Management Discussion & Analysis

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

Abu Dhabi, 23rd July 2026

FAB delivers 7% growth in H1'26 operating income to Đ19.50 billion and a profit before tax of Đ13.20 billion

Q2'26 profit before tax grew 16% sequentially and 6% year-on-year to Đ7.08 billion

Strong returns at scale with Group RoTE at 18.5%

Hana Al Rostamani | Group Chief Executive Officer

"FAB's first-half 2026 performance demonstrates the scale and diversification of our franchise, and our ability to deliver strong returns through consistent strategy execution."

H1'26 Key Financials			Key Highlights
Net Profit **Đ 10.73 bn** +1% yoy	**Profit Before Tax** **Đ 13.20 bn** +3% yoy		• Sustained, broad-based momentum across the franchise drives strong growth in operating performance and returns. RoTE at 18.5% demonstrates continued delivery above medium-term guidance of >16%.
Operating Income **Đ 19.50 bn** +7% yoy	**RoTE** **18.5%** H1'25: 20.5%		• First-half profit includes management overlays, reflecting FAB's disciplined risk management approach. Excluding overlays, profit before tax rose 8% yoy.
Total Assets **Đ 1.41 tn** +2% ytd	**Loans and Advances** (net) **Đ 661 bn** +7% ytd **Customer Deposits** **Đ 853 bn** +1% ytd		• Robust asset base supported by disciplined growth. • Sustained lending momentum through increased client activity and a strong origination pipeline. • Strong deposit franchise, combined with a high-quality, diversified funding mix, provide solid foundation for future business growth.
UAE Assets **Đ 972 bn** 69% of group assets	**International Assets** **Đ 437 bn** 31% of group assets		• Scaled domestic and international franchise underpins differentiated cross-border trade, investment and capital flow capabilities.
NPL Ratio **2.2%** Jun-25: 2.8%	**LCR** **140%** Jun-25: 152%	**CET1 Ratio** **13.7%** Jun-25: 13.4%	• Balance sheet strength supported by strong asset quality, liquidity and capital ratios, with AA- or equivalent credit ratings recently reaffirmed across all major rating agencies, with a stable outlook.

“FAB’s first-half 2026 performance demonstrates the scale and diversification of our franchise, and our ability to deliver strong returns through consistent strategy execution. Group operating income reached AED 19.50 billion, rising 7% year-on-year, while net profit of AED 10.73 billion translated into a return on tangible equity of 18.5%, firmly above medium-term guidance.

These results reflect the strength of our client base and the trusted relationships we have built across our home market and international network. Our continued focus on disciplined execution and targeted investments in AI capabilities has enabled us to sustain growth momentum and further reinforce our position as the UAE's global bank.

The reaffirmation of our AA- (or equivalent) credit ratings with stable outlooks by all three major rating agencies, underscores the strength of our franchise and our prudent risk management framework. As one of the highest-rated banks globally, we remain well positioned to support our clients through market cycles while delivering sustainable returns.

The UAE government’s firm commitment to long-term resilience and economic progress provides a strong and sustained backdrop for business activity. FAB is uniquely positioned to capture these opportunities, leveraging its deep financing and structuring expertise, proven execution track record, and extensive global reach. Together, these capabilities place FAB at the centre of enabling the UAE's long-term growth agenda.”

Hana Al Rostamani,
Group Chief Executive Officer

“FAB delivered a strong set of results in the first half of 2026, with Q2 marking a record quarter. Operating profit surpassed AED 8.0 billion, rising 11% sequentially and 8% year-on-year, reflecting broad-based business momentum, margin expansion, stronger investment portfolio performance, and disciplined cost management.

Our diversified earnings engine continued to generate attractive returns at scale, supported by strong underlying portfolio quality. We further enhanced management overlays during the period, reflecting our prudent approach to risk management in an evolving operating environment.

We continued to pursue disciplined growth through active balance sheet and liquidity management, enhancing returns while supporting capital generation. Group CET1 ratio of 13.7% at June-end 2026, remains comfortably above regulatory requirements, reinforcing our capacity to capture future growth.

FAB’s differentiated credit profile and diversified funding platform continue to support efficient access to global capital markets. This was evidenced through several transactions during the period including the successful issuance of USD 750 million of Tier 2 notes at the tightest spread ever achieved by a GCC bank for this type of instrument.”

