity Risk monitoring in the Bank are Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR"), which are based on regulatory requirements as per the CBUAE. These regulatory metrics are complemented by internal metrics such as liquidity stress testing, funding concentration metrics, evaluation of available unencumbered Assets and Liquidity Pool, cumulative maturity mismatch analyses as well as monitoring of Bank Specific and Market Wide Early Warning Indicators ("EWIs").

#### 47.3.1 Liquidity risk management process

The Group liquidity risk management process, as carried out within the Group and monitored by a separate teams in Group risk management department and Treasury department includes:

- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are financed by customers;
- Monitoring financial position liquidity ratios against internal and regulatory requirements;
- Managing the concentration and profile of Islamic financing and investing exposures maturities; and
- Monitoring critical liquidity ratios.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued

### 47.3 Liquidity risk and funding management continued

#### 47.3.2 Funding approach

Sources of liquidity and funding are regularly reviewed by management to maintain a wide diversification by currency, geography, provider, product and term. The sources of funding are share capital, Tier 1 capital, Senior Sukuk and customer deposits for retail and wholesale and financial liabilities.

Refer note 18 for customers' deposits, note 20 for Sukuk issued and note 25 for Tier 1 issuance.

#### 47.3.3 Maturity analysis of assets and liabilities

The table below summarizes the maturity profile of the Group's assets and liabilities based on the carrying values.

| | Less than 3 months AED'000 | 3 months to 1 year AED'000 | 1 year to 5 years AED'000 | Over 5 years AED'000 | No maturity AED'000 | Total AED'000 |
|---|---|---|---|---|---|---|
| **2025** | | | | | | |
| **Assets:** | | | | | | |
| Cash and balances with central banks | 26,831,511 | 10,038,475 | - | - | - | 36,869,986 |
| Due from banks and financial institutions | 4,645,870 | 733,657 | 7,376 | - | - | 5,386,903 |
| Islamic financing and investing assets, net | 22,952,735 | 31,431,261 | 126,183,057 | 81,488,086 | - | 262,055,139 |
| Investments in Sukuk | 1,951,819 | 8,200,445 | 53,677,353 | 26,759,032 | - | 90,588,649 |
| Other investments measured at fair value | - | - | - | - | 606,599 | 606,599 |
| Investments in associates and joint ventures | - | - | - | - | 2,934,712 | 2,934,712 |
| Properties held for development and sale | - | - | - | - | 1,117,731 | 1,117,731 |
| Investment properties | - | - | - | - | 4,756,131 | 4,756,131 |
| Receivables and other assets | 1,007,910 | 5,699,182 | 2,716,732 | 20,764 | 443,193 | 9,887,781 |
| Property and equipment | - | - | - | - | 1,744,612 | 1,744,612 |
| **Total assets** | **57,389,845** | **56,103,020** | **182,584,518** | **108,267,882** | **11,602,978** | **415,948,243** |
| **Liabilities and equity:** | | | | | | |
| Customers' deposits | 203,236,260 | 102,318,500 | 14,394,700 | 234,965 | - | 320,184,425 |
| Due to banks and financial institutions | 1,359,126 | 511,390 | 83,867 | 12,045 | - | 1,966,428 |
| Sukuk issued | 4,774,901 | 3,673,000 | 16,528,546 | 94,229 | - | 25,070,676 |
| Payables and other liabilities | 5,130,520 | 7,769,195 | 1,931,670 | 77,968 | - | 14,909,353 |
| Zakat payable | 681,877 | - | - | - | - | 681,877 |
| Equity | - | - | - | - | 53,135,484 | 53,135,484 |
| **Total liabilities and equity** | **215,182,684** | **114,272,085** | **32,938,783** | **419,207** | **53,135,484** | **415,948,243** |

