Dubai Islamic Bank (Public Joint Stock Company)

Key Rating Drivers

Dubai Islamic Bank (Public Joint Stock Company)'s (DIB) Long-Term Issuer Default Ratings (IDRs) are driven by potential support from the UAE authorities, as reflected in its Government Support Rating (GSR) of 'a', which indicates the authorities' strong ability and record of supporting the banking system. The GSR is at the level of UAE domestic systemically important banks, given DIB's high systemic importance.

DIB's Viability Rating (VR) reflects improved asset-quality metrics, healthy profitability, sound funding and liquidity, and a solid business profile. The VR also takes into consideration a fairly high financing concentration and only moderate capitalisation.

Conflict Risk to Operating Environment: Fitch Ratings expects operating conditions for UAE banks to remain generally stable in 2026, subject to developments related to the Iran conflict. Any impact on banks' loan growth and performance may depend on conflict spillovers. A more prolonged period of instability could weigh on operating conditions and affect banks' ratings.

Solid Domestic Islamic Franchise: DIB is UAE's fourth-largest bank and the largest Islamic bank, comprising 8% of sector assets at end-2025. It offers a full range of banking products and services to retail, SME, commercial and corporate clients.

Accelerated Growth: DIB's gross financing grew 22% in 2025, above the sector average of 19%. Similarly to the sector, DIB's growth in 2025 was underpinned by overseas financing, which contributed about 38% to the rise in the gross balance during the year. Domestic credit grew 16%, still higher than the sector's average domestic credit (estimated at 11%). In 1Q26, DIB's growth moderated to 3% and we expect the full-year growth of about 10%.

Improved Impaired Financing Ratio: The impaired financing ratio declined to 2.7% by end-2025 (end-2024: 4.2%), supported by limited impaired-financing origination and write-offs. In 1Q26 the ratio further improved to 2.5%. Specific financing allowances covered only 56% of impaired financing at end-1Q26, reflecting a reliance on collateral. We forecast DIB's impaired financing ratio to fluctuate between 2.5% and 3% in 2026, although escalation or prolongation of the Iran conflict will most likely lead to a rise in impaired loans.

Moderated NFM; Healthy Profitability: The operating profit/risk-weighted assets (RWAs) ratio declined to 2.8% in 1Q26 (2024: 3.5%; 2025: 2.9%) due to net financing margin (NFM) contraction (by about 50bp in 2025–1Q26). Fitch expects NFM to continue moderating in 2026 due to intensifying competition for liquidity. This, alongside normalising cost of risk, should reduce our core profitability metric to about 2.5% in 2026. An increase in cost of risk and weaker non-interest income amid prolongation of the conflict could add pressure.

Moderate Capitalisation: We view DIB's capital ratios as moderate for its high concentrations and below the sector-average reserve coverage of impaired financing. The common equity Tier 1 (CET1) ratio declined to 12.6% at end-1Q26, from 13.2% at end-2024, as high financing growth exceeded internal capital generation. We expect the CET1 ratio to be 12%-13% in 2026, as growth moderates.

Sound Funding and Liquidity: DIB is mainly customer deposit-funded, at 90% of total non-equity funding as of end-1Q26, of which a healthy 36% comprised current and savings accounts. Single-name deposits concentrations are high by international standards but are related largely to government entities where balances have historically been stable. Liquidity is strong, with a liquidity coverage ratio (LCR) of 121% at end-1Q26.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

DIB's Long-Term IDR would be downgraded following a downgrade of its GSR. The latter would likely stem from a weaker ability of the sovereign to support the bank, which would be reflected in a UAE sovereign downgrade, or a weaker propensity to support banks.

A material deterioration in DIB's asset-quality metrics – with the impaired financing ratio increasing to 7% – or greater appetite towards higher-risk segments, alongside weaker core capitalisation (such as the CET1 ratio persistently below 12%), would likely lead to a downgrade of the VR.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade of DIB's Long-Term IDR could follow an upgrade of its GSR. A GSR upgrade would likely result from a stronger ability of the UAE authorities to provide support, as reflected in a UAE sovereign upgrade.

An upgrade of DIB's VR would require a reduction in single-name concentrations, combined with a strengthening of its core capitalisation, with a CET1 ratio sustainably above 13%.

