






**DIB Sustainable Finance Report
2025**

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	DIB Board
	Independent Limited Assurance by KPMG
	External Advisory by The Carbon Trust

About the Report

The 2025 Sustainable Finance Report is Dubai Islamic Bank PJSC's (DIB's) Annual Sustainable Finance Report, presenting a comprehensive overview of the Bank's sustainable finance commitments, issuances, and allocations. This report reflects DIB's revised sustainable finance reporting timeline, aligned with regulatory requirements and the Bank's annual reporting cycle based on the calendar year, thereby ensuring consistency across regulatory, financial, and sustainability disclosures.

The report outlines the allocation of proceeds from DIB's three Sustainable Sukuk issuances, the associated impact performance, and the methodologies applied to calculate these impacts. Data presented in this report are reported as of 31 December 2025, considering a three-year look-back period.

This report should be read in conjunction with DIB's Sustainable Finance Framework to obtain a comprehensive understanding of the Bank's sustainable finance categories, eligibility criteria, and overall reporting approach. The Sustainable Finance categories referenced in this report are defined in accordance with DIB's Sustainable Finance Framework¹ and are aligned with the International Capital Market Association (ICMA) Green Bond Principles (GBP) 2021, Social Bond Principles (SBP) 2023, Sustainability Bond Guidelines (SBG) 2021, the Loan Market Association (LMA) Green Loan Principles (GLP) 2023 and Social Loan Principles (SLPs) 2023, and the Guidance on Green, Social, and Sustainability (GSS) Sukuk 2024². ISS Corporate has provided a Second Party Opinion on DIB's Sustainable Finance Framework, which is applicable to the reporting period covered by this report.

DIB is responsible for the preparation of this report, including the underlying information and reporting criteria, in accordance with its Sustainable Finance Framework. The updated framework, issued in October 2024, became effective for the 2025 reporting cycle.

Carbon Trust supported DIB in the calculation of the environmental impacts associated with allocations to the Eligible Green Categories disclosed in this report.

An independent third-party limited assurance report covering the allocation and use of proceeds has been provided by KPMG and is included at the end of this report.

¹ DIB Sustainable Finance Framework (October 2024)

² The International Capital Market Association (ICMA) Green Bond Principles (GBP) 2021, Social Bond Principles (SBP) 2023, Sustainability Bond Guidelines (SBG) 2021, the Loan Market Association (LMA) Green Loan Principles (GLP) 2023 and Social Loan Principles (SLPs) 2023, and the Guidance on Green, Social, and Sustainability (GSS) Sukuk, as administered by the International Capital Market Association (ICMA) (2024)

Executive Summary

2025 was a landmark year for Dubai Islamic Bank (DIB) as the Bank celebrated its Golden Jubilee, marking 50 years of leadership in Islamic finance. Since 1975, DIB has helped shape Islamic banking globally through ethical, Sharia-compliant financial services, now reaching more than 5 million customers across seven countries on three continents.

DIB reaffirmed its market leadership in 2025, delivering strong performance with Operating Revenues reaching AED 13.3 billion (↑5% YoY) and Net Profit (before tax) rising to AED 9.0 billion (↑20% YoY), underpinned by continued balance sheet expansion, with Total Assets increasing to AED 416 billion (↑21% YoY).

Building on this strong performance, DIB continued to progress towards its commitment to reach 15% of its group gross financing as Sustainable Finance by 2030. The accumulated Asset-based Sustainable Finance portfolio grew to AED 13.40 billion (↑40% YoY). The Bank's three outstanding Sustainable Sukuk totaling AED 10.10 billion were fully allocated by September 2025, reinforcing disciplined deployment and transparent reporting. During the year, DIB launched its inaugural Sustainability-Linked Finance Facilities financing Framework, the first by an Islamic bank globally, and completed the first issuance of AED 3.67 billion under the framework in November 2025.

DIB advanced the integration of sustainability across capital markets and investment activities through the launch of a Responsible Investment Framework covering Treasury, International Business, Real Estate Investments, and Wealth Management. As of December 2025, 10% of DIB's Sukuk portfolio (AED 8.84 billion) was invested in ESG Sukuk. During the year, the Bank facilitated AED 29.58 billion in ESG transactions, with DIB's contribution amounting to AED 3.68 billion.

Beyond portfolio growth, DIB strengthened execution capabilities by establishing a dedicated vertical focused on sustainable finance commercial growth, while enhancing the origination, assessment, and monitoring of sustainable finance activities and deepening sector engagement aligned with transition and resilience priorities.

DIB's progress was further reflected in improving external ESG assessments. The Morningstar Sustainalytics rating improved from 25.0 to 20.5, bringing DIB close to the "Low Risk" category. S&P increased from 27 to 36 (+33%), and LSEG rose from 61 to 68 (+11%), while maintaining an MSCI rating of A. DIB was also recognised by Bloomberg at the threshold of "Leading" organisations in the Commercial Banks peer group, ranking in the 86th percentile of rated entities in the sector globally as of 31 December 2025.

Building on these achievements, DIB enters 2026 focused on further scaling sustainable finance, strengthening execution capabilities, and deepening its contribution to long-term economic, environmental, and social resilience.

Progress Never Stops...

Highlights

As a leading Islamic bank, DIB anchors its sustainable finance target and roadmap in the UAE Net Zero by 2050 Strategic Initiative and the goals of the Paris Agreement, positioning sustainability at the core of long-term value creation. To date, DIB has raised USD 2.75 billion (AED 10.10 billion) through three sustainable sukuk issuances of USD 0.75 billion, USD 1.0 billion and USD 1.0 billion, with 100% of proceeds fully allocated as of September 2025. Reflecting strong execution and deployment, DIB's sustainable financing portfolio reached AED 12.67 billion (USD 3.45 billion), considering a three-year look-back period, as of December 2025, exceeding the total amount raised. Leveraging its Shariah-compliant expertise, DIB continues to support client transition pathways while advancing the UAE's green finance agenda and contributing to a resilient, inclusive and low-carbon economy.

