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DIB

Management Discussion & Analysis

FOR PERIOD ENDED 30 June 2026

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DIB Posts Strong H1 2026 Results with Gross Revenue up 10% YoY to Ð 12.4 Billion and Asset Quality Continuing to Advance

- Gross revenue increased 10% YoY to Ð 12.4 billion, supported by growth across both funded and non-funded income streams.
- Net financing assets grew 7% YTD to Ð 281 billion, reflecting sustained financing momentum across the Bank's core busines segments.
- Revenue growth, disciplined cost management and a low cost of risk supported pre-tax profit of Ð 4.3 billion, with pre-tax return on tangible equity at 20%.
- Asset quality continued to strengthen, with NPF ratio improving to 2.4% and Cost of Risk remaining low at 28 bps.
- Capital and liquidity remained robust, with CET1 at 13.0%, LCR at 140% and customer deposits reaching Ð 327 billion.

Key H1 2026 Performance Metrics:

Revenue & Profitability

Gross Revenue	Operating Profit	Pre-tax Profit
Ð 12.4 bn	**Ð 4.8 bn**	**Ð 4.3 bn**
+10% YoY	+6% YoY	+1% YoY

Business Growth

Net Financing Assets & Sukuk Investments	Customer Deposits	Total Assets
Ð 366 bn	**Ð 327 bn**	**Ð 423 bn**
+4% YTD	+2% YTD	+2% YTD

Balance Sheet Strength

NPF Ratio	CET1 Ratio	CAR Ratio
2.4%	**13.0%**	**16.1%**
(30) bps YTD	+70 bps YTD	+60 bps YTD

H1 2026 Key Financial Highlights:

Revenue and Profitability:

- Gross revenue increased 10% YoY to Ð 12.4 billion, supported by sustained growth across funded and non-funded income streams.
- Operating profit rose 6% YoY to Ð 4.8 billion, supported by revenue growth and continued operating efficiency.
- Pre-tax profit reached Ð 4.3 billion, with pre-tax return on tangible equity remaining close to 20%, reflecting the resilience of the Bank's earnings profile.

Balance Sheet Growth:

- Net financing assets grew 7% YTD to Ð 281 billion, supported by healthy demand across both consumer and wholesale banking segments at Ð 43 billion in new gross financing during the period.
- The continued growth reflects the strength of the Bank's franchise and its ability to support customers across key business segments.
- Customer deposits grew 2% YTD to Ð 327 billion, supported by sustained customer acquisition momentum and continued growth in CASA balances, which reached Ð 112 billion, up more than 1% YTD.

Asset Quality Improvement:

- The Bank's asset quality continued to strengthen, with the NPF ratio improving to 2.4%, down 30 bps YTD.
- The Bank's cost of risk remained contained at 28 bps, further reflecting the resilience and quality of its financing book.
- The Cash Coverage Ratio remained healthy at 122%, up 200 bps YTD, while the Total Coverage Ratio remained solid at 158%.

Capital and Liquidity Strength:

- DIB maintained a strong capital position, with a Common Equity Tier 1 Ratio (CET1) of 13.0% and Capital Adequacy Ratio (CAR) of 16.1%, reflecting disciplined capital management and the Bank's solid internal capital generation capacity.
- The Bank continued to maintain solid liquidity buffers, with regulatory liquidity ratios comfortably above requirements, as reflected in an LCR of 140% and NSFR of 105%.
- The Bank's strong funding profile was further supported by growth in customer deposits and CASA balances.

As the UAE continues to advance its economic ambitions and strengthen its global standing, DIB remains committed to supporting this progress.

His Excellency Mohammed Ibrahim Al-Shaibani

Director-General of His Highness
The Ruler's Court of Dubai and Chairman of DIB

The first half of 2026 unfolded in a challenging operating environment, with geopolitical developments, shifting rate expectations and market confidence continuing to shape decision-making across global markets. Against this backdrop, the UAE remained resilient, supported by economic diversification, disciplined policy execution and the depth of its financial system. Dubai's latest economic data provides a clear example of this resilience, with GDP reaching Đ 232 billion in Q1 2026, up 2.4% year-on-year.