Other Debt and Issuer Ratings

Debt Rating Classes

Rating Level	Rating
DIB Sukuk Limited	
Senior unsecured: long term	A
Senior unsecured: long term (xgs)	BBB-(xgs)

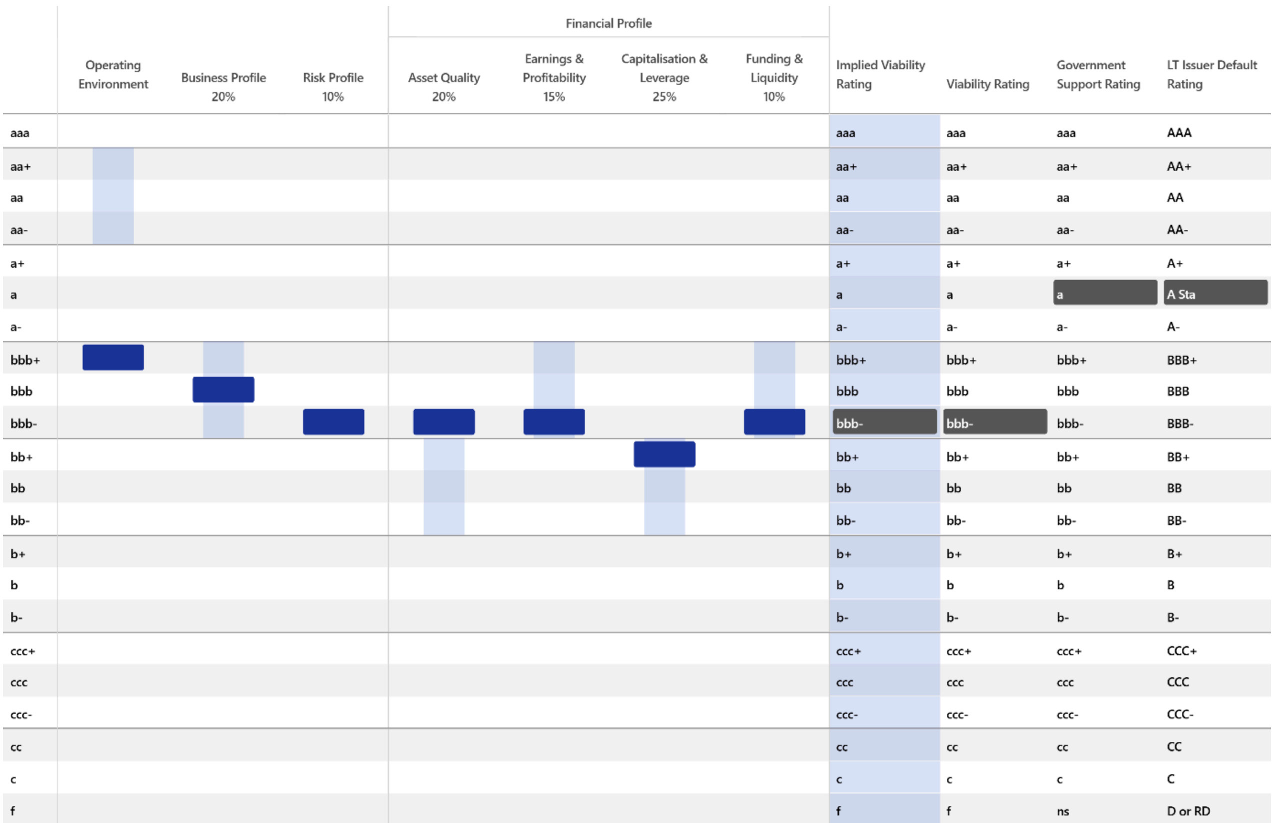
Source: Fitch Ratings

DIB's Short-Term IDR of 'F1' is the lower of the two options corresponding to an 'A' Long Term IDR, under Fitch's rating definitions. This is because a large proportion of UAE banking-sector funding is related to the government, so stress on DIB would be likely to come at a time when the sovereign is also experiencing some form of financial distress.

DIB's Long-Term IDR (xgs) is driven by its VR. The Short-Term IDR (xgs) is mapped to its Long-Term IDR (xgs).