Sustainable Sukuk Issuances

Issuer	Dubai Islamic Bank		
Pricing Date	22-Nov-2022	09-Feb-2023	26-Feb-2024
Issuance Date	30-Nov-2022	16-Feb-2023	04-Mar-2024
Rank	Senior Unsecured	Senior Unsecured	Senior Unsecured
Net Proceeds (USD mn)	750	1,000	1,000
Coupon	5.493	4.800	5.243
Tenure	5 yr	5.5 yr	5 yr
ISIN	XS2553243655	XS2579950200	XS2749764382

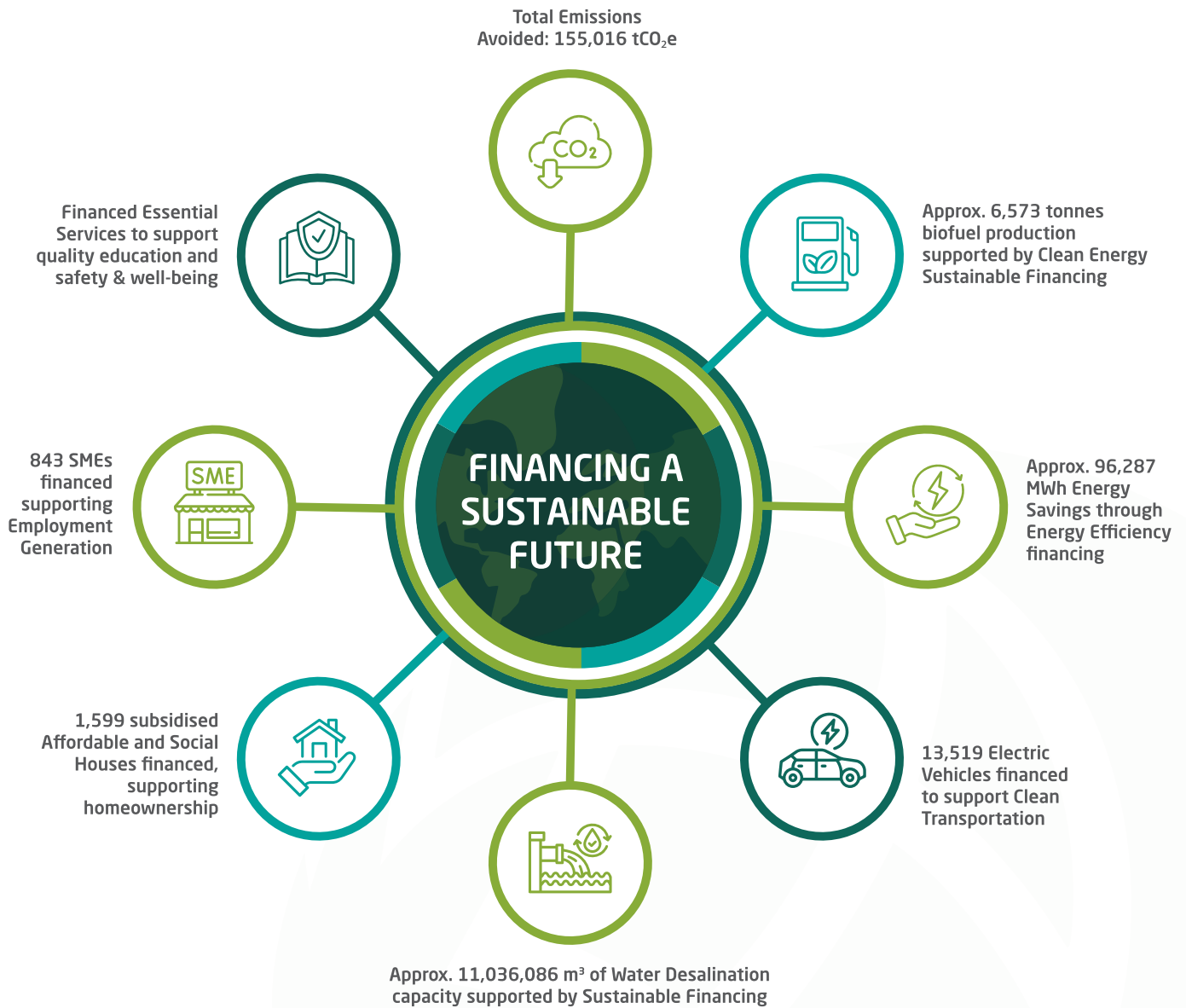
Allocation Highlights

AED 10.10 Bn (USD 2.75 Bn) worth of Sustainable Sukuk Issued	100% allocation across all three Sustainability Sukuk as of September 2025	AED 12.67 Bn (USD 3.45 Bn) in Eligible Sustainable Assets as of December 2025 ³
Share of Green Assets: 71.15%		Share of Social Assets: 28.85%

(1 USD = 3.673 AED)

³ Eligible Sustainable assets as of December 2025, considering a three-year look-back period. Total accumulated Sustainable Finance portfolio without the three-year look-back period stands at AED 13.40 billion.

Impact Highlights



Contribution to SDGs



DIB's Sustainable Finance Framework⁴

Introduction

Dubai Islamic Bank has designed the Sustainable Finance Framework to issue Green, Social or Sustainability Sukuk and other financing instruments in line with the leading market practice. The Sustainable Financing Instruments will fund Eligible Sustainable Projects that are aligned with the following principles and guidelines: International Capital Market Association (ICMA) Green Bond Principles (GBP) 2021, Social Bond Principles (SBP) 2023, Sustainability Bond Guidelines (SBG) 2021, the Loan Market Association (LMA) Green Loan Principles (GLP) 2023 and Social Loan Principles (SLPs) 2023, and the Guidance on Green, Social, and Sustainability (GSS) Sukuk 2024. These Eligible Sustainable Projects will support DIB's Sustainable Finance target of 15% of group gross financing as Sustainable Finance by 2030.

