

Pillar 3 Disclosures Report

For the three-month period ended 31 March 2026

فخورين
بالإمارات
PROUD OF UAE



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1. Overview and Introduction

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

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

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

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

1.1. Scope of reporting

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

1.2. Basel Regulatory Framework

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

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

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

- CET1 must be at least 7.0% of risk weighted assets (RWA).

- Tier 1 Capital must be at least 8.5% of RWA.
- Total Capital must be at least 10.5% of RWA.

On top of this minimum capital requirement, CBUAE has also mandated all the banks to keep additional buffers i.e., capital conservation buffer (CCB) of 2.5% of RWAs and a specific "D-SIB" buffer of 0.5% of RWA for DIB. The banks are also subject to counter-cyclical buffer (CCyB) that varies between zero and 2.5% of total risk weighted assets. CCyB is currently at 0.0060% for DIB with respect to credit exposures in jurisdictions attracting counter-cyclical buffer.

On 17th March 2026, the Central Bank of UAE issued resilience package for financial institutions. The Financial Institution Resilience Package covers five key pillars allowing banks to access monetary liquidity and provides additional flexibility to utilize excess liquidity and capital buffers to support the UAE economy.

1.3. Implementation and Compliance of Basel Framework

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

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

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

1.4. Macroeconomic and operating Environment

The first quarter of 2026 reaffirmed the strength of the UAE's economic foundations and the confidence its economy continues to command, despite a more watchful external environment. Measures announced by the Central Bank of the UAE during the period further underscore the resilience and soundness of the financial sector.

Against this backdrop, DIB's Q1 performance, including its capital indicators, reflects the strength of the franchise, sustained customer confidence, and a disciplined approach to supporting economic activity with prudence and purpose.

1.5. Internal review and verification

This document, Pillar III disclosures report for the year ended 31st March 2026, has been reviewed by Group Internal Audit (GIA) and approved by Group CEO.

2. Key metrics of the Group (KM1)

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

S. No.	Particulars	31 Mar 2026 AED 000	31 Dec 2025 AED 000	30 Sep 2025 AED 000	30 Jun 2025 AED 000	31 Mar 2025 AED 000
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	38,523,956	36,897,720	39,076,846	36,835,002	35,634,702
1a	Fully loaded ECL accounting model	-	-	-	-	-
2	Tier 1	45,869,956	44,243,720	46,422,846	44,181,002	42,980,702
2a	Fully loaded ECL accounting model Tier 1	-	-	-	-	-
3	Total capital	48,095,853	46,349,806	48,609,501	47,413,515	46,010,113
3a	Fully loaded ECL accounting model total capital	-	-	-	-	-
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	305,003,237	298,907,266	292,416,000	283,852,030	266,545,023
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	12.6%	12.3%	13.4%	13.0%	13.4%
5a	Fully loaded ECL accounting model CET1 (%)	-	-	-	-	-
6	Tier 1 ratio (%)	15.0%	14.8%	15.9%	15.6%	16.1%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	-	-	-	-	-
7	Total capital ratio (%)	15.8%	15.5%	16.6%	16.7%	17.3%
7a	Fully loaded ECL accounting model total capital ratio (%)	-	-	-	-	-
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%) ¹	0.0%	0.0%	0.0%	0.0%	0.0%
10	Bank D-SIB additional requirements (%)	0.5%	0.5%	0.5%	0.5%	0.5%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	3.0%	3.0%	3.0%	3.0%	3.0%
12	CET1 available after meeting the bank's minimum capital requirements (%)	5.3%	5.0%	6.1%	6.0%	6.4%
	Leverage Ratio					
13	Total leverage ratio measure	437,132,708	432,787,442	409,043,500	389,731,523	370,709,994
14	Leverage ratio (%) (row 2/row 13)	10.5%	10.2%	11.3%	11.3%	11.6%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2a/row 13)	-	-	-	-	-