The ratings of DIB's senior unsecured sukuk programme, housed under a special-purpose vehicle, DIB Sukuk Limited, are in line with its Long-Term IDR and Long-Term IDR (xgs), as a default on these obligations would be considered as a default of the bank, according to Fitch's rating definitions.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

Factor Outlook

Stable Evolving Positive Negative

VR - Adjustments to Key Rating Drivers

The operating environment score of 'bbb+' is below the 'aa' category implied score due to the following adjustment reasons: size and structure of economy (negative), and financial market development (negative).

The asset quality score of 'bbb-' is above the 'bb' category implied score due to the following adjustment reason: impaired loan formation (positive).

Company Summary and Key Qualitative Factors

Operating Environment

UAE Banks Have Firm Buffers Against Iran Conflict Credit Risks

The UAE banking system faces limited immediate credit risk from the regional conflict that followed the start of the Iran war in February, as bank ratings are largely anchored by expectations of sovereign support. Fitch views most GCC sovereigns as having sufficient rating headroom and substantial asset buffers to absorb a short conflict and any brief disruption to hydrocarbon revenue, while the banks themselves generally have sound financial metrics with strong liquidity and capital buffers.

Risks would rise significantly if the conflict becomes protracted or causes lasting damage to energy export infrastructure, particularly given the importance of investor confidence and non-oil growth to operating conditions. Near-term effects could include temporary oil and gas facility closures and disruptions in the region, alongside weaker non-oil activity from suspended air travel, slower consumer spending, and the potential impact on tourism.

Under the baseline scenario, Fitch anticipates continued solid business and operating conditions for UAE banks in 2026. Growth will moderate from previous strong levels, but loan growth will remain strong and above the GCC average.

UAE banks' growth accelerated in 2025: sector loans grew by 19% versus 11% in 2024. The expansion was underpinned by healthy operating conditions, but was also helped by accelerated overseas growth, particularly at some large banks. We estimate non-UAE loans represented about a quarter of the total increase in 2025, and a major part of overseas loans were provided to Saudi borrowers.

We expect asset-quality metrics to remain stable if the conflict is resolved shortly. The impaired loans ratio improved in 2025 (to 2.9% at end-2025, down from 4% at end-2024), supported by recoveries, write-offs and bad debt sales. Impaired loans are fully covered by total reserves, and the sector average cost of risk was a low 40bp.

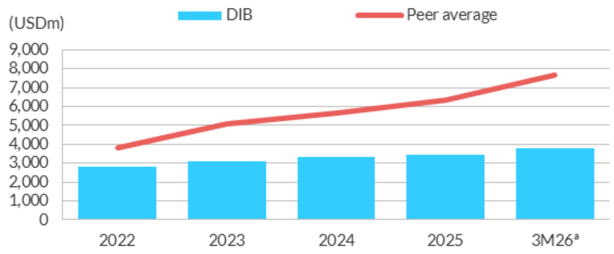
Business Profile

DIB's operations are concentrated in the UAE (end-1Q26: 84% of financing), where it has a competitive advantage in Islamic banking. DIB is the largest Islamic bank in the country and operates through 56 domestic branches. The bank also has an international presence, notably in Pakistan, Sudan, Indonesia, Bosnia, Kenya and Turkiye. DIB is 27.97% owned by the Investment Corporation of Dubai, the investment arm of the Dubai government, with the remaining shares being publicly traded.

Net financing comprised 64% of DIB's assets at end-1Q26. DIB's financing book is split between corporate (70%) and retail (30%) customers. DIB has high exposure to the real estate and construction sectors, through direct financing (13% of gross financing at end-1Q26, albeit comparable with the sector-average estimated at 13%) and investment and development properties (1% of assets). Revenues are reliant on net financing income (1Q26: 66% of operating income) as fees and commissions remain moderate (12%). Other operating income, largely driven by real estate-related operations, accounted for around 20% of revenue in 1Q26, providing a further source of revenue diversification. However, this income stream can be volatile, and we expect it to contribute less in 2026 as the real estate market cools.

DIB is primarily customer deposit-funded (end-1Q26: 90% of non-equity funding). It has weaker than sector average share of cheap non-interest-bearing deposits (36% at end-1Q26, sector average estimated at around 60%), which reflects its Islamic bank status and retail deposits contributing only around a third of total deposits.