In alignment with the above principles and guidelines, DIB is guided by the following five key pillars outlined in its Sustainable Finance Framework:

1	Use of proceeds
2	Process for project evaluation and selection
3	Management of proceeds
4	Reporting
5	External review

1. Use of Proceeds

DIB will allocate an amount at least equivalent to the net proceeds of the Sharia-compliant Sustainable Financial Instruments issued to finance and/or re-finance, in whole or in part, Eligible Green and Social Projects and businesses across their full life cycle, in accordance with the Eligibility Criteria defined in its Sustainable Finance Framework.

Eligible Green and Social Projects, together with the United Nations Sustainable Development Goals (SDGs) they address, are outlined below. For further details on the Eligibility Criteria, please refer to the DIB Sustainable Finance Framework⁵.

⁴ DIB is currently in the process of revising its Sustainable Finance Framework (October 2024). The updated framework is expected to be published in 2026.

⁵ DIB Sustainable Finance Framework (October 2024)

ELIGIBLE GREEN CATEGORIES

<p>Clean Energy</p> <p>7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION</p>	<p>Energy Efficiency</p> <p>7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION</p>	<p>Clean Transportation</p> <p>7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION</p>
<p>Green Buildings</p> <p>7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION</p>	<p>Pollution Prevention</p> <p>3 GOOD HEALTH AND WELL-BEING 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Sustainable Water and Wastewater Management</p> <p>6 CLEAN WATER AND SANITATION</p>
<p>Biodiversity</p> <p>14 LIFE BELOW WATER 15 LIFE ON LAND</p>	<p>Circular Economy</p> <p>9 INDUSTRY INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Sustainable Industries</p> <p>9 INDUSTRY INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
<p>Climate Change Adaptation</p> <p>13 CLIMATE ACTION</p>		

ELIGIBLE SOCIAL CATEGORIES

<p>Employment Generation</p> <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Affordable and Social Housing</p> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Essential Infrastructure</p> <p>6 CLEAN WATER AND SANITATION 9 INDUSTRY INNOVATION AND INFRASTRUCTURE</p>
<p>Essential Services</p> <p>3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION</p>	<p>Empowered Society</p> <p>8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES</p>	<p>Food Security</p> <p>2 ZERO HUNGER 14 LIFE BELOW WATER</p>
<p>Sustainable Digitalisation</p> <p>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</p>		

2. Process for project evaluation and selection

Projects financed and/or re-financed under DIB's Sustainable Finance Framework are evaluated and selected based on compliance with the eligibility criteria and the client and transaction-level ESG risk assessment process. DIB Business Areas identify and screen potentially Eligible financing from their portfolios and submit proposed Eligible assets to the Sustainable Finance Committee (SFC) on a monthly basis for analysis.

The SFC reviews and approves Eligible financing in line with its mandate from the Management Sustainability Committee (MSC). Approved assets are recorded in DIB's Sustainable Asset Register, which is updated monthly and forms the basis for internal reporting, external disclosure, and assurance. Assets exceeding the three-year look-back period are reclassified in accordance with the Framework.

3. Management of proceeds

The proceeds of each DIB Sustainable Financing Instrument are deposited into DIB's sustainability-related funding accounts and earmarked for allocation towards Eligible Green and Social Projects. Allocations are tracked using DIB's Sustainable Asset Register.

The Sustainable Asset Register includes relevant information to enable DIB to monitor the allocation of proceeds, including details of Eligible Projects by category, amounts allocated, unallocated proceeds, and key characteristics of the Sustainable Financing Instruments (e.g. type, name, ISIN, maturity).

Any proceeds temporarily unallocated are invested in cash or cash equivalents in line with the Bank's standard treasury processes.

4. Reporting

DIB has established a comprehensive internal and external reporting process to ensure transparency and accountability in relation to its Sustainable Financing Instruments.

On a monthly basis, the Sustainable Asset Register is circulated internally to relevant unit leaders to support accurate and timely data and informed decision-making at the departmental level. On a quarterly basis, reporting based on the Sustainable Asset Register is presented to the Management Sustainability Committee (MSC) and the Board Sustainability Committee (BSC).

Externally, DIB publishes Semi-Annual and Annual Sustainable Finance Reports on its Sustainability and Investor Relations webpages. These reports include an allocation summary containing information on Sustainable Financing Instruments, category-wise allocation details, and the associated environmental and social impacts, linked to the United Nations Sustainable Development Goals (SDGs), thereby enhancing both DIB's and investors' understanding of the outcomes achieved. The reports are published until the net proceeds of any Sustainable Financing Instrument issued have been fully allocated, or until the instrument is no longer outstanding, and are subject to limited assurance by a qualified external third party.

5. External review

DIB engages external reviewers to ensure that its Sustainable Finance Framework, Sustainable Financing Instruments issued under the Framework, and the related financing and reporting processes are aligned with leading international market practices.

DIB has obtained a Second Party Opinion (SPO) on its Sustainable Finance Framework from ISS ESG, confirming alignment with the International Capital Market Association (ICMA) Green Bond Principles (GBP) 2021, Social Bond Principles (SBP) 2023, Sustainability Bond Guidelines (SBG) 2021, the Loan Market Association (LMA) Green Loan Principles (GLP) 2023 and Social Loan Principles (SLPs) 2023, and the Guidance on Green, Social, and Sustainability (GSS) Sukuk 2024.