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2025

## 47 Financial risk management continued

### 47.3 Liquidity risk and funding management continued

#### 47.3.3 Maturity analysis of assets and liabilities continued

| | Less than 3 months AED'000 | 3 months to 1 year AED'000 | 1 year to 5 years AED'000 | Over 5 years AED'000 | No maturity AED'000 | Total AED'000 |
|---|---|---|---|---|---|---|
| **2024** | | | | | | |
| **Assets:** | | | | | | |
| Cash and balances with central banks | 26,700,468 | – | – | – | – | 26,700,468 |
| Due from banks and financial institutions | 5,642,110 | – | – | – | – | 5,642,110 |
| Islamic financing and investing assets, net | 24,797,629 | 24,253,350 | 93,302,232 | 70,073,537 | – | 212,426,748 |
| Investments in Sukuk | 2,813,105 | 5,649,145 | 42,190,703 | 31,507,781 | – | 82,160,734 |
| Other investments measured at fair value | – | – | – | – | 785,404 | 785,404 |
| Investments in associates and joint ventures | – | – | – | – | 2,502,668 | 2,502,668 |
| Properties held for development and sale | – | – | – | – | 988,138 | 988,138 |
| Investment properties | – | – | – | – | 4,520,483 | 4,520,483 |
| Receivables and other assets | 667,514 | 5,797,149 | 420,296 | 698 | 196,337 | 7,081,994 |
| Property and equipment | – | – | – | – | 1,878,071 | 1,878,071 |
| **Total assets** | 60,620,826 | 35,699,644 | 135,913,231 | 101,582,016 | 10,871,101 | 344,686,818 |
| **Liabilities and equity:** | | | | | | |
| Customers' deposits | 146,600,042 | 74,702,840 | 26,952,257 | 290,616 | – | 248,545,755 |
| Due to banks and financial institutions | 5,543,621 | 123,383 | 158,811 | 28,678 | – | 5,854,493 |
| Sukuk issued | 2,754,750 | – | 21,304,398 | 95,249 | – | 24,154,397 |
| Payables and other liabilities | 7,691,290 | 3,436,502 | 1,541,785 | 28,172 | – | 12,697,749 |
| Zakat payable | – | 581,545 | – | – | – | 581,545 |
| Equity | – | – | – | – | 52,852,879 | 52,852,879 |
| **Total liabilities and equity** | 162,589,703 | 78,844,270 | 49,957,251 | 442,715 | 52,852,879 | 344,686,818 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued

### 47.3 Liquidity risk and funding management continued

#### 47.3.4 Non-derivative cash flows

The table below summarizes the maturity profile of the gross cash flows of the Group financial liabilities as at 31 December 2025 and 2024. The amounts disclosed in the table are the contractual gross cash flows, whereas the Group manages the inherent liquidity risk based on expected gross cash flows.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the management expects that many customers will not request repayment on the earliest date the Group could be required to pay and the table does not reflect the expected cash flows indicated by the Group's deposit retention history.

| | Less than 3 months AED'000 | 3 months to 1 year AED'000 | 1 to 5 years AED'000 | Over 5 Years AED'000 | Total AED'000 |
|---|---|---|---|---|---|
| **2025** | | | | | |
| Customers' deposits | 204,331,977 | 104,890,810 | 14,579,754 | 304,250 | 324,106,791 |
| Due to banks and other financial institutions | 1,359,126 | 557,612 | 95,912 | - | 2,012,650 |
| Sukuk issued | 4,781,520 | 3,707,634 | 18,803,427 | 93,272 | 27,385,853 |
| Payables and other liabilities | 5,126,328 | 6,714,024 | 1,695,624 | 77,968 | 13,613,944 |
| Zakat payable | 681,877 | - | - | - | 681,877 |
| **Total liabilities** | 216,280,828 | 115,870,080 | 35,174,717 | 475,490 | 367,801,115 |
| **Contingent liabilities:** | | | | | |
| Letters of guarantee | 9,528,856 | 1,173,682 | 132,948 | 547,555 | 11,383,041 |
| Letters of credit | 1,177,042 | 239,454 | 143,755 | - | 1,560,251 |
| | 10,705,898 | 1,413,136 | 276,703 | 547,555 | 12,943,292 |
| Capital expenditure commitments | 30,551 | 44,058 | 1,669,153 | - | 1,743,762 |
| **Total contingent liabilities and commitments** | 10,736,449 | 1,457,194 | 1,945,856 | 547,555 | 14,687,054 |