Total Operating Income



[a] Annualised
Source: Fitch Ratings, Fitch Solutions, banks

Risk Profile

DIB's exposure to the real estate and construction sectors (end-1Q26: 13%) has declined in recent years following the bank's tightening of underwriting standards and efforts to reduce industry concentrations, but also due to favourable operating conditions in the real estate sector translating into stronger cash flows and lower leverage of development and homebuilder companies in the UAE. The rest of the corporate portfolio is fairly diversified by subsector.

The retail book comprised 30% of gross financing at end-2025 and 1Q26, split across home (41% of total retail financing), personal (35%) and auto financing (19%). Credit cards comprised a limited 5% of total retail financing. Most of the unsecured retail financing is against salary assignments. We view the bank's retail financing business as having a good risk/reward balance. Retail and corporate segments grew equally (by about 30% each) in 2025-1Q26.

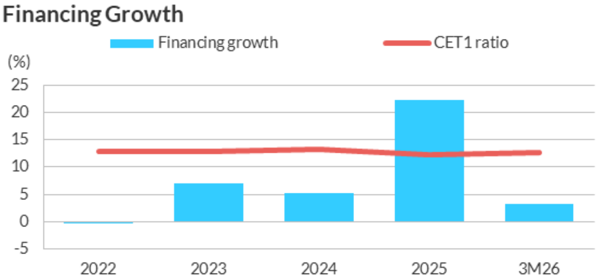
Single-obligor concentrations remain higher than average for UAE banks – DIB's 20 largest exposures comprised 39% of gross financing or 2.3x equity at end-2025. Most of DIB's largest exposures are to well-performing Abu Dhabi and Dubai GREs and are viewed by Fitch of low risk.

While strong growth adds seasoning risks, the credit performance of DIB's financing portfolio was strong in 2025-1Q26. The Fitch-calculated impaired financing origination ratio (net increase in gross financing stock plus write-offs/average gross financing) was a negative 0.1% in 2025 alongside a low cost of risk (0.3%). Both ratios rose in 1Q26: the impaired financing origination ratio to 0.2% and cost of risk to 0.6%. While the origination ratio is viewed by Fitch as a natural level for DIB's risk profile, the rise in cost of risk ratio was partially driven by the management overlays on the back of macroeconomic uncertainties given the geopolitical tensions in the region.

We expect DIB growth to slow to around 10% in 2026, which will be broadly in line with the sector average and close to internal capital generation. A prolongation of the military conflict could undermine DIB's growth appetite, as it will for the whole sector.

Securities (sukuk investments) comprised 22% of assets at end-1Q26. Securities are almost entirely accounted for at amortised cost (99%) and are of good quality: sovereign sukuk represent 60% of the remainder. DIB's market risk amounted to a limited 1% of RWAs at end-1Q26.

Financing Growth



Source: Fitch Ratings, Fitch Solutions, DIB

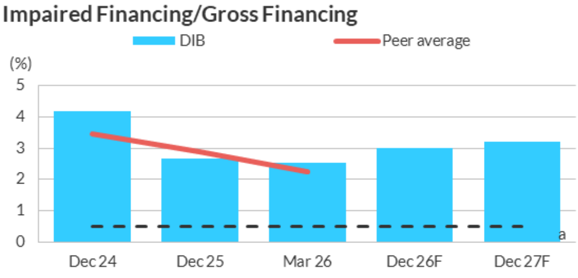
Financial Profile

Asset Quality

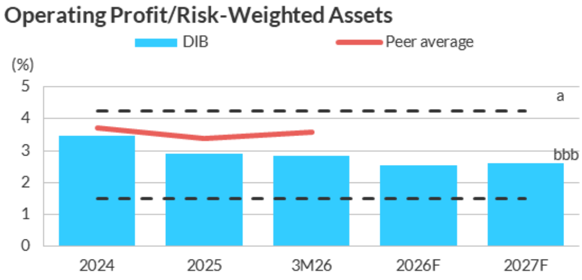
DIB's asset quality metrics have improved in recent years amid favourable operating conditions in the UAE. The bank's impaired financing ratio (Stage 3 + purchased originated credit impaired, NPF) declined to 2.5% at end-1Q26 (end-2024: 4.2%; end-2023: 5.5%), supported by low impaired financing origination, and a few large corporate recoveries but also some write-offs in 2025-1Q26 (about 1.2% of gross financing).

