



دبي الإسلامي

**DIB**

# Management Discussion & Analysis

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Full Year Ended 31 December 2025

*Progress Never Stops...*

## DIB Delivers Strong Revenue of **₹ 13.3 Billion** and Pre-Tax Profit of **₹ 9.0 Billion** as Total Assets Grow 21% to **₹ 416 Billion**

- Asset quality strengthened further, with NPF ratio improving to 2.65% and Cost of Risk at 14 bps
- Robust growth in Net Financing Assets of 23% YoY to ₹ 262 billion, with Sukuk investments reaching ₹ 91 billion, up 10% YoY
- Customer Deposits accelerated by 29% YoY to ₹ 320 billion
- Pre-tax profit grew by 20% to ₹ 9.0 billion against normalised FY'24 pre tax profit of ₹ 7.5 billion\*
- Proposed dividend of 35 fils, subject to shareholder and regulatory approvals

\*FY'24 Pre-tax profit normalised after adjusting for one-off legacy recovery

### Key FY'25 Performance Metrics:

#### Resilient Earnings

Revenue  
**₹ 13.3 Bn**

Net Profit (pre-tax)  
**₹ 9.0 Bn**

RoTE (pre-tax)  
**22%**

#### Exceptional Growth

Net Financing Assets &  
Sukuk Investments  
**₹ 353 Bn**  
+20% YoY

Deposits  
**₹ 320 Bn**  
+29% YoY

Total Assets  
**₹ 416 Bn**  
+21% YoY

#### Strong Asset Quality

NPF Ratio  
**2.65%**  
-135 bps YoY

Cost of Risk  
**0.14%**

Cash Coverage  
**120%**  
+23pps YoY

## Performance Highlights for FY'25:

### Income Statement:

- Operating revenues reached **₹ 13.3 billion** in FY'25, supported by solid nonfunded income, healthy business volumes, and resilient margins, with revenues up 3% YoY.
- Impairment charges moderated to **₹ 485 million** with an extremely low cost of risk of 14 bps, underscoring the bank's disciplined underwriting and sustained portfolio quality.
- The bank maintained a sharp focus on operational efficiency, with the cost to income ratio declining to 28.4%, reflecting ongoing productivity gains.
- Pre-tax Profit tax grew to **₹ 9.0 billion**, supported by resilient funded income, strong non-funded income, tightly managed expenses and exceptionally low cost of risk.

### Balance Sheet

- DIB's Balance Sheet delivered standout performance, grew 21% YoY to **₹ 416 billion**, driven by broad-based and accelerated growth across core businesses.
- Strong growth momentum in the year as the bank booked New Gross Financing and Sukuk Investments of **₹ 124 billion**, a solid 80% YoY increase compared to previous year.
- Net Financing Assets rose sharply to **₹ 262 billion**, recording strong YoY growth of 23%, supported by sustained momentum across consumer and corporate portfolios.
- Gross New Financing activity accelerated to **₹ 104 billion**, representing 98% YoY uplift across Consumer, UAE Corporate and Cross-border Corporate businesses.
- The Sukuk book grew steadily to **₹ 91 billion**, increasing 10% YoY, maintaining its highquality sovereign and FI positioning, supported by **₹ 20 billion** in new Investments during the year.
- Customer Deposits recorded exceptional momentum, rising by 29% YoY to **₹ 320 billion** with CASA balances up 17% YoY to **₹ 110 billion**, reinforcing the bank's solid funding base.

### Asset Quality

- NPF ratio posted a sharp improvement, dropping to 2.65% (135 bps lower YoY), positioning DIB among the strongest asset quality performers in the UAE.
- Total coverage ratio strengthened to 160%, while cash coverage improved to 120%, underscoring robust collateral quality and a resilient financing portfolio.

### Capital and Liquidity

- Capital ratios remained solid, with CET1 at 12.3%, Tier 1 at 14.8%, and CAR at 15.5%, reinforcing balance sheet resilience.
- Liquidity strength remained evident, supported by an LCR of 157% and NSFR of 109%, comfortably exceeding regulatory requirements.