In addition, DIB obtains limited assurance from a qualified external provider on the allocation of net proceeds.

Allocation Report

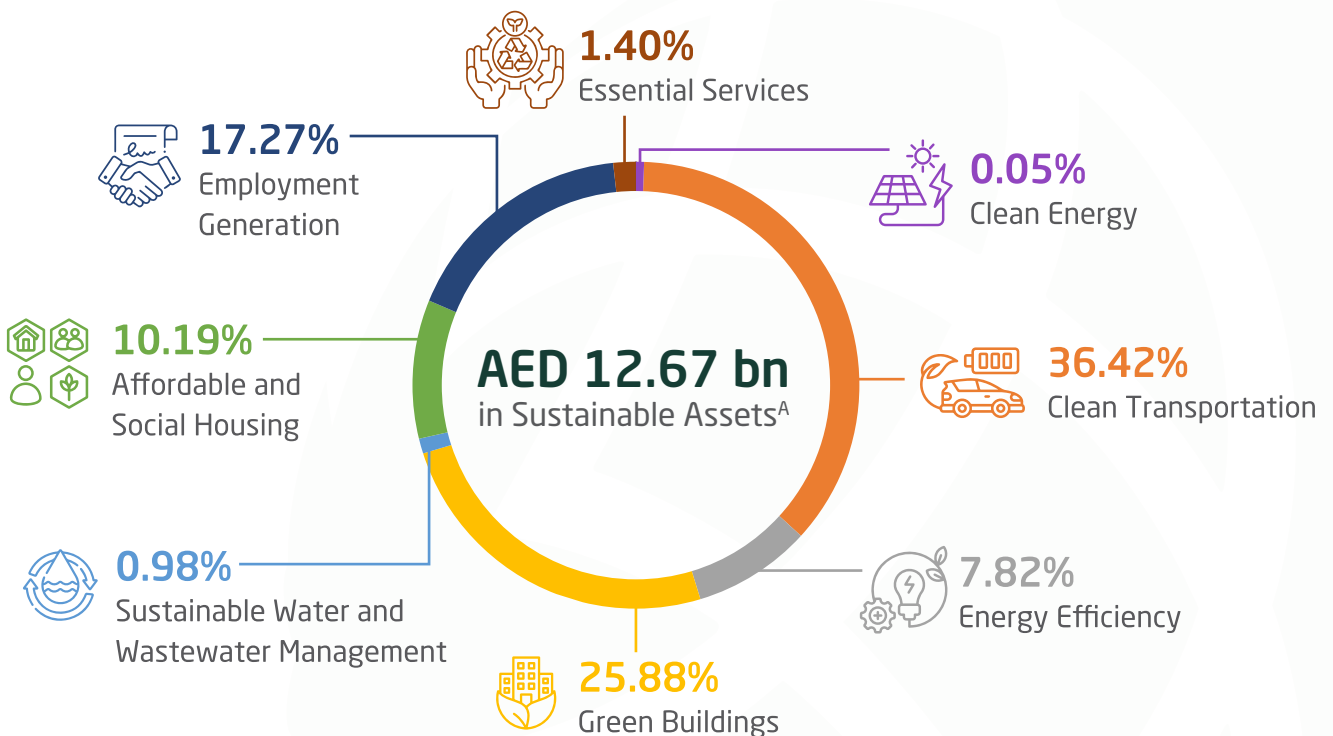
As of 31 December 2025, DIB has issued three Sustainable Sukuk, totaling USD 2.75 billion (AED 10.10 billion): USD 0.75 billion in November 2022, USD 1 billion in February 2023, and USD 1 billion in March 2024.

AED 12.67 billion has been deployed across eligible green and social categories, comprising AED 9.02 billion allocated to green categories and AED 3.66 billion allocated to social categories, considering a three-year look-back period, against AED 10.10 billion issued. The total accumulated Sustainable Finance portfolio as of 31 December 2025, without the three-year look-back period stands at AED 13.40 billion.

DIB applies a sukuk-issuance-based allocation approach, whereby the net proceeds from the issuance of the three Sustainable Sukuk are considered collectively for allocation to eligible assets after applying the three-year look-back period, which is calculated based on the date of the latest sukuk issuance.

All reported allocations and eligible assets are exclusively attributable to the DIB UAE entity.

Eligible Asset Portfolio as of 31 December 2025



^A KPMG has provided limited assurance over the allocation and use of proceeds from the Sustainable Sukuk as at 31 December 2025.
Dubai Islamic Bank Public Joint Stock Company, licensed & regulated by the Central Bank of the UAE.

Eligible Green Asset Portfolio as of 31 December 2025⁷

ESG Category	ESG Sub-Category	Outstanding Balance (AED mn)	Outstanding Balance (USD mn)	% of Total Assets
Green	Clean Energy	6	2	0.05%
	Clean Transportation	4,615	1,256	36.42%
	Energy Efficiency	991	270	7.82%
	Green Buildings	3,280	893	25.88%
	Sustainable Water and Wastewater Management	124	34	0.98%
Total		9,016	2,455	71.15%

Eligible Social Asset Portfolio as of 31 December 2025⁸

ESG Category	ESG Sub-Category	Outstanding Balance (AED mn)	Outstanding Balance (USD mn)	% of Total Assets
Social	Affordable and Social Housing	1,291	351	10.19%
	Employment Generation	2,188	596	17.27%
	Essential Services	177	48	1.40%
Total		3,656	995	28.85%

(1 USD = 3.673 AED)

^{7&8} Figures are rounded off for simplification

Impact Report

DIB is continuously working towards expanding and strengthening its sustainable finance practices and actively tracks the impact it makes by avoiding emissions through its finance.