| | Less than 3 months AED'000 | 3 months to 1 year AED'000 | 1 to 5 years AED'000 | Over 5 Years AED'000 | Total AED'000 |
|---|---|---|---|---|---|
| **2024** | | | | | |
| Customers' deposits | 146,837,825 | 76,697,872 | 28,093,720 | 361,685 | 251,991,102 |
| Due to banks and other financial institutions | 5,740,501 | 176,734 | 136,990 | - | 6,054,225 |
| Sukuk issued | 2,755,399 | - | 23,614,397 | 93,984 | 26,463,780 |
| Payables and other liabilities | 7,689,142 | 2,248,842 | 2,731,593 | 28,172 | 12,697,749 |
| Zakat payable | - | 581,545 | - | - | 581,545 |
| **Total liabilities** | 163,022,867 | 79,704,993 | 54,576,700 | 483,841 | 297,788,401 |
| **Contingent liabilities:** | | | | | |
| Letters of guarantee | 8,122,638 | 1,749,381 | 147,326 | 1,923 | 10,021,268 |
| Letters of credit | 916,571 | 692,764 | 161,818 | - | 1,771,153 |
| | 9,039,209 | 2,442,145 | 309,144 | 1,923 | 11,792,421 |
| Capital expenditure commitments | 9,114 | 44,058 | 1,441,595 | - | 1,494,767 |
| **Total contingent liabilities and commitments** | 9,048,323 | 2,486,203 | 1,750,739 | 1,923 | 13,287,188 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued

### 47.4 Market risk

Market risk is the risk that the value of financial instruments in the Group's books could produce a loss because of changes in future market conditions. The Group takes on market risks in the pursuit of its strategic and business objectives. The Group predominantly pursues opportunities in the market that exposes itself to the following categories of market risk – which are actively managed and monitored:

- profit rate risk: losses in value due to changes in the level, slope and curvature of yield curves, the volatility of profit rates and changes in credit spreads; and
- foreign exchange risk: losses in value due to exposures to changes in spot prices, forward prices and volatilities of currency rates.

As part of the Group's risk management framework, an extensive governance processes is applied to the market risk taking activities. This governance framework includes, inter alia:

- approval by the Board Risk Compliance and Governance Committee of a set of risk limits with appropriate monitoring, reporting and limits excesses' escalation procedures;
- appropriate valuation of financial instruments and measurement of market risk;
- a comprehensive set of policies, procedures and limits; and
- monitoring a wide range of risk metrics appropriate for the respective trading activities – such as risk sensitivities, gross and net open positions, Value-at-Risk (VaR) and stop-loss limits.

### 47.4.1 Profit rate risk

Profit rate risk arises from the possibility that changes in profit rates will affect future profitability or the fair values of financial instruments. The Group is exposed to profit rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance sheet instruments that mature or re-price in a given period. The Group manages this risk through risk management strategies.

The effective profit rate (effective yield) of a monetary financial instrument is the rate that, when used in a present value calculation, results in the carrying amount of the instrument. The rate is a historical rate for a fixed rate instrument carried at amortised cost and a current rate for a floating rate instrument or an instrument carried at fair value.

The following table demonstrates the sensitivity to a reasonable possible change in profit rates, with all other variables held constant, of the Group's consolidated statement of profit or loss.

The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in profit rates on the net income for one year, based on the variable profit rate non-trading financial assets and financial liabilities held at 31 December 2025 and 2024.

| Currency | change in basis points | **2025 AED'000** | 2024 AED'000 |
|---|---|---|---|
| Sensitivity of net profit income | -50 | **(145,818)** | (84,172) |
| Sensitivity of net profit income | +50 | **108,291** | 51,691 |

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued
### 47.4 Market risk continued
#### 47.4.2 Foreign exchange risk

The table below summarizes the Group exposure to foreign currency exchange rate risk at 31 December 2025 and 2024. Included in the table are the Group financial instruments at their carrying amounts, categorized by currency.