DIB's Stage 2 ratio also improved to 3.2% at end-1Q26 (end-2024: 5.0%; end-2023: 6.9%). Total reserves coverage of impaired financing increased to 78% at end-1Q26 (end-2024: 74%) but remains below the sector-average estimated by Fitch at 109%. The weaker reserve coverage at DIB is explained by reliance on hard collateral (namely real estate) for provisioning purposes.

Fitch expects DIB's asset quality to remain fairly and 2026. Nonetheless, high sector and single-obligor concentrations continue to pose downside risks. Under a baseline scenario, we expect DIB's impaired financing ratio to remain below 3% in 2026, although a prolongation of the military conflict could add negative asset-quality pressures.



Source: Fitch Ratings, Fitch Solutions, banks



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

DIB's NFM declined by about 50bp in 2025-1Q26 on interest rate cuts and intensified competition for liquidity in the UAE banking sector as financing growth accelerated. The bank NFM (1Q26: 2.5%; 2025: 2.7%) was below the sector average, which we estimate at around 2.9% in 2025. Further interest rate cuts and potential liquidity tightening on geopolitical tensions will affect the NFM further, while in the longer term we forecast DIB's NFM to fluctuate around 2.5%, which we still view as a healthy level considering the bank's risk profile.

The Fitch-calculated annualised cost of risk was low 26bp in 2025, but due to the management overlays to account potential conflict spillovers, the cost of risk rose to 59bp in 1Q26. We expect a similar level for the whole year, although this could be higher should the military conflict be prolonged.

Operating expenses are under control, with the bank continuing to optimise its cost structure while investing in digital infrastructure. DIB's cost/income ratio was a good 29% in 1Q26, broadly in line with the sector average.

Non-interest income made up 34% of operating income in 1Q26 (2025: 28%). While commission income made up only 12% of total revenue, the rest was largely related to gains on investment property and rental income, which could be volatile in the current economic environment, as real estate sector is colling on the back of the geopolitical tensions in the region.

Financing impairment charges consumed a moderate 16% of pre-impairment operating profit in 1Q26 (2025: 6%) largely reflecting the management overlays. The Fitch's core profitability metric (operating profit/RWAs) was 2.8% in 1Q26 (2025: 2.9%), down from an exceptionally high 3.5% in 2024. We forecast DIB's core metric to moderate to around 2.5% in 2026-2027, which we still view as a healthy level, while military conflict spillovers will add pressure if the war lasts longer than we anticipate under our baseline scenario.

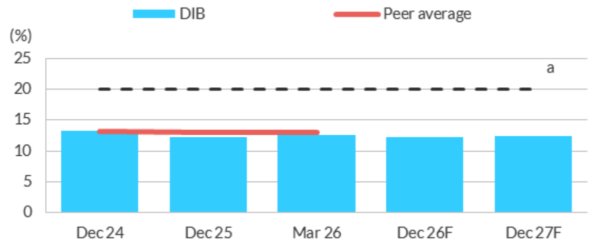
Capitalisation and Leverage

DIB's capital ratios – CET1 (end-1Q26: 12.6%), Tier 1 (15%) and total capital (15.8%) – had reasonable cushions over minimum requirements. The tangible equity/asset ratio has remained at 11%-12% in recent years (end-1Q26: 11.3%). This is lower than the CET1 ratio but compares well with the sector average of around 10%. DIB's density ratio (RWAs/total assets) was 73% at end-1Q26, above the sector average (end-2025: 65%).

Pre-impairment profit to average gross loans was 3.8% in 2025, below the sector average (around 5%), but Fitch considers it as healthy, given the bank's risk profile. While DIB's provision coverage is weaker than the sector average, its impaired financing net of total reserves accounted for only 3% of the CET1 capital base at end-1Q26.