S. No.	Particulars	31 Mar 2026 AED 000	31 Dec 2025 AED 000	30 Sep 2025 AED 000	30 Jun 2025 AED 000	31 Mar 2025 AED 000
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	-	-	-	-	-
	Liquidity Coverage Ratio ²					
15	Total HQLA	68,741,269	76,481,287	62,493,801	57,519,870	59,220,568
16	Total net cash outflow	56,612,420	48,718,766	43,427,534	44,810,848	44,323,982
17	LCR ratio (%)	121.4%	157.0%	143.9%	128.4%	133.6%
	Net Stable Funding Ratio ²					
18	Total available stable funding	284,372,986	282,903,056	272,200,842	258,386,399	236,085,365
19	Total required stable funding	267,007,504	260,073,517	252,101,441	242,050,850	224,754,568
20	NSFR ratio (%)	106.5%	108.8%	108.0%	106.7%	105.0%
	ELAR ³					
21	Total HQLA	-	-	-	-	-
22	Total liabilities	-	-	-	-	-
23	Eligible Liquid Assets Ratio (ELAR) (%)	-	-	-	-	-
	ASRR ⁴					
24	Total available stable funding	-	-	-	-	-
25	Total Advances	-	-	-	-	-
26	Advances to Stable Resources Ratio (%)	-	-	-	-	-

¹CCyB is at 0.0060% for 31st March 2026 (0.0062% for 31st December 2025).

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

³ELAR is not applicable.

⁴ASRR is not applicable.

3. Overview of RWA (OV1)

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

S. No	Particulars	Risk weighted assets (RWA)		Minimum capital requirements ¹	
		31 Mar 2026 AED '000'	31 Dec 2025 AED '000'	31 Mar 2026 AED '000'	31 Dec 2025 AED '000'
1	Credit risk (excluding counterparty credit risk) ²	276,481,425	270,219,559	29,030,550	28,373,054
2	Of which: standardised approach (SA)	276,481,425	270,219,559	29,030,550	28,373,054
6	Counterparty credit risk (CCR) ³	1,715,381	2,093,059	180,115	219,771
7	Of which: standardised approach for counterparty credit risk	1,715,381	2,093,059	180,115	219,771
12	Equity investments in funds - look-through approach	-	-	-	-
13	Equity investments in funds - mandate-based approach	394,776	399,876	41,451	41,987
14	Equity investments in funds - fallback approach	127,092	127,092	13,345	13,345
15	Settlement risk	-	-	-	-
16	Securitisation exposures in the banking book	-	-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-	-
20	Market risk ⁴	3,003,849	3,204,327	315,404	336,454
21	Of which: standardised approach (SA)	3,003,849	3,204,327	315,404	336,454
23	Operational risk	23,280,714	22,863,353	2,444,475	2,400,652
26	Total (1+6+12+13+14+15+16+20+23)	305,003,237	298,907,266	32,025,340	31,385,263

¹ The minimum capital requirement applied is 10.5% in line with the guidance of Pillar 3 disclosures. In addition to this, the Bank is required to maintain a combined buffer of 3.006% as of 31st March 2026 (3.006% as of 31st December 2025), including CCyB, to CET 1.

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

4. Leverage ratio

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

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

S. No.	Particulars	31 Mar 2026 AED '000'	31 Dec 2025 AED '000'
1	Total consolidated assets as per published financial statements	419,916,368	415,948,243
2	Adjustments for investments in banking, financial, Insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(4,406,104)	(4,440,955)
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustments for eligible cash pooling transactions	-	-
8	Adjustments for Sharia-compliant derivative financial instruments	1,680,524	1,889,703
9	Adjustment for securities financing transactions (i.e. repos and similar secured financing)	-	-
10	Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	19,806,616	19,047,227
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-
12	Other adjustments	135,304	343,224
13	Leverage ratio exposure measure	437,132,708	432,787,442

4.2. Leverage ratio common disclosure template (LR2)

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

S. No.	Particulars	31 Mar 2026 AED '000'	31 Dec 2025 AED '000'
On-balance sheet exposures			
1	On-balance sheet exposures (excluding Sharia-compliant derivatives and securities financing transactions (SFTs), but including collateral) ¹	414,940,771	410,884,175
2	Gross-up for Sharia-compliant derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in Sharia-compliant derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(433,177)	(435,089)
7	Total on-balance sheet exposures (excluding Sharia-compliant derivatives and SFTs) (sum of rows 1 to 6)	414,507,594	410,449,087
Sharia-compliant derivative exposures			
8	Replacement cost associated with all Sharia-compliant derivative transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	945,542	1,469,679
9	Add-on amounts for PFE associated with all Sharia-compliant derivative transactions	1,872,956	1,821,449
10	(Exempted CCP leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written Sharia-compliant credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written Sharia-compliant credit derivatives)	-	-
13	Total Sharia-compliant derivative exposures (sum of rows 8 to 12)	2,818,498	3,291,129
Securities financing transactions			
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of rows 14 to 17)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	42,620,829	39,909,111
20	(Adjustments for conversion to credit equivalent amounts)	(22,814,213)	(20,861,884)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	Off-balance sheet items (sum of rows 19 to 21)	19,806,616	19,047,227
Capital and total exposures			
23	Tier 1 capital	45,869,956	44,243,720
24	Total exposures (sum of rows 7, 13, 18 and 22)	437,132,708	432,787,442
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.5%	10.2%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	10.5%	10.2%
26	CBUAE minimum leverage ratio requirement	3.5%	3.5%
27	Applicable leverage buffers	-	-