DIB has engaged The Carbon Trust to assess and estimate the impacts achieved by Eligible Green categories, covering Clean Energy, Clean Transportation, Energy Efficiency, Green Buildings, and Sustainable Water and Wastewater Management. The estimated impacts of the Eligible Social categories, covering Affordable and Social Housing, Employment Generation, and Essential Services have been prepared by DIB. All impact figures have been internally reviewed by the departments involved, and the Sustainable Finance Committee, Management Sustainability Committee, the Board Sustainability Committee and the Board have approved this report for publication.

Reporting of the environmental impacts of Sustainable Sukuk is evolving and is a relatively new concept. However, the Carbon Trust is committed to reporting on the method used to calculate the avoided GHG emissions based on:

- PCAF's The Global GHG Accounting and Reporting Standard for the Financial Industry (December 2022), Chapter 5.3 Project Finance.⁹
- ICMA Harmonised Framework for Impact Reporting (2023).¹⁰
- Climate Bonds Standard V3.0.¹¹
- IFI GHG Accounting for Grid Connected Renewable Energy Projects (July 2019).
- Green Loan Principles (Feb 2023).
- Green Bond Principles, Voluntary Process Guidelines for Issuing Green Bonds (2021).
- Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.
- WBCSD Guidance on Avoided Emissions¹²

DIB follows the key recommendations outlined in the principles, with an external review on the reporting process. In addition, DIB is committed to reporting greenhouse gas emissions in accordance with the five principles contained within the Greenhouse Gas Protocol, namely relevance, completeness, consistency, transparency, and accuracy. DIB further commits to transparent disclosure of any assumptions and estimations used in the calculation of its impacts.

⁹ The Global GHG Accounting and Reporting Standard for the Financial Industry (Dec 2022)

¹⁰ Handbook Harmonised framework for Impact Reporting (June 2023)

¹¹ Climate Bonds Standard V3.0 | Climate Bonds Initiative

¹² WBCSD Guidance on Avoided Emissions (Mar 2023)

Impacts of Eligible Green Asset Portfolio by Category



Clean Energy

The UAE currently relies on fossil for most of its electricity supply. In 2024, natural gas accounted for 71% of its total electricity generation.¹³ To counter this, and in line with the UAE's Energy Strategy 2050, the UAE aims to increase the contribution of clean energy in the total energy mix to 30% by 2031, and to an overall 44% by 2050, to ensure the country is on track to achieve its climate change mitigation goals.¹⁴

Biofuel Impact

The UAE Cabinet approved the National Policy on Biofuels in March 2024, aiming to increase biodiesel consumption to 20% by 2050.¹⁵

DIB has financed a biofuel plant that was fully operational at the end of 2022 with an expected total production of 7,300 metric tonnes per year.

Number of projects	Location	Allocation amount (AED mn)	Attributed Biofuel Production (tonnes)	Attributed Biofuel Avoided Emissions (tCO ₂ e)	SDGs
1	UAE	6	6,573	21,291	 

Clean Transportation

The transport sector is a significant contributor to emissions in the UAE and a key target for decarbonisation efforts. In 2023, transport-related emissions were reported at 43.37 million tCO₂e, marking an increase of over 1 million tCO₂e compared to 2022.¹⁶ To support this, the updated UAE Energy Strategy 2050 includes targets of reaching 691,000 EVs and hybrid vehicles by 2030.¹⁷ Dubai, as part of its Green Mobility Strategy 2030, also aims to achieve over 42,000 EVs on the roads, with a mandate that 30% of public sector vehicles and 10% of all vehicle sales are to be electric and hybrid by 2030.¹⁸

¹³ United Arab Emirates Energy Information - Enerdata

¹⁴ United Arab Emirates - UAE Energy Strategy 2050

¹⁵ UAE Ministry of Energy and Infrastructure, "The National Policy on Biofuels"

¹⁶ CEIC data - United Arab Emirates Total CO₂ Emissions

¹⁷ UAE Energy Strategy 2050 | The Official Portal of the UAE Government

¹⁸ Dubai's green mobility ambitions shift into high gear




Over the last few years, there has been a significant increase in the uptake of EVs, due to the respective initiatives introduced by the UAE and Dubai. Demand for EVs is expected to see a 30% compound annual growth rate between 2022 and 2028.¹⁹

DIB aims to support the reduction of the country’s reliance on internal combustion engine vehicles (“ICE”) and the shift towards more sustainable transport alternatives by financing electric and low carbon vehicles.

Battery Electric Vehicles Impact

In the twelve-month period from 1st January 2025 to 31st December 2025, DIB has financed a total of 5,073 electric vehicles. However, the number of electric vehicles included in the total results is 13,519 due to a higher number of vehicles being included within the look-back period. While DIB has also financed hybrid vehicles, these have been excluded from the impact assessment to comply with the Sustainable Finance Framework criteria.

Although there is a lack of direct emissions, the benefits of EVs are associated with the emissions intensity of the grid. As the overall grid decarbonises, in alignment with the commitments within the UAE Energy Strategy 2050, the benefit associated with EVs will increase as these are powered and charged using electricity from clean energy.

Number of projects	Location	Allocation amount (AED mn)	Attributed Avoided Emissions per km (gCO ₂ e/km)	Attributed Avoided Emissions (tCO ₂ e)	SDGs
13,519*	UAE	1,633	182	33,012	  

Energy Efficiency

Dubai’s rapid infrastructure development has seen a significant growth of energy demand to match. This is in line with the UAE Green Economy Initiative, UAE Integrated Strategy 2030 and the UAE Energy Strategy 2050 goals, has led to a scale-up of renewable energy and energy efficiency measures, to satisfy the demand in a sustainable way, while maintaining energy security.²⁰

Energy Efficiency improvements will also provide societal improvements across the UAE by reducing utility costs. With a mean temperature of 28.62 °C and reaching 35.05 °C during peaks in 2024,²¹ cooling is a necessity to ensure health and wellbeing. As such, DIB’s financing will enable improved access to thermal societal comfort and reduce associated health risks.