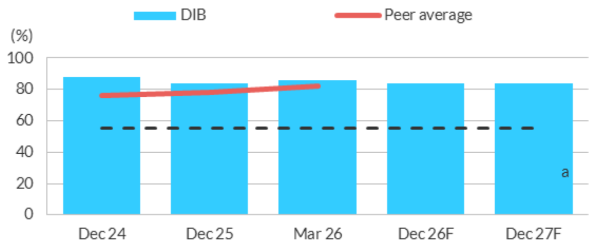
We expect DIB to continue generate sufficient pre-impairment profit to cover a potential rise in cost of risk if asset quality deteriorates on the back of weakening economic environment in the UAE without pressuring its capital ratios. Under our base case, we expect DIB's CET1 ratio to fluctuate between 12% and 13% in 2026-2027.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Financing/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

DIB is mainly customer-deposit-funded (end-1Q25: 90% of non-equity funding). The bank's retail franchise underpins its funding profile, as reflected in its share of CASAs (36%), although this remains below larger peers and below the sector average ratio estimated at 60%. Other sources of funding include senior unsecured sukuk (6%), deposits from banks (2%) and additional Tier 1 sukuk (2%). DIB maintains good access to international capital markets, and usually refinances upcoming wholesale debt repayments, though subject to market conditions.

Deposit concentration is below that of peers, but high by international standards. The 20 largest deposits made up 39% of deposits at end-2025 – these largely relate to GREs and have proven stable. DIB's gross financing/customer deposits ratio fluctuated between 84% and 88% in 2024-1Q26, as financing and deposit growth were largely matched. Fitch expects this to remain the case until end-2027, with the ratio around 85%.

The bank's liquidity profile is sound, with a liquidity coverage ratio of 121% at end-1Q26.

Additional Notes on Charts

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'bbb' category. Peer average includes Abu Dhabi Islamic Bank PJSC (VR: bb+), HSBC Bank Middle East Limited (bbb), Mashreqbank PSC (bbb), Emirates NBD Bank PJSC (bbb), First Abu Dhabi Bank P.J.S.C. (a-), Abu Dhabi Commercial Bank PJSC (bbb-). Latest data available for HSBC Bank Middle East Limited are for FY25. Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report.

Financials

Financial Statements

	31 Dec 23 12 months (AEDm)	31 Dec 24 12 months (AEDm)	31 Dec 25 12 months (AEDm)	31 Mar 26 1st quarter (AEDm)
Summary income statement				
Net financing and dividend income	8,780	8,966	9,000	2,302
Net fees and commissions	1,441	1,445	1,874	427
Other operating income	1,444	2,342	2,084	820
Total operating income	11,665	12,754	12,958	3,548
Operating costs	3,162	3,425	3,732	1,006
Pre-impairment operating profit	8,503	9,329	9,226	2,543
Financing and other impairment charges	1,396	407	517	416
Operating profit	7,108	8,922	8,709	2,126
Other non-operating items (net)	0	83	293	-
Tax	98	840	1,195	327
Net income	7,010	8,165	7,808	1,799
Other comprehensive income	-459	-241	-293	-94
Fitch comprehensive income	6,551	7,925	7,515	1,705
Summary balance sheet				
Assets				
Gross financing	208,356	219,187	267,970	276,508
– of which impaired	11,497	9,138	7,167	7,002
Financing loss allowances	8,903	6,761	5,915	5,846
Net financing	199,453	212,427	262,055	270,662
Interbank	3,427	3,688	3,018	2,198
Derivatives	1,172	1,002	1,401	1,138
Other securities and earning assets	77,076	90,958	98,886	101,762
Total earning assets	281,128	308,073	365,360	375,760
Cash and due from banks	25,076	28,655	39,239	32,789
Other assets	8,088	7,958	11,349	11,367
Total assets	314,292	344,687	415,948	419,916
Liabilities				
Customer deposits	222,054	248,546	320,184	322,000
Interbank and other short-term funding	12,967	5,855	1,966	7,384
Other long-term funding	20,481	24,154	25,071	20,298
Trading liabilities and derivatives	1,057	970	1,295	1,075
Total funding and derivatives	256,560	279,525	348,516	350,757
Other liabilities	10,298	12,309	14,297	14,327
Preference shares and hybrid capital	8,264	10,101	7,346	7,346
Total equity	39,170	42,752	45,789	47,486
Total liabilities and equity	314,292	344,687	415,948	419,916
Exchange rate	USD1 = AED3.6725	USD1 = AED3.6725	USD1 = AED3.6725	USD1 = AED3.6725