Lars Kramer,
Group Chief Financial Officer

Executing strategic priorities with discipline, delivering with impact

Building franchise momentum through disciplined growth and execution

- **Investment Banking & Markets** delivered strong, broad-based growth with revenues up 8% year-on-year to AED 6.42 billion. Client activity remained robust, driving over 22% year-to-date growth in loans and 10% growth in deposits. The business retained leading MENA Investment Banking league table positions, while Debt Capital Markets' deal volumes surged 58% year-on-year to new highs. The core franchise executed several landmark and first-of-their-kind structured solutions, while Global Markets delivered strong results with transaction volumes rising 42% year-on-year.
- **Wholesale Banking** sustained strong momentum, leveraging its sector specialisation and relationship-led model to drive strong performance and further reinforce its position as a leading regional franchise. Revenues increased 16% year-on-year to AED 3.41 billion, with loan growth of 9% year-to-date. Continued investment in transaction banking capabilities is further strengthening client connectivity and driving growth.
- **Personal, Business, Wealth & Privileged Client Banking Group** continued to execute on its growth strategy, driven by digital innovation, enhanced offerings, expanded cross-border capabilities and sustained SME growth. This momentum drove 85% growth in new-to-bank SME client acquisitions, while continued investments in wealth capabilities further strengthened value propositions and the scalability of the franchise. Revenues rose 2% year-on-year to AED 6.58 billion, and deposits grew 7% year-to-date, or AED 22 billion, while Retail AUMs grew 20% year-on-year.
- The **International franchise** continued to scale, reinforcing FAB's position as the UAE's global bank and a trusted partner across key corridors. Revenues increased 35% year-on-year, representing 22% of Group revenue, with 6% year-to-date lending growth. Expansion into new markets and enhanced offerings across the network, further strengthen cross-border capabilities while deepening access to key growth corridors.

AI adoption at scale, powering growth, productivity and customer experience

- The Group is **continuing to embed AI at scale to structurally drive sustainable growth, enhance productivity and efficiency, and elevate customer experience.**
- **External recognitions reinforce FAB's position as a regional AI leader**: ranked among top 3 institutions in the 2026 Evident AI Middle East & Africa Banks Index including #1 positions across both Leadership and Transparency pillars, and achieved Microsoft "Leader" status in AI and digital workforce maturity.
- Generating measurable business value at scale delivering **over 20% productivity uplift and 70–80% reduction in manual effort across key workflows** through a rapidly expanding library of AI agents and use cases.

Operating from a position of strength, with sustainable finance leadership

- To-date, **FAB has facilitated AED 395 billion in sustainable and transition financing, achieving 79% of its AED 500 billion 2030** target in line with our commitment to drive meaningful impact across the financial ecosystem.
- **ESG leadership in MENA,** with FAB holding MENA's strongest combined ESG ratings with a MSCI ESG Rating of AA and the Best LSEG ESG Score (top 17% worldwide).
- **AA- or equivalent credit ratings recently reaffirmed with stable outlooks by Moody's, Fitch and S&P**, placing FAB at the top end of global bank credit profiles and the highest-rated banking group in the MENA region.

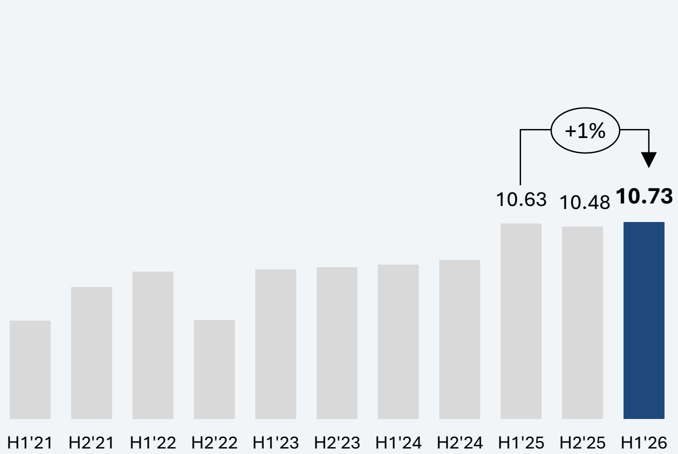
H1'26 Financial Review

Diversified and sustained revenue growth drives operating income and net profit to new highs