| | AED AED'000 | USD AED'000 | Other G.C.C. AED'000 | GBP AED'000 | Euro AED'000 | Other AED'000 | Total AED'000 |
|---|---|---|---|---|---|---|---|
| **2025** | | | | | | | |
| **Financial Assets:** | | | | | | | |
| Cash and balances with the central banks | 36,515,158 | 61,428 | - | 695 | 1,019 | 291,686 | 36,869,986 |
| Due from banks and financial institutions | 166,530 | 4,304,963 | 82,528 | 32,996 | 72,383 | 727,503 | 5,386,903 |
| Islamic financing and investing assets, net | 173,089,662 | 83,262,789 | 2,134,145 | 9,009 | 2,494 | 3,557,040 | 262,055,139 |
| Investment in Sukuk | 6,041,619 | 83,415,095 | - | 881 | 1,605 | 1,129,449 | 90,588,649 |
| Other investments at fair value | 13,957 | - | - | - | - | 592,642 | 606,599 |
| Receivables and other assets | 4,387,938 | 3,267,009 | 154,351 | - | 1,017,762 | 71,551 | 8,898,611 |
| **Total** | 220,214,864 | 174,311,284 | 2,371,024 | 43,581 | 1,095,263 | 6,369,871 | 404,405,887 |
| **Financial Liabilities:** | | | | | | | |
| Customers' deposits | 279,132,442 | 34,995,646 | 62,482 | 360,418 | 1,428,951 | 4,204,486 | 320,184,425 |
| Due to banks and other financial institutions | 1,557,043 | 195,225 | - | 17 | 25 | 214,118 | 1,966,428 |
| Sukuk issued | - | 24,976,447 | - | - | - | 94,229 | 25,070,676 |
| Payables and other liabilities | 8,171,439 | 3,738,931 | 1,650 | 9,698 | 1,063,364 | 407,208 | 13,392,290 |
| **Total** | 288,860,924 | 63,906,249 | 64,132 | 370,133 | 2,492,340 | 4,920,041 | 360,613,819 |
| Net on balance sheet | (68,646,060) | 110,405,035 | 2,306,892 | (326,552) | (1,397,077) | 1,449,830 | 43,792,068 |
| Unilateral promise to buy/sell currencies | 16,159,434 | (15,562,676) | (2,089,864) | 268,019 | 1,202,325 | 22,762 | - |
| **Currency position - long/(short)** | (52,486,626) | 94,842,359 | 217,028 | (58,533) | (194,752) | 1,472,592 | 43,792,068 |

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued
### 47.4 Market risk continued
#### 47.4.2 Foreign exchange risk continued

| | AED AED'000 | USD AED'000 | Other G.C.C. AED'000 | GBP AED'000 | Euro AED'000 | Other AED'000 | Total AED'000 |
|---|---|---|---|---|---|---|---|
| **2024** | | | | | | | |
| **Financial Assets:** | | | | | | | |
| Cash and balances with central banks | 26,326,688 | – | – | 524 | 396 | 372,860 | 26,700,468 |
| Due from banks and financial institutions | 1,662,782 | 3,130,676 | 59,485 | 19,391 | 51,921 | 717,855 | 5,642,110 |
| Islamic financing and investing assets, net | 149,274,423 | 57,898,913 | 2,147,752 | 12,751 | 2,526 | 3,090,383 | 212,426,748 |
| Investment in Sukuk | 4,943,434 | 75,591,847 | – | – | – | 1,625,453 | 82,160,734 |
| Other investments at fair value | 9,978 | – | – | – | – | 775,426 | 785,404 |
| Receivables and other assets | 3,328,224 | 2,371,932 | 111,865 | – | 403,430 | 329,710 | 6,545,161 |
| **Total** | 185,545,529 | 138,993,368 | 2,319,102 | 32,666 | 458,273 | 6,911,687 | 334,260,625 |
| **Financial Liabilities:** | | | | | | | |
| Customers' deposits | 221,268,730 | 21,423,767 | 97,692 | 298,890 | 1,182,808 | 4,273,868 | 248,545,755 |
| Due to banks and other financial institutions | 381,296 | 5,121,399 | – | 16 | 22 | 351,760 | 5,854,493 |
| Sukuk issued | – | 24,059,149 | – | – | – | 95,248 | 24,154,397 |
| Payables and other liabilities | 8,980,048 | 2,865,554 | 408,857 | 17,567 | 525,493 | 328,857 | 13,126,376 |
| **Total** | 230,630,074 | 53,469,869 | 506,549 | 316,473 | 1,708,323 | 5,049,733 | 291,681,021 |
| Net on balance sheet | (45,084,545) | 85,523,499 | 1,812,553 | (283,807) | (1,250,050) | 1,861,954 | 42,579,604 |
| Unilateral promise to buy/sell currencies | 9,448,914 | (9,132,510) | (1,699,248) | 246,451 | 1,118,633 | 17,760 | – |
| **Currency position – long/(short)** | (35,635,631) | 76,390,989 | 113,305 | (37,356) | (131,417) | 1,879,714 | 42,579,604 |

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued

### 47.4 Market risk continued

#### 47.4.2 Foreign exchange risk continued

Sensitivity analysis – impact of fluctuation of various currencies on net income and equity