For the banking sector, such conditions reinforce the importance of sound governance, balance sheet strength and responsible capital allocation. DIB's performance in the first half reflects these priorities. Net financing assets grew 7% year-to-date to Đ 281 billion, while customer deposits increased 2% year-to-date to Đ 327 billion, demonstrating the confidence the Bank continues to command from customers and the market.

The Board remains focused on ensuring that DIB grows with discipline and not merely for scale. In an evolving cycle, preserving asset quality, liquidity and capital strength is as important as expanding the franchise. The Bank's results show that growth has been delivered on a healthy footing, supported by prudent risk management and a business model anchored in Shariah-compliant banking.

The successful issuance of DIB's USD 1 billion Additional Tier 1 Sukuk during the period was another important marker of confidence. It reaffirmed the Bank's access to global capital markets and the strength of its credit profile, while supporting DIB's capacity to pursue future growth from a position of resilience.

As the UAE continues to advance its economic ambitions and strengthen its global standing, DIB remains committed to supporting this progress. Our priorities remain clear: to preserve the strength of the Bank, support the real economy, deepen customer trust and continue advancing Islamic finance as a competitive and responsible model for modern banking.

> ***DIB is well placed to continue supporting customers, businesses and the wider economy through Islamic banking solutions that remain relevant, responsible and commercially competitive.***

Dr. Adnan Chilwan
Group Chief Executive Officer of DIB

DIB delivered a strong first-half performance in 2026, with gross revenue increasing 10% year-on-year to Đ 12.4 billion. Growth was supported by both funded and non-funded income streams, reflecting the breadth of earnings across the franchise and continued demand for our Shariah-compliant products and services.

Profitability remained robust. Operating profit rose 6% year-on-year to Đ 4.8 billion, supported by revenue growth, disciplined cost management and continued operating efficiency. Pre-tax profit reached Đ 4.3 billion, while post-tax profit remained stable at Đ 3.7 billion. Pre-tax return on tangible equity remained close to 20%, reflecting the quality of our earnings and our focus on returns, not simply balance sheet growth.

Balance sheet growth was measured and well supported. Net financing assets grew 7% year-to-date to Đ 281 billion, driven by sustained financing demand across consumer and wholesale banking. Total assets reached Đ 423 billion, while customer deposits increased to Đ 327 billion, supported by customer acquisition and growth in CASA balances.

Asset quality continued to improve, an important outcome in the current environment. The non-performing financing ratio improved to 2.4%, cost of risk remained low at 28 bps and cash coverage stood at 122%. These indicators reflect disciplined underwriting, active portfolio management and the quality of the Bank's financing book as we continue to grow.

Capital and liquidity remained strong, with CET1 at 13.0%, CAR at 16.1%, LCR at 140% and NSFR at 105%. The successful issuance of our USD 1 billion Additional Tier 1 Perpetual Non-Call 6-Year Sukuk further strengthened our capital base and demonstrated investor confidence in DIB's credit fundamentals and strategy.

Our priorities for the second half are clear. We will continue to grow with discipline, diversify revenues, maintain asset quality and invest in capabilities that improve efficiency and customer service. With a resilient balance sheet and focused strategy, DIB is well placed to continue supporting customers, businesses and the wider economy through Islamic banking solutions that remain relevant, responsible and commercially competitive.

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Business and Strategic Highlights:

Consumer Banking Growth:

- Consumer banking maintained strong growth momentum, with the portfolio expanding 12% YTD to Ð 86 billion, supported by broad-based demand across financing products.
- Personal Finance volumes increased by 30% YoY, taking the portfolio beyond Ð 30 billion and reinforcing DIB's leading position in the UAE personal finance market.
- Consumer deposits reached Ð 91 billion, up 5% YTD, with a healthy CASA mix of 44%, supporting funding stability and balance sheet resilience.
- The Bank continued to strengthen its customer franchise through quality-led acquisition and engagement initiatives, with DIB Xtra campaigns supporting deeper primary banking relationships and sustainable franchise growth.

Corporate Banking Growth:

- Local and cross-border corporate financing assets reached Ð 186 billion, increasing by more than 5% YTD and reflecting sustained demand across corporate and institutional segments
- Corporate deposits increased to Ð 210 billion, supported by a diversified funding base, with CASA balances representing 25% of total corporate deposits.
- DIB further reinforced its leadership in Islamic capital markets, participating in over USD 20 billion of Sukuk issuances and nearly USD 6 billion of syndicated financings across sovereigns, GREs, corporates and financial institutions.