## FY'25 Business Highlights:

### Consumer Banking

- **Strong Growth:** Consumer Banking assets rose 22% YoY to  $\text{AED } 77$  billion, driven by record new consumer financing origination of  $\text{AED } 37$  billion, up 90% YoY. All key financing products delivered robust momentum, well supported by rapidly expanding cards business with continued growth in issuances and spending.
- **Revenue Momentum:** Consumer Banking revenues increased 10% YoY to  $\text{AED } 4.9$  billion, supported by strong growth in non funded income, including higher product fees and increased electronic banking fees.
- **Home Finance Franchise Continues to Lead:** The bank's Home Finance portfolio continued to grow strongly and remained highly diversified across all Emirates. Portfolio quality and reach were further enhanced through strategic partnerships such as a tie up with Mohammed Bin Rashid Housing Establishment (MBRHE).
- **Expanding Customer Base:** The bank welcomed ~90,000 new customers during the year, reflecting strong new to bank acquisition capabilities as total UAE customer base crosses 1.6 million.

### Local & Cross-Border Wholesale Banking:

- **Robust Expansion in Portfolio:** The Local and Cross-Border Wholesale Portfolio posted a strong 24% YoY increase, rising to  $\text{AED } 185$  billion. Growth was fueled by  $\text{AED } 67$  billion in new gross corporate financing during the year with visible growth in sectors such as utilities, oil & gas, automotive etc.
- **Steady Revenue Growth:** Wholesale Banking Revenues reached  $\text{AED } 3.3$  billion, supported by 10% YoY, increase in non-funded income, driven by higher fees and trade-related commissions.
- **Cross-Border Business Gains Scale:** Financing transactions nearly doubled in 2025 compared to 2024 as the bank continued to deploy financing to large corporates in the region, particularly utilities and aviation. As a result, cross-border assets recorded strong growth of more than 83% YoY.
- **DCM Business Accelerates with Higher Volumes and Deal Flow:** The DCM franchise maintained strong momentum, with volumes increasing by more than 50% YoY to reach USD 57 billion.



## Sustainability:

- **Significant Expansion of Sustainable Finance Portfolio:** The bank made strong progress on its sustainability agenda during the year, achieving notable improvements across ESG ratings and more than doubling its sustainable assets from **₹ 9.5 bn** to **₹ 19.5 bn**. By year end, sustainable finance accounted for 7.3% of the Bank's gross financing portfolio, keeping DIB firmly on track toward its 2030 target of 15%.
- **Successful Debut Sustainability-Linked Sukuk Issuance:** The bank also successfully issued its first sustainability-linked Sukuk, which attracted strong demand and was heavily oversubscribed.
- **Enhancing Operational Energy Efficiency:** DIB strengthened its energy efficiency efforts by initiating audits at major offices and achieving over 10% improvement in energy performance per employee.

## Intelligence at Scale, Discipline at the Core:

In 2025, DIB accelerated the shift from stand-alone AI use cases to enterprise deployment, embedding intelligence where it matters most: customer experience, business growth, and operational control. The Bank's approach is disciplined and governance-led, ensuring AI adoption scales with accountability, aligns with strategic priorities, and remains consistent with the principles that underpin Shariah-compliant banking.

A unified AI roadmap was established to govern the end-to-end lifecycle of delivery. It covers requirements intake, enablement, capacity planning, prioritisation, governance, and production deployment, providing a structured path from idea to execution. This framework enables scale with discipline, ensuring AI initiatives are prioritised transparently, delivered consistently, and deployed responsibly across the organisation.

This approach is already translating into measurable outcomes across service delivery, portfolio expansion, and operational oversight:

- **90% time reduction in routine activities** such as sentiment analysis and categorisation of unstructured data through generative AI.
- **70% efficiency uplift** through real-time offerings and personalised targeting.
- **90% improvement in execution efficiency** enabled by an AI use-case prioritisation framework that accelerates model development and increases predictability.
- **36% of retail acquisitions** supported by AI-powered targeting.
- **15% automation of back-office activities**, improving turnaround and accuracy.
- **82% faster social media moderation**, strengthening responsiveness and reputation oversight.
- **More than 1 million customers** reached through AI-driven campaigns, achieving an average **conversion rate of 11%**.

DIB's focus is now on extending these outcomes across priority journeys and core processes, using AI to deliver faster, more consistent service, better-informed decisioning, and stronger operational resilience. This is intelligence at scale, with discipline at the core, translating technology adoption into durable value for customers, stakeholders, and the wider economy.

## Digital:

- **alt app continues to drive digital engagement:** The alt app remained the core platform, offering more than 135 services and handling 55% of all customer transactions, with registered users crossing 1.1 million.
- **Digital adoption accelerated:** 97% of customers transacted digitally and 80% of New to Bank customers were onboarded digitally. Digital payments grew sharply, supported by onboarding 2,000+ merchants through the CyberSource gateway and processing 3.1 million digital payment transactions in the year.