The tables below indicate the extent to which the Group was exposed to currency risk at 31 December 2025 and 2024 on its non-trading monetary assets and liabilities and forecast cash flows. The analysis is performed for a reasonable possible movement of the currency rate against the AED with all other variables held constant on the consolidated statement of profit or loss (due to the changes in the fair values of currency sensitive non-trading monetary assets and liabilities) and equity (due to the change in fair value of foreign currency denominated equity instruments). A negative amount in the table reflects a potential net reduction in consolidated statement of profit or loss and equity, while a positive amount reflects a net potential increase. The sensitivity analysis does not take account of actions by the Group that might be taken to mitigate the effect of such changes.

| Currency | Increase in currency rate in % | **Effect on profit or loss 2025 AED'000** | Effect on profit or loss 2024 AED'000 |
|---|---|---|---|
| US Dollar | +2 | **(4,017)** | (4,296) |
| GBP | +2 | **(1,171)** | (747) |
| EURO | +2 | **(3,895)** | (2,628) |

| Currency | Decrease in currency rate in % | **Effect on profit or loss 2025 AED'000** | Effect on profit or loss 2024 AED'000 |
|---|---|---|---|
| US Dollar | -2 | **4,017** | 4,296 |
| GBP | -2 | **1,171** | 747 |
| EURO | -2 | **3,895** | 2,628 |

#### 47.4.3 Foreign investment

The Group has overseas subsidiaries and is therefore exposed to movements in the foreign currency rates used to convert income into the Group presentation currency, the U.A.E. Dirham.

The table below indicates the change in profit before tax and equity had the result for the year ended 31 December 2025 and 2024 been translated at exchange rates against the AED adjusted, with all other variables held constant, by the assumed changes below. The sensitivity analyses do not take account of actions by the Group that might be taken to mitigate the effect of such changes.

| Currency | Increase in currency rate in % | **Effect on profit or loss 2025 AED'000** | **Effect on equity 2025 AED'000** | Effect on profit or loss 2024 AED'000 | Effect on equity 2024 AED'000 |
|---|---|---|---|---|---|
| Pak Rupees | +5 | **3,139** | **47,229** | 3,748 | 30,794 |
| Egyptian Pound | +5 | **263** | **2,149** | 516 | 2,529 |

| Currency | Decrease in currency rate in % | **Effect on profit or loss 2025 AED'000** | **Effect on equity 2025 AED'000** | Effect on profit or loss 2024 AED'000 | Effect on equity 2024 AED'000 |
|---|---|---|---|---|---|
| Pak Rupees | -5 | **(2,840)** | **(16,276)** | (3,391) | (26,810) |
| Egyptian Pound | -5 | **(238)** | **(2,010)** | (467) | (2,288) |

#### 47.4.4 Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Group's private equity investment portfolio.

The effect on equity (as a result of a change in the fair value of equity instruments held as fair value through other comprehensive income (FVTOCI) at 31 December 2025 and 2024) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

| Market indices | Change in market Indices % | **Effect on other comprehensive income 2025 AED'000** | Effect on other comprehensive income 2024 AED'000 |
|---|---|---|---|
| Dubai Financial Market | +5% | **1,171** | 2,357 |
| Abu Dhabi Exchange | +5% | **-** | 4,373 |
| Bahrain Stock Exchange | +5% | **(176)** | 165 |
| Other | +5% | **325** | 2,738 |

An increase of 5% in fair value of Level 3 financial instruments due to change in unquoted market price/valuation of financial instruments as at the reporting date would have increased the net assets attributable to the Bank by AED 21.9 million (2024: AED 28.7 million).

# Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued

### 47.5 Operational risk

Operational risk is the potential exposure to financial or other damage arising from inadequate or failed internal processes, people or systems. Under this definition Bank also has defined methodologies for monitoring and managing various operational risk types including technology risk, data risk, people risk, fraud risk and legal risk.

The Group has developed a detailed operational risk framework that clearly defines roles and responsibilities of individuals/units across different functions of the Group that are involved in performing various operational risk management tasks. Operational Risk Management Framework will ensure that operational risks within the Group are properly identified, monitored, managed and reported. Key elements of the framework include process mapping, setting up loss data base, setting up of KRIs, risk analysis and risk management reporting.

The Group is currently using operational risk tracking system, i.e. Enterprise Governance Risk and Compliance system to track operational risk events across the Group. The system houses more than ten years of operational loss data. The subject system is also capable to record KRI and RCSA.