¹⁹ United Arab Emirates Electric Vehicle Market (trade.gov)

²⁰ 2014 State of Energy Report English

²¹ UAE records hottest day of the year



* These figures exclude 12 best-in-class aircraft financed by DIB, due to the unavailability of the data or methodology required for impact calculations.

District Cooling Impact

Cooling remains a major source of energy consumption across the Middle East and North Africa region, including Dubai. Therefore, a key part of strategies developed for climate action, and raising energy efficiency in particular, in the region is the greater incorporation of district cooling projects.²²

District cooling has significant potential to increase the energy efficiency of urban areas in the UAE. Currently, the peak electricity load of cooling in buildings represents about 70% for the Gulf Cooperation Council.²³

To contribute to this decarbonisation, DIB has financed the retrofit of a district cooling project. As per DIB's Sustainable Finance Framework, these projects satisfy the requirement of reducing energy consumption by at least 20% compared to the average national energy consumption of an equivalent project or technology.

Number of projects	Location	Allocation amount (AED mn)	Attributed Avoided Energy (MWh)	Attributed Avoided Emissions (tCO ₂ e)	SDGs
1	UAE	991	96,287	40,373	 

Green Buildings

In 2022, the electricity and heat emissions, coupled with the construction and manufacturing sector accounted for 42.4% of the UAE's total emissions (67.5 MtCO₂e of electricity and heat emissions; construction and manufacturing sector which accounted for 70.1 MtCO₂e).²⁴

There is a large focus of sustainability within the Gulf Cooperation Council's building sector. To further encourage the adoption of green buildings, there has been a myriad of sustainable/green building initiatives introduced by the UAE, such as the Estidama Pearl Rating System in Abu Dhabi and the Green Building Regulations and Specifications in Dubai.²⁵

To support these initiatives, and in line with the sustainability goals as set out for 2050 in the Dubai Clean Energy Strategy and the UAE Energy Strategy 2050, DIB aims to finance new or existing commercial or residential buildings that belong to the top 15% in terms of energy efficiency (or have received, or expect to receive, third-party verified green building standards).

²² Cooling in Dubai: A Market Share and Efficiency Study (RSB)

²³ Dubai, the sustainable, smart city | Renewable Energy and Environmental Sustainability




²⁴ United Arab Emirates: CO2 Country Profile - Our World in Data

²⁵ Green Building Sector in the UAE: Perspectives | EcoMENA

Commercial Buildings Impact




DIB financed 4 commercial projects, 3 of which have achieved LEED PLATINUM and LEED GOLD certifications, while 1 under-construction project is already registered for LEED GOLD, in line with the requirements set out in its Sustainable Finance Framework. These are internationally recognised standards, ensuring that best practices are carried out across the construction and operational life span of the buildings.

As at the time of reporting, all the projects had sufficient data to calculate actual attributed annual energy savings and attributed annual avoided emissions, and no suitable proxies were identified. This is reflected in the figures in the table above.

Number of projects	Location	Allocation amount (AED mn)	Attributed Avoided Energy (MWh)	Attributed Avoided Emissions (tCO ₂ e)	SDGs
4	UAE	2,908	2,496	742	  

Residential Buildings Impact

DIB financed 277 residential projects, which have achieved a mix of LEED GOLD, LEED SILVER, BREEAM, Estidama (2 Pearls and above), and other local or regional certifications, in line with the requirements set out in its Sustainable Finance Framework.

Number of projects	Location	Allocation amount (AED mn)	Attributed Avoided Energy (MWh)	Attributed Avoided Emissions (tCO ₂ e)	SDGs
277	UAE	371	9,282	3,892	  

Sustainable Water and Wastewater Management

United Arab Emirates (UAE) is one of the most water-scarce countries in the world, emphasising the critical importance for water security.

In light of this, the UAE has launched the Water Security Strategy 2036, aiming to ensure sustainable access to water under both normal and emergency conditions.

The strategic objectives include reducing total water demand by 21%, enhancing the reuse of treated water to 95%, and increasing water storage capacity to safeguard against future water risks.²⁶

The plan also emphasises improving the water productivity index, reflecting the nation's commitment to balancing development needs with environmental sustainability. To support these national goals, DIB has allocated financing to a desalination project designed to meet the growing demand for potable water and strengthen long-term resilience against climate and resource challenges.

Desalination Impact

Desalination plays a key role in the UAE's Water Security Strategy, with currently 42% of its potable water supply coming from the thermal desalination of seawater.²⁷ However, the desalination process is highly-energy intensive.

To address these concerns, the UAE is pushing for more energy-efficient and environmentally friendly technologies, such as solar-powered and reverse osmosis desalination plants as part of the broader UAE Water Security Strategy 2036.

The desalination plant which DIB has financed is powered by 100% clean energy and utilises advanced reverse osmosis for water desalination. The avoided emissions and energy reductions were calculated using the average energy consumption from the current supply system in Saudi Arabia, using it as a proxy, and by using the UAE country grid emission factor.

Number of projects	Location	Allocation amount (AED mn)	Expected Attributed Water Desalinated (m ³)	Expected Attributed Energy Avoided per m ³ (kWh/m ³)	Attributed Avoided Emissions (tCO ₂ e)	SDGs
1	UAE	124	11,036,086	12	55,705	


²⁶ The UAE Water Security Strategy 2036

²⁷ Aquanomics - the Economics of Water Risk and Future Resilience, p. 24

Impacts of Eligible Social Asset Portfolio by Category

Affordable and Social Housing

DIB's assumed impact on the development or acquisition of new housing units is calculated by multiplying the number of new affordable housing projects developed by an assumed 5 individuals. Based on 2022 census data, there are an average of 5 inhabitants per household in the UAE²⁸.