Source: Fitch Ratings, Fitch Solutions, DIB

Key Ratios

(%)	31 Dec 23	31 Dec 24	31 Dec 25	31 Mar 26	31 Dec 26F	31 Dec 27F
Profitability						
Operating profit/risk-weighted assets	2.9	3.5	2.9	2.8	2.5	2.6
Net financing income/average earning assets	3.3	3.1	2.7	2.5	2.6	2.5
Non-financing expense/gross revenue	27.6	27.9	29.7	28.9	28.2	27.1
Net income/average equity	19.1	20.5	18.0	15.6	-	-
Asset quality						
Impaired financing ratio	5.5	4.2	2.7	2.5	3.0	3.2
Growth in gross financing	6.9	5.2	22.3	3.2	10.0	10.0
Financing loss allowances/impaired financing	77.4	74.0	82.5	83.5	83.3	84.4
Financing impairment charges/average gross financing	0.7	0.2	0.3	0.6	0.5	0.4
Capitalisation						
Common equity Tier 1 ratio	12.8	13.2	12.3	12.6	12.3	12.4
Fully loaded common equity Tier 1 ratio	-	-	-	-	-	-
Fitch Core Capital ratio	-	-	-	-	-	-
Tangible common equity/tangible assets	12.4	12.4	11.0	11.3	-	-
Basel leverage ratio	12.1	-	-	-	-	-
Net impaired financing/common equity Tier 1	8.2	7.0	3.4	3.0	-	-
Funding and liquidity						
Gross financing/customer deposits	93.8	88.2	83.7	85.9	84.7	84.7
Liquidity coverage ratio	187.2	159.0	157.0	121.0	-	-
Customer deposits/total non-equity funding	84.2	86.1	90.3	90.2	-	-
Net stable funding ratio	105.7	111.6	109.0	106.0	-	-

Source: Fitch Ratings, Fitch Solutions, DIB

Support Assessment

Government Support		
Sovereign		United Arab Emirates
Sovereign Long Term Issuer Default Rating	•	AA-/Stable
Total adjustment (notches)		-2
Typical D-SIB Government Support for sovereign's rating level		a or a-
Actual jurisdiction D-SIB Government Support		a
Government Support Rating		a
Government ability to support D-SIBs		
Size of banking system	•	Negative
Structure of banking system	•	Negative
Sovereign financial flexibility (for rating level)	•	Positive
Government propensity to support D-SIBs		
Resolution legislation	•	Neutral
Support stance	•	Positive
Government propensity to support bank		
Systemic importance	•	Neutral
Liability structure	•	Neutral
Ownership	•	Neutral

The colours indicate the influence of each support factor in our assessment. Influence: Dark blue = neutral; Red = higher
Source: Fitch Ratings

Fitch's view of support factors in the authorities' strong ability to support the banking system, underpinned by a solid net external asset position, still-strong fiscal metrics and recurring hydrocarbon revenue. It also reflects the authorities' very strong, timely and predictable record of supporting domestic banks and their strategic ownership of a number of banks, including DIB, which is 28% owned by the Dubai government through the Investment Corporation of Dubai.

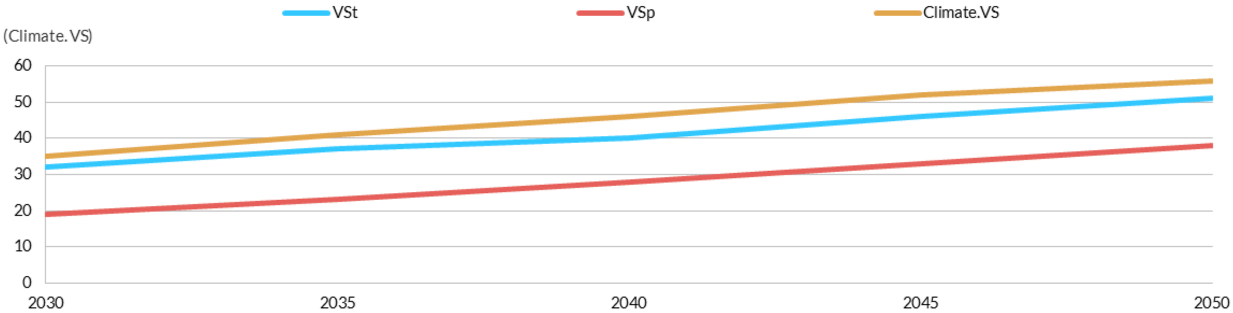
DIB's GSR is at the same level as UAE domestic systemically important banks' GSR of 'a', reflecting the bank's systemic importance in the UAE, particularly in Dubai.