Each new product introduced is subject to a risk review and signoff process where all relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product. Variations of existing products are also subject to a similar process. Business and support units are responsible for managing operations risk in their respective functional areas. They operate within the Group's operational risk management framework and ensure that risk is being managed within their respective business units. The day-to-day management of operations risk is through the maintenance of a comprehensive system of internal controls, supported by robust systems and procedure to monitor transaction positions and documentation, as well as maintenance of key backup procedures and business contingency planning.

### 47.6 Reputational risk

Reputational risk arises from negative perception on the part of customers, counterparties, shareholders, investors or regulators or other relevant parties that can adversely affect a Bank's ability to maintain existing or establish new, business relationships and continued access to sources of funding. It also includes the threat to the brand value of a financial institution. The Group has measures to ensure a positive perception of the Group and that overall risk management ensures appropriate management of reputational risk.

### 47.7 Regulatory/compliance risk

Compliance risk is the risk of failing to comply with applicable regulations which may lead to regulatory enforcements, penalties, or reputational damage. The Group has an independent Compliance function, with the necessary mandate and authority to oversee compliance requirements on a Group wide basis. Compliance policies covering key areas such as Sanctions, Anti Money Laundering (AML), Counter Terrorist Financing (CTF), Proliferation Financing (PF), Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS) are applicable Group wide and are supplemented where necessary to address any unique local requirements. These policies are supported by automated screening and monitoring systems and associated investigation teams to help comply with applicable reporting requirements. Independent Compliance Monitoring is undertaken to provide assurance over the effectiveness of controls. Mandatory Compliance Training is provided to all relevant staff both at onboarding and periodically thereafter to help ensure that key requirements are complied with.

### 47.8 Sharia Non-Compliance Risk

Sharia Non-Compliance Risk refers to probability of financial loss or reputational damage that the Bank might incur or suffer due to not complying with the principles of Sharia. In compliance with the Sharia Governance Standard for Islamic Financial Institutions issued by the Higher Sharia Authority of the Central Bank of UAE ("HSA") on 21 April 2020 (the "Standard"), the Bank's Board of Directors ("Board") is ultimately responsible for the Bank's compliance with Sharia principles. The ISSC is the highest authority in the Bank from a Sharia governance perspective.

The Board is expected to be aware of Sharia non-compliance risk and its potential impact on the Bank. The Board Risk, Compliance and Governance Committee ("BRCGC") supervises and monitors management of Sharia non-compliance risk and sets controls in relation to this type of risk, in consultation with ISSC and through the Group Internal Sharia Control Department of the Bank. ("GISCD"). The BRCGC ensures the availability of an information system that enables the Bank to measure, assess and report Sharia non-compliance risk. Sharia Compliance reports are provided in a timely manner to the Board or BRCGC and Senior Management, in formats suitable for their use and understanding.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 47 Financial risk management continued

### 47.8 Sharia Non-Compliance Risk continued

The Bank implements effective internal Sharia controls adopting the three lines of defence approach where each line is independent, which includes:

- the first line of defence, represented by the business line, sets clear policies, procedures, and controls, approved by Internal Sharia Supervision Committee of the Bank ("ISSC"), and executes the business activities in a manner compliant with the principles of Sharia at all times.
- the second line of defence, represented by the GISCD, undertakes amongst the others the Sharia control and Sharia compliance functions.
- the third line of defence represented by Group Internal Sharia Audit Department ("GISAD"), follows Risk-based Sharia Audit approach for annual planning, undertakes the execution of Sharia audit assignments of the Bank and reports its findings to the ISSC.

## 48 Capital management

### 48.1 Capital management objective

The Group's objectives with managing capital, which is a broader concept than the 'equity' on the face of consolidated financial position are:

- To comply with the capital requirements set by the Central Bank of U.A.E.;
- To safeguard the Group's ability to continue as a going concern and increase the returns for the shareholders; and
- To maintain a strong capital base to support the development of its business.

### 48.2 Regulatory capital

The Group's lead regulator, the Central Bank of U.A.E. (CBUAE), sets the capital requirements for the Group as a whole. The Group and individual banking operations within the Bank are directly supervised by their respective local regulators.

The Group's regulatory capital comprises of the following:

- Common Equity Tier 1 (CET1), which includes fully paid up capital, statutory reserve, general reserve, retained earnings, exchange translation reserve and investment fair value reserve. Regulatory adjustments under Basel III, which includes deductions of deferred tax assets, investments in banking and financial entities and other threshold deductions;
- Tier 1 capital, includes CET1, with additional items that consist of Tier 1 capital instruments and certain non-controlling interests in subsidiaries; and
- Tier 2 capital, which includes collective impairment allowance and qualifying subordinated liabilities, subject to a maximum limit of 1.25% of credit risk weighted assets.