*As DIB continues to strengthen its regional and international footprint, it will do so while remaining anchored in the UAE's economic priorities and in the same principles that protect trust and reinforce resilience.*

### His Excellency Mohammed Ibrahim Al Shaibani

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

"The UAE's economic progress has been shaped by a clear national direction: to strengthen competitiveness, enable private-sector growth, attract investment, and build resilience that endures. These priorities are not abstract; they require strong institutions, sound governance, and financial systems that mobilise and utilise capital responsibly while safeguarding stability and trust. Within this framework, DIB's role is to serve as a reliable partner to the real economy—supporting productive sectors and communities through Shariah-compliant banking that is rooted in long-term stewardship.

In 2025, DIB's performance reflected the strength of this model. The Bank continued to expand, sustained its earnings capacity, and strengthened the quality of its balance sheet, while maintaining a prudent approach to risk and capital. This is a defining feature of responsible growth: performance delivered without compromising resilience. It reinforces the Bank's ability to support customers through changing conditions and to contribute meaningfully to the UAE's continuing economic momentum.

The Board's focus is to ensure that DIB's growth remains aligned with strategic priorities and delivered with institutional rigour, anchored in the highest standards of governance, transparency and accountability. This ensures that performance is matched by strong controls

and prudent decision-making. It includes embedding risk discipline at every level of decision-making, investing in capabilities that strengthen operational resilience and elevate customer experience, and ensuring that capital is deployed efficiently to support sustainable growth and long-term value creation.

In this context, the Bank's results provide a strong foundation for the future. DIB delivered another year of strong balance sheet progress, with total assets growing by **21% to ₪ 416 billion in 2025**, reflecting the continued strengthening of the Bank's franchise. This growth was supported by a robust expansion in customer deposits, which grew **by 29% to ₪ 320 billion**, reinforcing the stability and resilience of our funding base built on customer trust. Together, these outcomes reinforce DIB's capacity to support the real economy responsibly and at scale, while serving customers across retail, SME and corporate segments.

As DIB continues to strengthen its regional and international footprint, it will do so while remaining anchored in the UAE's economic priorities and in the same principles that protect trust and reinforce resilience. DIB will continue to play its role—supporting growth through Shariah-compliant finance, strengthening the foundations of confidence and stability, and creating enduring value for shareholders, customers and the wider economy."



*Throughout the year, management priorities were anchored in execution: sharpening portfolio discipline, strengthening revenue composition, and reinforcing the operating platform to deliver faster, more consistently, and with greater resilience across the Bank.*

**Dr. Adnan Chilwan**

Group Chief Executive Officer of DIB

"In 2025, our focus was on converting momentum into measurable delivery—strengthening the balance sheet, improving the quality of earnings, and sustaining a risk profile that supports growth at scale. Throughout the year, management priorities were anchored in execution: sharpening portfolio discipline, strengthening revenue composition, and reinforcing the operating platform to deliver faster, more consistently, and with greater resilience across the Bank.

This was reflected in solid financial outcomes. Operating revenues reached **₹ 13.3 billion**, and profit before tax totalled **₹ 9.0 billion**, supported by healthy business volumes and resilient margins. Revenue diversification strengthened further, with non-funded revenues rising to **₹ 4.3 billion (+10.1%)**, supporting a more balanced revenue profile. Net financing assets and Sukuk investments grew by **20%** to **₹ 353 billion**, reflecting continued momentum across our core businesses. This growth was underpinned by **₹ 124 billion** in new gross financing and Sukuk investments, representing a solid **80% YoY** increase.

Crucially, performance continued to be delivered with strengthening risk indicators. The non-performing financing (NPF) ratio improved to **2.65% (down 135 bps YoY)**, coverage strengthened to **120%**, and cost of risk (CoR)

remained exceptionally low at **0.14%**. These outcomes reflect consistent underwriting standards, prudent provisioning and active portfolio management, ensuring that growth remains well-supported.

Along with financial delivery, 2025 also reflected DIB's capability to execute on complex mandates and national priorities. The Bank continued to deliver sovereign and strategic financings, advanced aviation-related structured transactions, and participated in the UAE's Digital Dirham pilot, supporting a landmark government transaction completed in less than two minutes as part of the UAE's Central Bank Digital Currency (CBDC) initiative. These milestones reinforce the breadth of our execution capabilities, and the role DIB continues to play in enabling priority sectors and national initiatives through Shariah-compliant solutions.

Looking ahead, our priorities remain clear: sustain disciplined growth, protect balance sheet quality, deploy capital efficiently, and continue investing in operational resilience and customer experience, guided by a simple principle: **'Progress Never Stops'**. So that performance remains durable and DIB continues to support the UAE's real economy with consistency and strength."