Digital Banking Progress:

- Digital acquisition and engagement reached record levels, with digital banking registrations increasing 16% YoY.
- In H1 2026, 83% of new CASA customers were onboarded through digital channels, significantly improving turnaround times while enhancing KYC processing and the overall customer onboarding experience.
- Digital adoption remained exceptionally strong, with 55% of customer transactions conducted through the DIB app and 98% of customers transacting digitally during the period.

Treasury Strength:

- DIB successfully issued a USD 1 billion Additional Tier 1 Perpetual Non-Call 6-Year Sukuk, attracting stron demand from dedicated Islamic investors and underscoring continued confidence in the Bank's credit fundamentals and market leadership.

Sustainability-focused Client Platform:

- DIB originated Ð 3.1 billion of sustainable finance and Ð 2.1 billion of sustainability-linked finance YTD.
- DIB also launched Green Concierge, a market-leading sustainability platform designed to support clients through advisory partnerships, financing readiness and structuring solutions as they advance their transition agendas.

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Financial Review : Income Statement

Đ millions	H1 '26	H1 '25	Change
Gross Funded Income	10,235	9,295	10%
Non-funded Income	2,204	2,059	7%
Gross Revenue	**12,439**	**11,354**	**10%**
Depositors' & Sukuk holders' profit share	(5,644)	(4,981)	13%
Operating Revenue	6,795	6,373	7%
Operating expenses	(1,971)	(1,807)	9%
Operating Profit before impairment losses	**4,823**	**4,565**	**6%**
Impairment losses	(489)	(256)	91%
Net profit (before tax)	**4,334**	**4,309**	**1%**
Income tax	(598)	(579)	3%
Net profit (after tax)	**3,736**	**3,730**	-

Key Ratios (%)	H1 '26	H1 '25	Change
Net Profit Margin %	2.4%	2.7%	(30 bps)
Cost to income ratio %	29.0%	28.4%	60 bps
Cost of Risk (CoR) %	0.28%	0.16%	12 bps
Return on assets (before tax) %	2.1%	2.4%	(35 bps)
Return on tangible equity (before tax) %	20%	21%	(134 bps)
Return on assets (after tax) %	1.8%	2.1%	(30 bps)
Return on tangible equity (after tax) %	17%	18%	(119 bps)

Revenue and Earnings Performance:

- **Gross Revenue** growth was supported by a 10% YoY increase in gross funded income to Đ 10.2 billion and a 7% YoY increase in non-funded income to Đ 2.2 billion.
- **Net profit margin** stood at 2.4%, moderating by 30 bps YoY and 10 bps QoQ, primarily reflecting the higher funding cost environment across the sector.
- **The cost-to-income ratio** remained highly competitive at 29.0%, reflecting disciplined cost management and continued operating efficiency.
- **Profitability** remained resilient, with pre-tax profit increasing 1% YoY to Đ 4.3 billion and post-tax profit remaining stable at Đ 3.7 billion.

Financial Review: Balance Sheet

Đ millions	Jun '26	Dec '25	Change
Net Financing and Sukuk Investments	366,161	352,644	4%
Equities and Investment Properties	9,732	9,415	3%
Other Assets	**10,347**	**11,632**	**(11%)**
Due from banks and financial institutions	7,568	5,387	40%
Cash & CB Balances	29,362	36,870	(20%)
Total Assets	**423,170**	**415,948**	**2%**
Customers' deposits	326,978	320,185	2%
Sukuk financing instruments	16,623	25,071	(34%)
Due to banks and financial institutions	9,914	1,966	404%
Other liabilities	15,764	15,591	1%
Total Liabilities	**369,280**	**362,813**	**2%**
Shareholder Equity & Reserves	43,286	42,562	2%
Tier 1 Sukuk	7,346	7,346	-
Non-Controlling interest	3,258	3,228	1%
Total Liabilities and Equity	**423,169**	**415,948**	**2%**