The Bank was recognized as Domestic Systemically Important Bank (D-SIB) during the year ended 31 December 2018 and is accordingly required to keep a D-SIB buffer of 0.5% in addition to the CCB of 2.5%.

As per the Central Bank regulation for Basel III, the minimum capital requirement as at 31 December 2025 is 13.5% inclusive of countercyclical buffer (CCyb), capital conservation buffer of 2.5% and D-SIB buffer of 0.5%. From 01 January 2026, counter cyclical buffer of 0.5% on the private sector credit exposures in the UAE would also be required to be maintained.

The Group assets are risk weighted as to their relative credit, market, and operational risk. Credit risk includes both on and off-balance sheet risks. Market risk is defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices and includes profit rate risk, foreign exchange risk, equity exposure risk, and commodity risk. Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

The Group is following the standardized approach for credit, market and operational risk, as permitted by the Central Bank of U.A.E. and as per Pillar 1 of Basel III.

Capital adequacy and the use of regulatory capital are monitored on a regular basis by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee and the Central Bank of U.A.E. An internal assessment of material risks is carried out quarterly to enable an evaluation of the capital required to cover these risks. This is referred to as the Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP consists of a point-in-time assessment of exposures and risks at the end of the financial year together with a forward-looking stress capital assessment. The annual ICAAP is approved by the Board and submitted to the Central Bank of U.A.E.

The objectives, policies and processes are under constant review by management and are updated as and when required.

The Bank is computing and reporting Basel III ratios in accordance with guidelines of the Central Bank of U.A.E.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2025

## 48 Capital management continued

### 48.2 Regulatory capital continued

Capital Adequacy Ratio (CAR) under Basel III in accordance with regulations of the Central Bank of the U.A.E. is as follows:

| | 2025 AED'000 | 2024 AED'000 |
|---|---|---|
| ***Common Equity Tier 1 (CET1)*** | | |
| Share capital | **7,240,744** | 7,240,744 |
| Other reserves | **13,784,668** | 13,784,668 |
| Retained earnings | **19,882,943** | 16,652,186 |
| Cumulative deferred exchange losses | **(2,371,129)** | (2,028,690) |
| Investment fair value reserve | **(1,204,416)** | (1,270,120) |
| Intangible assets | **(311,557)** | (215,824) |
| Deferred tax assets | **(123,533)** | (126,997) |
| **Total CET 1 Capital** | **36,897,720** | 34,035,967 |
| ***Additional Tier 1 Capital*** | | |
| Tier 1 Sukuk | **7,346,000** | 10,100,750 |
| **Total Additional Tier 1 Capital** | **7,346,000** | 10,100,750 |
| **Total Tier 1 Capital** | **44,243,720** | 44,136,717 |
| ***Tier 2 Capital*** | | |
| Collective impairment allowance | **2,106,086** | 2,925,424 |
| **Total Tier 2 Capital** | **2,106,086** | 2,925,424 |
| **Total capital base** | **46,349,806** | 47,062,141 |
| ***Risk weighted assets*** | | |
| Credit risk | **272,839,586** | 234,033,891 |
| Market risk | **3,204,327** | 2,110,429 |
| Operational risk | **22,863,353** | 21,063,244 |
| **Total risk weighted assets** | **298,907,266** | 257,207,564 |
| ***Capital Ratios*** | | |
| Capital adequacy ratio | **15.5%** | 18.3% |
| Tier 1 Capital ratio | **14.8%** | 17.2% |
| Common Equity Tier 1 ratio | **12.3%** | 13.2% |

The capital adequacy ratio for the year 2025 has been calculated after considering the impact of the proposed dividend as required by Capital Supply Standard and the related guidance issued by Central Bank of the UAE.

## 49 Comparative information

Certain comparative amounts have been reclassified wherever necessary to conform to the current presentation.

## 50 Fiduciary activities

The Group held assets in a fiduciary capacity for its customers at 31 December 2025 amounting to AED 11.7 billion (31 December 2024: AED 11.1 billion). The underlying assets held in fiduciary capacity are excluded from these consolidated financial statements.

## 51 Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorized for issue on 10 February 2026.

دبي الإسلامي

DIB

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