Number of projects/ Housing units constructed or financed	Project type	Location	Allocated amount (AED mn)	Individuals and families benefitting from subsidised housing	SDGs
1,599	Subsidized Mortgages	UAE	1,291	7,995 ²⁹	

Employment Generation

The allocation to the Employment Generation category comprises of finance provided to SMEs. The methodology assumes that the Sustainable Sukuk use-of-proceeds allow the SMEs to make investments which leads to higher levels of employment.



Number of projects/ SMEs financed	Project type	Location	Allocated amount (AED mn)	SDGs
843	SMEs	UAE	2,188	

Essential Services

DIB has financed a not-for-profit educational institution to support access to quality education and to a fire safety product producer to enhance safety and well-being.

²⁸ Age Specific Fertility Rates, Total and General Fertility Rates by Nationality - Emirate of Dubai (2019)

²⁹ Assumed 5 individuals per dwelling - 2 parents plus average 3 children

Number of projects	Project type	Location	Allocated amount (AED mn)	SDGs
1	Education	UAE	58	
1	Emergency services	UAE	119	

Methodology

Avoided Emissions

Avoided emissions form a core component of DIB's impact assessment. Measuring them provides insight into the wider positive impact in the form of GHG emissions avoided as a result of the sustainable solutions deployed by DIB, in comparison to a baseline reference scenario. As a subsection of avoided emissions, DIB's assessment will also consider the enablement provided by these solutions and whether that allow for the same or similar functions to be performed with significantly less GHG emissions. By offering these sustainable solutions, DIB enables avoided emissions in the wider system, beyond its immediate value chain. Avoided emissions, along with the overall impact assessment, will be calculated on a semi-annual and annual basis to track DIB's progress and contributions towards its sustainability goals.

At the core of DIB's avoided emissions assessment is the reference scenario. This reference scenario establishes the context of the deployed proceeds and identifies what is directly replaced or reduced as a result of DIB's financing activities. The reference scenario must be a credible counterfactual reflecting the reality of the region. For all avoided emissions calculations, the reference scenario is detailed in each relevant section.

$$\text{Avoided Emissions} = \sum \text{Reference Scenario Emissions} - \text{Solution Emissions}$$

Financed Emissions and Attribution

When carrying out the impact assessment, an attribution factor was applied to all assets in line with PCAF's methodology. This factor helps understand the share of DIB's exposure and contribution to the impact of the project. In the case of financing made via DIB's subsidiaries and owned entities, including joint ventures entered into by its subsidiaries, only the issuer's share of the financing will be applicable as an allocation to the eligible projects.

$$\text{Financed Emissions} = \text{Attribution Factor} \times \text{Project Emissions}$$

In the process of considering financing for allocation under the Sustainable Financing Instruments, DIB will discount the portion of the Eligible Sustainable Projects that have been disbursed by one or several other issuers.

The calculation of the attribution of emissions and avoidance takes the outstanding financing amount and divides it against the total project value. This is summarised in the equation below:

$$\text{Attribution Factor} = \frac{\text{DIB Outstanding Balance}}{\text{Total Project Value}}$$

Independent Limited Assurance Report



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Independent Practitioner's Limited Assurance Report

Independent Practitioner's Limited Assurance Report to the Board of Directors of Dubai Islamic Bank Public Joint Stock Company over the Subject Matter Information

Conclusion

We have performed a limited assurance engagement on whether Dubai Islamic Bank Public Joint Stock Company's ("DIB") Subject Matter Information ("SMI") detailed below as at 31 December 2025, has been prepared in accordance with the "Applicable Criteria" as set out below.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the DIB's SMI, as at 31 December 2025 is not prepared, in all material respects, in accordance with the Applicable Criteria.

Basis for conclusion

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the *International Auditing and Assurance Standards Board (IAASB)*. Our responsibilities under this standard are further described in the "Our responsibilities" section of our report. We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the *International Ethics Standards Board for Accountants (IESBA)*. Our firm applies *International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the *IAASB*. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Subject Matter Information ("SMI")

Subject Matter Information ("SMI") for our limited assurance engagement is presented on page 11 of the "DIB Sustainable Finance Report 2025" (the "Allocation Report") and is available at <https://www.dib.ae/en/sustainability>.

The SMI identified by the symbol (A) indicates that AED 10.1 billion of proceeds from the Sustainable Sukuk are allocated to eligible asset portfolio of AED 12.67 billion in accordance with the Applicable Criteria as at 31 December 2025.



Applicable Criteria

The Applicable Criteria for the Subject Matter Information relating to the Sustainable Sukuk comprise DIB's Sustainable Finance Framework 2024, which is publicly available at <https://www.dib.ae/en/sustainability>.

Other Information

Management is responsible for the Other Information. The Other Information comprises all the information in the Allocation Report, other than the Subject Matter Information and our assurance report ("Other Information"). Our assurance conclusion does not extend to the Other Information and, accordingly, we do not express any form of assurance thereon. We have not performed any procedures with respect to the Other Information.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than DIB, for any purpose or in any other context. Any party other than DIB, who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than DIB for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report has been prepared for DIB solely in accordance with the terms of our engagement. We have consented to the publication of our report on <https://www.dib.ae/en/sustainability> for the purpose of DIB showing that it has obtained an independent limited assurance report in connection with the SMI.

Our conclusion is not modified in respect of this matter.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the allocation and use of proceeds ("Proceeds") mentioned in the Allocation Report may occur and may not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Proceeds, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis. Our work does not involve testing the operating effectiveness of controls over the underlying data, nor have we sought to review systems and controls beyond those relevant to the Proceeds.