## Financial Review

₹ millions	Dec '25	Dec '24	YoY % change
Total Income	23,827	23,341	2%
Depositors'/ Sukuk holders share of profit	(10,576)	(10,505)	1%
<b>Operating Revenue</b>	<b>13,251</b>	<b>12,837</b>	<b>3%</b>
Operating expenses	(3,763)	(3,425)	10%
<b>Operating Profit before impairment losses</b>	<b>9,488</b>	<b>9,412</b>	<b>1%</b>
Impairment losses	(485)	(407)	19%
Net profit (before tax)	9,003	9,005	-
<b>Net profit (before tax) - Normalised*</b>	<b>9,003</b>	<b>7,477</b>	<b>20%</b>
Income tax	(1,195)	(840)	42%
<b>Net profit (after tax)</b>	<b>7,808</b>	<b>8,165</b>	<b>(4%)</b>
Key Ratios (%)	Dec '25	Dec '24	Change (bps)
Net Profit Margin %	2.6%	3.0%	(40 bps)
Cost to income ratio %	28.4%	26.7%	(170 bps)
Return on average assets (before tax) %	2.4%	2.8%	(40 bps)
Return on tangible equity (before tax) %	22%	24%	(200 bps)
Return on average assets (after tax) %	2.1%	2.5%	(40 bps)
Return on tangible equity (after tax) %	19%	22%	(300 bps)
₹ millions	Dec '25	Dec '24	Change
Net Financing and Sukuk Investments	352,644	294,588	20%
Equities & Properties Investments	9,416	8,797	7%
Other Assets	11,631	8,960	30%
Due from banks and financial institutions	5,387	5,642	(5%)
Cash & CB Balances	36,870	26,700	38%
<b>Total Assets</b>	<b>415,948</b>	<b>344,687</b>	<b>21%</b>
Customers' deposits	320,184	248,546	29%
Sukuk financing instruments	25,071	24,154	4%
Due to banks and financial institutions	1,966	5,854	(66%)
Other liabilities	15,591	13,280	17%
<b>Total Liabilities</b>	<b>362,813</b>	<b>291,834</b>	<b>24%</b>
Shareholder Equity & Reserves	42,562	39,724	9%
Tier 1 Sukuk	7,346	10,102	(27%)
Non-Controlling interest	3,228	3,028	7%
<b>Total Liabilities and Equity</b>	<b>415,948</b>	<b>344,687</b>	<b>21%</b>
Key Ratios (%)	Dec '25	Dec '24	Change
Liquidity Coverage Ratio (LCR)	109.0%	112.0%	(300 bps)
Common Equity Tier 1 Ratio (CET1)	12.3%	13.2%	(90 bps)
Capital Adequacy Ratio (CAR)	15.5%	18.3%	(280 bps)
Non-Performing Financing (NPF)	2.65%	4.00%	(135 bps)
Cash Coverage	120%	97%	23 pps

\*normalised for impact of one-off large legacy recovery

Dubai Islamic Bank Public Joint Stock Company, licensed & regulated by the Central Bank of the UAE.





## Awards: FY'25



### The Asset Triple A Awards 2025

Nov 2025

- Best Sustainability Sukuk
- Best Green Sukuk
- Best Green Sukuk - Indonesia
- Best Sukuk - Ireland
- Best Sustainability Sukuk - Saudi Arabia
- Best Sukuk - Quasi-Sovereign - Saudi Arabia
- Best Sukuk - Supranational - Saudi Arabia
- Best Sustainability Sukuk - UAE
- Best Local Currency Sukuk - UAE



### Forbes Middle East

June 2025

- Among the Top 100 Listed Companies 2025



### MEA Finance Banking Technology Summit & Awards 2025

March 2025

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



### MEA Finance Industry Awards 2025

Nov 2025

- Best Cybersecurity Implementation
- Best Overall Islamic Consumer Finance in the Middle East
- Best Sukuk Deal of the Year
- Leader in Financial Inclusion