Key Ratios (%)	Jun '26	Dec '25	Change
Liquidity Coverage Ratio (LCR)	140%	157%	(17 pps)
Net Stable Funding Ratio (NSFR)	105%	109%	(4 pps)
Common Equity Tier 1 Ratio (CET1)	13.0%	12.3%	+70 bps
Capital Adequacy Ratio (CAR)	16.1%	15.5%	+60 bps
Non-Performing Financing (NPF)	2.4%	2.7%	(30 bps)
Cash Coverage	122%	120%	200 bps
Total Coverage	158%	160%	(200 bps)

Balance Sheet Resilience:

- DIB's **balance sheet** continued to expand during H1 2026, with total assets increasing 2% YTD to Đ 423 billion, supported by sustained business momentum across the franchise.
- **Net financing assets** grew by a robust 7% YTD to Đ 281 billion, supported by healthy demand across consumer and wholesale banking segments with gross new financing of Đ 43 billion .
- **Customer deposits** increased 2% YTD to Đ 327 billion, supported by continued customer acquisition and growth in CASA balances.
- **Asset quality** continued to improve, with the NPF ratio improving to 2.4% and coverage ratios remaining at healthy levels.

DIB Debt Capital Markets - Deals and transactions in 2026

Date	Issuer	Amount	Details	Role
June 2026	Republic of Turkiye	US$ 2.75bn	6.700% 2032 Sukuk	JLM & Bookrunner
January 2025	Kingdom of Bahrain	US$ 800mn	6.124% 2034 Sukuk	JLM & Bookrunner
January 2026	Arab Energy Fund	US$ 500mn	4.721% 2031 Sukuk	JLM & Bookrunner
February 2026	TPAO	US$ 1.0bn	6.300% 2031 Sukuk	JLM & Bookrunner
January 2026	Public Investment Fund	US$ 2.0bn	5.133% 2036 Sukuk	JLM & Bookrunner
January 2026	Saudi Electricity Company	US$ 2.4bn	4.310% 2029 sukuk 4.518% 2032 sukuk 5.064% 2036 sukuk	JLM & Bookrunner
January 2026	Energy Development Oman	US$ 650mn	5.140% 2036 Sukuk	JLM & Bookrunner
January 2026	Saudi Telecom Company	US$ 2.0bn	4.489% 2031 sukuk 5.083% 2036 sukuk	Joint Structuring Bank JLM & Bookrunner
March 2026	Turkcell	US$ 1.0bn	Syndicated Term Financing Facility	
February 2026	EGA	US$ 3.0bn	Syndicated Term Financing Facility	MLA & Bookrunner
April 2026	Aldar	US$ 5.0bn	Syndicated RCF Facility	MLA & Bookrunner
April 2026	Avolon	US$ 455mn	Syndicated RCF Facility	MLA
June 2026	Dubai Islamic Bank	US$ 1.00bn	6.250% 2031 Sukuk AT1	JLM & Bookrunner
May 2026	First Abu Dhabi Bank	US$ 700mn	4.859% 2031 Sukuk	JLM & Bookrunner
February 2026	Qatar Islamic Bank	US$ 750mn	4.402% 2031 Sukuk	JLM & Bookrunner
June 2026	Burjeel Holdings	US$ 500mn	7.000% 2031 Sukuk	JLM & Bookrunner
May 2026	Emlak Konut	US$ 650mn	7.750% 2031 Sukuk	JLM & Bookrunner
May 2026	Dar Al Arkan	US$ 600mn	7.250% 2031 Sukuk	JLM & Bookrunner
January 2026	Bank Albilad	US$ 500mn	6.375% 2031 Sukuk AT1	JLM & Bookrunner
January 2026	Al Rajhi Bank	US$ 1.00bn	SOCIAL 6.150% 2031 Sukuk AT1	JLM & Bookrunner
January 2026	Kuwait Finance House	US$ 1.00bn	4.563% 2031 Sukuk	JLM & Bookrunner
February 2026	Omniyat	US$ 600mn	7.250% 2031 Sukuk	Global Coordinator, JLM & Bookrunner
February 2026	Binghatti Holdings	US$ 500mn	8.375% 2031 Sukuk	Global Coordinator, JLM & Bookrunner
January 2026	Damac Real Estate Development Limited	US$ 600mn	6.125% 2029 Sukuk	JLM & Bookrunner

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