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

The Applicable Criteria and the definition of Green and/or Social Projects ("GSP") categories has been developed to assist DIB in determining the allocation of the proceeds from the Sustainable Sukuk as defined in the Applicable Criteria. As a result, the SMI may not be suitable for another purpose. Our work is limited to assessing whether the net proceeds have been allocated to projects that meet the definition of GSPs as per the Applicable Criteria.

For the purposes of this limited assurance engagement, we have not performed any procedures to assess, and so we provide no assurance over:

- the appropriateness of the eligibility criteria which leads to the projects being classified as GSPs, nor whether the GSPs continue to meet that eligibility criteria on an ongoing basis;
- whether there is a correlation between the classification as GSPs and the actual environmental and social impact of undertaking the GSPs;



Inherent limitations (continued)

- whether the GSPs were only undertaken as a consequence of obtaining the Sustainable Financing Instruments.
- audit, review or verification of the SMI nor of the underlying records or other sources from which the SMI was extracted. Moreover, we assume correctness of third-party information, where applicable, as well as publicly disclosed information to reach our conclusion.

Our engagement is planned and performed to obtain limited assurance, but not absolute assurance, about whether the SMI is free of material misstatement, whether caused by fraud or error. We will not perform any procedures by way of audit, review or verification of the SMI, nor of the underlying records or other sources from which the SMI will be extracted. Accordingly, we will not express such an opinion.

Management's responsibility

Management is responsible for:

- selection or development of suitable Applicable Criteria with respect to its relevance, completeness, reliability, neutrality and understandability, and appropriately referring to or describing the Applicable Criteria used;
- design, implementation and maintenance of internal control relevant to the preparation of the SMI that are free from material misstatement, whether due to fraud or error;
- preparation and presentation of the SMI in accordance with the Applicable Criteria;
- prevention and detection of fraud and for identifying and ensuring that DIB complies with laws and regulations applicable to its activities;
- ensuring that the staff involved with the preparation of the Applicable Criteria and the SMI are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units; and
- evaluating compliance of the SMI against any required targets is the responsibility of management of DIB.

Those charged with governance are responsible for overseeing the reporting process for the Company's SMI.

Our responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained and;
- Reporting our conclusion to the Board of Directors of DIB.

Summary of the work we performed

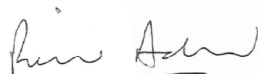
We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. The procedures performed included:

Our responsibilities (continued)

- Conducted interviews with management and key staff responsible for the allocation and use of proceeds ("UoP") of the Sustainable Sukuk and responsible for the preparation of the Subject Matter Information to obtain an understanding of the key processes, systems and controls in place for the allocation and use of proceeds of Sustainable Sukuk;
- Obtained an understanding of the Applicable Criteria (DIB's Sustainable Finance Framework 2024) used by the Company in preparing the SMI;
- Obtained an understanding of the information sources used by the Company to determine whether the project under consideration are eligible Sustainable (i.e. Green and Social) projects, as per the definition contained in DIB's Sustainable Finance Framework, 2024 and to determine how the allocation and use of proceeds to eligible Sustainable (i.e. Green and Social) projects is as per the Applicable Criteria;
- To obtain an understanding of the processes, systems, and controls in place for the allocation and use of proceeds of the Sustainable Sukuk, as well as the preparation of the SMI;
- Inspected the minutes/presentation, where applicable, of the DIB's Sustainable Finance Committee, Management Sustainability Committee, the Board Sustainability Committee and the Board to confirm that the eligible Sustainable (i.e. Green & Social) projects, allocation and use of proceeds from Sustainable Sukuk and process adopted by Company around the Allocation Report preparation had been considered and approved;
- Performed the following procedures over the SMI, which included:
 - On a sample basis, obtaining the relevant supporting documents to confirm issuance of the Sustainable Sukuk and receipt of proceeds from them;
 - Comparing the total funds received by the Company from Sustainable Sukuk with those spent on the allocated projects;
 - Assessing the total funds allocated by the Company from the Sustainable Sukuk is in accordance with the Applicable Criteria;
 - Obtaining an understanding of the information sources used by the Company to determine the amount of proceeds allocated, in AED to eligible projects;
 - For the samples selected from the allocated population, test the allocated population to support the financing provided by the Company to eligible projects and inspecting that the selected projects meet the eligibility criteria as per the Applicable Criteria, as at 31 December 2025;
 - On a sample basis, assessing that the funds from Sustainable Sukuk were allocated within the defined period as per the Applicable Criteria;
 - Assessing the appropriateness of the mathematical accuracy of the formulae used / manual calculations performed over the Subject Matter, if any.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

KPMG Lower Gulf Limited



Richard Ackland
Registration No.: 1015
Dubai, United Arab Emirates

Date: 29 April 2026

Annexure

Eligible Assets for all DIB Sustainable Sukuk issuances, considering the three-year look-back period.^A

Type	Eligible Category	Number of Eligible Projects	Total Deployed Amount (AED mn) ³⁰	Total Deployed Amount (USD mn) ³¹
Green	Clean Energy	1	6	2
Green	Clean Transportation	13,531	4,615	1,256
Green	Energy Efficiency	1	991	270
Green	Green Buildings	281	3,280	893
Green	Sustainable Water and Wastewater Management	1	124	34
Social	Affordable and Social Housing	1,599	1,291	351
Social	Employment Generation	843	2,188	596
Social	Essential Services	2	177	48

(1 USD = 3.673 AED)

^A KPMG has provided limited assurance over the allocation and use of proceeds from the Sustainable Sukuk as at 31 December 2025.

^{30 & 31} Figures are rounded off for simplification

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