¹ The On-balance sheet exposure increased in March 2026 from December 2025 mainly due to increase in exposure to Islamic financing and Sukuks.

5. Liquidity Risk

5.1. Liquidity Coverage Ratio – LCR (LIQ1)

31 March 2026 – AED '000'

S. No	Particulars	Total unweighted value (average)	Total weighted value (average)
	High-quality liquid assets		
1	Total HQLA		73,056,997
	Cash outflows		
2	Retail deposits and deposits from small business customers, of which:	61,362,233	3,296,561
3	Stable deposits	56,793,246	2,839,662
4	Less stable deposits	4,568,987	456,899
5	Unsecured wholesale funding, of which:	103,532,247	42,047,290
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	23,550,953	5,887,738
7	Non-operational deposits (all counterparties)	79,981,294	36,159,552
8	Unsecured debt	-	-
9	Secured wholesale funding		-
10	Additional requirements, of which:	39,067,618	6,055,879
11	Outflows related to Sharia-compliant derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding of debt products	-	-
13	Credit and liquidity facilities	39,067,618	6,055,879
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	-	-
16	TOTAL CASH OUTFLOWS		51,399,730
	Cash inflows		
17	Secured financing (e.g. reverse repo)	-	-
18	Inflows from fully performing exposures	3,296,165	1,648,082
19	Other cash inflows	2,799,313	2,799,313
20	TOTAL CASH INFLOWS	6,095,478	4,447,396
	Total adjusted value		
21	Total HQLA		73,056,997
22	Total net cash outflows		46,952,334
23	Liquidity coverage ratio (%)		157.3%

31 December 2025 – AED '000'

S. No	Particulars	Total unweighted value (average)	Total weighted value (average)
	High-quality liquid assets		
1	Total HQLA		73,761,582
	Cash outflows		
2	Retail deposits and deposits from small business customers, of which:	60,404,546	3,248,528
3	Stable deposits	55,838,532	2,791,927
4	Less stable deposits	4,566,014	456,601
5	Unsecured wholesale funding, of which:	101,316,183	40,404,055
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	25,501,302	6,375,325
7	Non-operational deposits (all counterparties)	75,814,881	34,028,729
8	Unsecured debt	-	-
9	Secured wholesale funding		-
10	Additional requirements, of which:	36,569,952	5,994,829
11	Outflows related to Sharia-compliant derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding of debt products	-	-
13	Credit and liquidity facilities	36,569,952	5,994,829
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	-	-
16	TOTAL CASH OUTFLOWS		49,647,412
	Cash inflows		
17	Secured financing (e.g. reverse repo)	-	-
18	Inflows from fully performing exposures	4,382,694	2,191,347
19	Other cash inflows	2,526,019	2,526,019
20	TOTAL CASH INFLOWS	6,908,712	4,717,366
	Total adjusted value		
21	Total HQLA		73,761,582
22	Total net cash outflows		44,930,046
23	Liquidity coverage ratio (%)		165.8%

The LCR is designed to ensure that banks hold a sufficient reserve of high-quality liquid assets (HQLA) to allow them to survive a period of significant liquidity stress lasting 30 calendar days. LCR ratio of the Bank as at 31st March 2026 was 121.4% (31st December 2025 was

157.0%) whereas the average LCR ratio for the quarter ended 31st March 2026 was 157.3% (31st December 2025 was 165.8%). LCR both spot and average are higher than CBUAE current minimum requirement of LCR 100%.

Appendix 1: List of Tables not applicable for the Bank

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



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Dubai Islamic Bank (Public Joint Stock Company)