بنك أم القيوين
NBQ

إسلامي
Islami
للمعاملات المصرفية
Islamic Banking
بنك أم القيوين الوطني

Annual Report of the Executive Member of the Shari'ah Supervision on the Islamic Banking Unit of National Bank of Umm Al-Quwain

Praise be to Almighty Allah, Lord of the Worlds, and prayers and peace be upon the most honorable of the prophets and messengers, our master Muhammad, and on his family and companions.

Issued on: 23 January 2026

To: Shareholders of National Bank of Umm Al-Quwain ("Islamic Unit")

Peace, mercy and blessings of Allah the Almighty upon you, and afterwards:
In reference to the Bank's management's decision to appoint me as an Executive Member of Shari'ah Supervision (the "Executive Member") of the Islamic Banking Unit at NBQ ("the Islamic Unit") in accordance with the requirements set out in the relevant laws, regulations and standards (the "Regulatory Requirements"), and in implementation of the CBUAE's decision to oblige the Bank to appoint an Executive Member for Shari'ah Supervision of the closure of all operations and activities of the Islamic Unit in general, I submit to you the annual report relating to the business and activities of the Islamic Unit for the financial year ended 31 December 2025 (the "Financial Year").

1. Responsibility of the Executive Member

The responsibility of the Executive Member is to carry out Shari'ah supervision of the closure of the Islamic Unit and the operations and activities related thereto in general, to verify the financial statements of the Islamic Unit, to verify the distribution of profits and the charged losses, the costs and expenses between the shareholders and the investment account holders (the "Islamic Unit Closure Business") and to issue Shari'ah resolutions thereon, within the framework of the rules, principles and standards that Established by the Higher Shari'ah Authority (the "**Authority**").

2. Responsibility of the Bank's Management

The Bank's management is responsible for complying with the rules and principles of Islamic Shari'ah in accordance with the decisions, Shari'ah pronouncements, opinions of the Authority, and the decisions of the Executive Member within the framework of the rules, principles and

standards set by the Authority ("Compliance with the rules of Islamic Shari'ah ") in the work of the Islamic Unit and ensuring that, and the Board of Directors bears the ultimate responsibility in this regard.

3. Shari'ah Standards

The Executive Member has adopted the Shari'ah Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as the minimum Shari'ah requirements. He has adhered to them in all fatwas (Shari'ah pronouncements) and decisions issued, approved, accepted or recommended by him in relation to the business of the Islamic Unit during the financial year ended. According to the Authority's decision No. (18/3/2018).

4. Status of Islamic Unit

1. A decision was issued by the Bank's management to run down its Islamic Unit on (21/09/2021).
2. The Bank's management has developed a detailed plan regarding the closure of the Islamic Unit and how to dispose the existing Shari'ah-compliant assets and financing. The Islamic Unit has obtained the approval from the previous Internal Shari'ah Supervision Committee (ISSC) on this plan.
3. The CBUAE has approved the closure of the Islamic Unit in accordance with the plan set by the Bank's management, with the directive that the Executive Member continue to monitor the Islamic Unit's compliance with Islamic Shari'ah until all Shari'ah-compliant assets and liabilities are disposed of.
4. The Islamic Unit has stopped to accept any new deposits or funds as of the date of the decision to close the Islamic Unit.
5. Since the Islamic Unit has stopped accepting any deposits or establishing new finances, in preparation for its closure, the Islamic Unit does not currently have an existing Shari'ah control nor Internal Shari'ah Audit Department.
6. The Bank's management has contracted an independent body to conduct an External Shari'ah Audit and submit a report thereon to the Executive Member and the Bank's Board of Directors.

5. Acts performed by the Executive Member during the financial year

The Executive Member has carried out Shari'ah supervision over the work of the Islamic Unit during the financial year, in accordance with his

National Bank of Umm Al Qaiwain (P.S.C)
is Licensed by the Central Bank of the UAE
P O Box: 800, Umm Al Qaiwain
United Arab Emirates
Website: www.nbq.ae

Tel: +971 600 565656 هاتف :
Fax: +971 6 706 6677 فاكس :
E-mail: nbq@nbq.ae البريد الإلكتروني :

بنك أم القيوين الوطني (ش. م. ع) هو بنك مرخص
من قبل مصرف الامارات العربية المتحدة المركزي
صندوق بريد: 800، أم القيوين
الإمارات العربية المتحدة
الموقع الإلكتروني: www.nbq.ae

authorities, responsibilities and regulatory requirements in this regard. Among the actions carried out by the Executive Member are the following:

a. Issuing fatwas and decisions regarding the work of the Islamic Unit that were presented to the Executive Member.
b. To ensure that the distribution of the profits and the charging of costs and expenses between the shareholders and the investment account holders are consistent with the Shari'ah controls approved by the Executive Member.
c. Review the report of the External Shari'ah Audit on the work of the Islamic Unit, including the transactions carried out and the procedures followed, review them and make Shari'ah recommendations in this regard.
d. Provide guidance to the Islamic Unit's management to correct any correction of observations (if any) contained in the External Shari'ah Audit report.
e. Communicate with the Board of Directors, its committees and the senior management of the Islamic Unit, as needed, regarding the Islamic Unit's commitment to Islamic Shari'ah.
f. Review the balance sheet of the Islamic Unit as at 31 December 2025 and the income statement of the Islamic Unit for the period ended 31 December 2025 for adoption/approval.

The Executive Member has sought to obtain all the information and explanations that he considered necessary to ensure that the Islamic Unit adheres to the provisions of Islamic Shari'ah.

6. The Independency of the Executive Member

The Executive Member confirms that he has fulfilled his responsibilities and carried out all his work with complete independence. He confirms that he has received the necessary assistance from the Islamic Unit's management to view all documents and data, to discuss the amendments and the Shari'ah requirements for the business of the Islamic Unit.

7. The opinion

Based on the information and clarifications obtained in order to ensure that the Islamic Unit complies with the rules of Islamic Shari'ah in its business, and to ensure that the remaining assets/financing business that are still in the books of the Islamic Unit are liquidated in accordance with the provisions and principles of Islamic Shari'ah, and in the light of the

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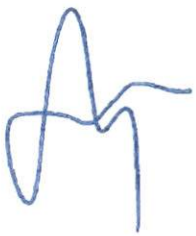
Tel: +971 600 565656 هاتف :
Fax: +971 6 706 6677 فاكس :
E-mail: nbq@nbq.ae البريد الإلكتروني :

بنك ام القيوين الوطني (ش. م. ع) هو بنك مرخص
من قبل مصرف الإمارات العربية المتحدة المركزي
صندوق بريد: 800، ام القيوين
الإمارات العربية المتحدة
الموقع الإلكتروني: www.nbq.ae

information it has been seen during the financial year, I have concluded with an acceptable degree of reassurance that the work of the Islamic unit during the financial year was in accordance with the rules of Islamic Shari'ah.

We ask Allah the Almighty to achieve guidance and to follow the right direction for all
Peace, mercy and blessings of Allah upon you all

Signature of the Executive Member of the Islamic Unit
Sheikh Abdul Sattar Al-Kattan



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E-mail: nbq@nbq.ae البريد الإلكتروني :

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من قبل مصرف الامارات العربية المتحدة المركزي
صندوق بريد: 800، أم القيوين
الإمارات العربية المتحدة
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