### Dubai Municipality

May 2025

- Strategic Partner Award



### SHRM MENA Star Awards 2025

Sept 2025

- Excellence in Leadership Development - Silver Category



### Mohammed Bin Rashid Housing Est.

Feb 2025

- Strategic Partner Award



### SHRM MENA Conference and Expo 2025

Sept 2025

- SHRM Emirati Development Program Felicitaton



### MEA Finance SME Summit and Awards 2025

May 2025

- Best Islamic Bank for SMEs



### Employee Happiness Award 2025 UAE

June 2025

- Best Leadership Succession Strategy - Gold Category



### Islamic Finance News Awards

Feb 2025

- Oman Deal of the Year
- Hybrid Deal of the Year
- Sukuk Deal of the Year
- Best Islamic Bank in Kenya
- UK Deal of the Year
- Best Islamic Bank in the UAE
- Ijarah Deal of the Year
- Best Islamic Retail Bank in Kenya
- Egypt Deal of the Year
- Best Islamic Bank for Trade Finance



### MEA Business Achievement Awards 2025

June 2025

- 50 Years of Excellence - Anniversary Milestone (Achievement) Award

## Select DCM and Syndicated Deals: FY'25

### Sovereign and Supranationals

<b>GREEN</b> <b>July 2025</b>  Republic of Indonesia <b>US\$ 2.20bn</b> 4.550% 2030 Sukuk 5.200% 2035 Sukuk JLM & Bookrunner	<b>June 2025</b>  Republic of Turkiye <b>US\$ 2.50bn</b> 6.750% 2030 Sukuk JLM & Bookrunner	<b>March 2025</b>  Islamic Development Bank <b>US\$ 1.75bn</b> 4.211% 2030 Sukuk JLM & Bookrunner	<b>April 2025</b>  Kingdom of Bahrain <b>US\$ 1.75bn</b> 6.250% 2033 Sukuk JLM & Bookrunner	<b>September 2025</b>  Kingdom of Saudi Arabia <b>US\$ 5.50bn</b> 4.250% 2030 Sukuk 4.875% 2035 Sukuk JLM & Bookrunner
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### Cross-Border

<b>Dec 2025</b>  NATIONAL DEBT MANAGEMENT CENTER <b>US\$ 2.1bn</b> NDMC Syndicated Term MLA	<b>Oct 2025</b>  BOTAS Botas Petroleum Pipeline <b>US\$ 2.0bn</b> Corporation Syndicated Term Islamic MLA & Bookrunner	<b>Aug 2025</b>  Saudi Electricity Company <b>US\$ 2.9bn</b> Syndicated Term JGC, MLA & Bookrunner	<b>Jul 2025</b>  Govt. of Bahrain <b>US\$ 1.7bn</b> Syndicated Term IMLAB	<b>June 2025</b>  Govt. of Pakistan acting through Ministry of Finance <b>US\$ 1.0bn</b> Syndicated Term Islamic Global Coordinator, MLA & Bookrunner
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### GRE's

<b>GREEN</b> <b>October 2025</b>  Oman Electricity Transmission Company <b>US\$ 750mn</b> 4.662% 2030 Sukuk JLM & Bookrunner	<b>October 2025</b>  Türk Telekom <b>US\$ 600mn</b> 6.500% 2030 sukuk JLM & Bookrunner	<b>October 2025</b>  Dubai Aerospace <b>US\$ 650mn</b> 4.500% s2030 Sukuk JLM & Bookrunner	<b>September 2025</b>  Saudi Aramco <b>US\$3.0bn</b> 4.125% 2030 Sukuk 4.625% 2035 Sukuk JLM & Bookrunner	<b>April 2025</b>  Public Investment Fund <b>US\$ 1.25bn</b> 4.875% 2032 Sukuk JLM & Bookrunner	<b>April 2025</b>  DP World <b>US\$ 1.5bn</b> 5.200% 2035 Sukuk JLM & Bookrunner
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### Corporates

<b>October 2025</b>  ماجد الفطيم MAJID AL FUTTAIM Majid Al Futtaim <b>US\$ 500mn</b> 4.875% 2035 Sukuk JLM & Bookrunner	<b>GREEN</b> <b>September 2025</b>  BINGHATTI بن غاطي Binghatti Holdings <b>US\$ 500mn</b> 7.750% 2029 Sukuk Global Coordinator, JLM & Bookrunner	<b>September 2025</b>  المرعي Almarai Almarai <b>US\$ 500mn</b> 4.450% 2030 Sukuk JLM & Bookrunner	<b>September 2025</b> <b>OMNIYAT</b> Omniyat <b>US\$ 400mn</b> 7.250% 2029 Sukuk Global Coordinator, JLM & Bookrunner	<b>GREEN</b> <b>September 2025</b> <b>SOBHA</b> REALTY Sobha Realty <b>US\$ 750mn</b> 7.125% 2030 Sukuk Global Coordinator, JLM & Bookrunner
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*Progress Never Stops...*