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify issuers whose credit profiles have a higher potential exposure to climate-related risks, and to subject those ratings to additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk).

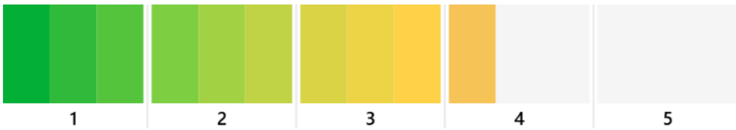
The Climate.VS for DIB for 2035 is 41, which indicates that climate risk factors are not expected to materially affect the credit profile, but some adaptation may be needed. This reflects a transition risk (VSt) component signal of 37 and a physical risk (VSp) component signal of 23. Any potential effect on the rating may differ from the illustrative rating impact in the Climate.VS framework. For more information on Climate.VS, see Fitch's Bank Rating Criteria.

Climate Vulnerability Signals for Dubai Islamic Bank (Public Joint Stock Company)



Source: Fitch Ratings

Environmental, Social and Governance Considerations

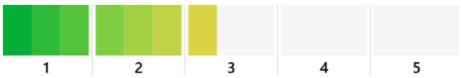


Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	2	Regulatory risks, emissions fines or compliance costs related to owned, financed or managed assets, which could impact asset prices, profitability, etc.	Operating Environment; Business Profile; Risk Profile; Asset Quality
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile; Risk Profile; Asset Quality

Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile; Risk Profile
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile; Risk Profile
Labor Relations & Practices	2	Impact of labour negotiations, including board/employee compensation and composition	Business Profile
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	3	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile; Financial Profile



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Business Profile
Governance Structure	4	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile; Earnings & Profitability; Capitalisation & Leverage
Group Structure	3	Organisational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile

ESG Scoring

ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

As an Islamic bank DIB needs to ensure compliance of its entire operations and activities with sharia principles and rules. This entails additional costs, processes, disclosures, regulations, reporting and sharia audit. This results in a Governance Structure relevance score of '4' for the bank, which has a negative impact on the bank's credit profile in combination with other factors.

In addition, Islamic banks have an ESG Relevance Score of '3' for exposure to social impacts, above sector guidance for an ESG relevance score of '2' for comparable conventional banks, which reflects certain sharia limitations being embedded in Islamic banks' operations and obligations, although this only has a minimal credit impact on the entities.

Except for the matters discussed above, the highest level of ESG credit relevance, if present, is a score of '3' - ESG issues are credit neutral or have only a minimal credit impact on DIB, either due to their nature or the way in which they are being managed by DIB. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visitwww.fitchratings.com/esg.

Ratings

Foreign Currency	
Long-Term IDR	A
Short-Term IDR	F1
Long-Term IDR (xgs)	BBB-(xgs)
Short-Term IDR (xgs)	F3(xgs)
Viability Rating	bbb-
Government Support Rating	a
Sovereign Risk (United Arab Emirates)	
Long-Term Foreign-Currency IDR	AA-
Long-Term Local-Currency IDR	AA-
Country Ceiling	AA+
Outlooks	
Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

ESG and Climate

Highest ESG Relevance Scores	
Environmental	2
Social	3
Governance	4

Climate Vulnerability
2035 Climate Vulnerability Signal: 41
Transition (VSt): 37
Physical (VSp): 23

Applicable Criteria

Bank Rating Criteria (May 2026)
Sukuk Rating Criteria (October 2025)

Related Research

Fitch Affirms Dubai Islamic Bank at 'A'; Outlook Stable (May 2026)
UAE Banks' Real Estate Exposures Key to Iran War Asset Quality Risks (April 2026)
Iran Conflict's Scope and Duration Will Determine Sovereign Rating Impact (March 2026)
Middle East Banks on Neutral Sector Outlook for 2026 (December 2025)

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For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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