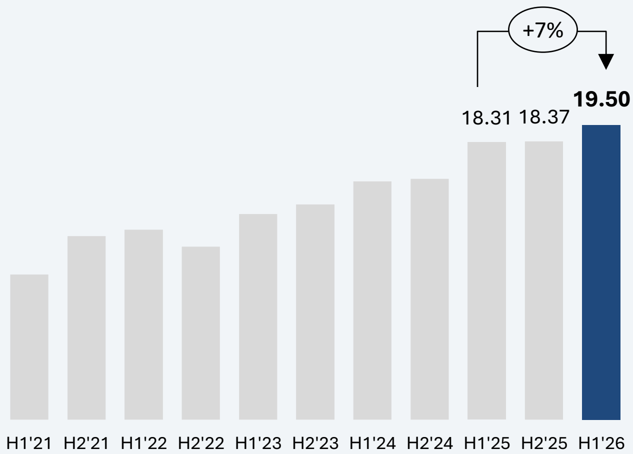
Selected P&L items *(AED mn)*	**Q2'26**	**Q1'26**	*qoq %*	**Q2'25**	*yoy %*	**H1'26**	**H1'25**	*yoy %*
Net interest income	5,867	5,612	*5*	5,085	*15*	11,479	10,090	*14*
Non-interest income	4,301	3,723	*16*	4,410	*(2)*	8,024	8,219	*(2)*
Operating income	**10,168**	**9,335**	*9*	**9,495**	*7*	**19,503**	**18,309**	*7*
Operating expenses	(2,140)	(2,111)	*1*	(2,034)	*5*	(4,251)	(3,999)	*6*
Operating profit	**8,028**	**7,224**	*11*	**7,461**	*8*	**15,252**	**14,310**	*7*
Net impairment charge	(950)	(1,100)	*(14)*	(752)	*26*	(2,050)	(1,476)	*39*
Profit Before Tax	**7,078**	**6,124**	*16*	**6,709**	*6*	**13,202**	**12,834**	*3*
Taxes and NCI	(1,363)	(1,113)	*22*	(1,203)	*13*	(2,475)	(2,202)	*12*
Net Profit	**5,715**	**5,011**	*14*	**5,506**	*4*	**10,726**	**10,632**	*1*
Basic Earnings per Share (AED)	0.50	0.43	*16*	0.49	*2*	0.93	0.93	-

- **H1'26 profit before tax grew 3% yoy** to AED 13.20 billion, driven by a robust revenue performance. Excluding management overlays, profit before tax grew 8% yoy.
- **Operating profit rose 7% yoy** to AED 15.25 billion, reflecting sustained revenue growth and disciplined cost management. Q2'26 operating profit rose 11% sequentially to AED 8.03 billion.
- **Operating income grew 7% yoy** to AED 19.50 billion, with a 41% contribution from non-interest income streams.
- **Net interest income rose 14% yoy** to AED 11.48 billion, driven by higher volumes and improved margins from disciplined pricing, effective treasury management and higher interest in suspense recoveries. H1'26 NIM was 1.97%, 7 bps higher yoy.
- **Non-interest income** was AED 8.02 billion in H1'26. Net fees and commissions increased 20%, supported by strong origination and deal execution activity, and resilient trade flows. Net FX and investment income was 7% lower yoy yet rebounded 39% sequentially in Q2, driven by healthy client activity and transaction volumes, and stronger performance within the investment portfolio.
- **Operating expenses** were up 6% yoy to AED 4.25 billion, reflecting ongoing franchise expansion and strategic investments, with AI-enablement increasingly driving productivity and efficiency gains. Group cost-to-income ratio was 21.8% in H1'26, broadly stable versus H1'25.
- **Net impairment charges** were AED 2.05 billion, rising 39% yoy primarily reflecting management overlays of AED 650 million. Sequentially, charges declined on higher recoveries partly offset by increased overlays.

Diversified and sustained revenue growth drives operating income and net profit to new highs



Net Profit (AED bn)



Operating income (AED bn)

Robust balance sheet foundation supported by strong liquidity profile

Balance Sheet - Summary *(AED bn)*	**Jun'26**	**Mar'26**	*qoq %*	**Jun'25**	*yoy %*	**Dec'25**	*ytd %*
Total Assets	**1,409**	1,462	*(4)*	1,322	*7*	1,377	*2*
Loans & Advances (net)	**661**	668	*(1)*	568	*16*	616	*7*
Investments	**259**	283	*(8)*	280	*(7)*	269	*(4)*
Customer Deposits	**853**	871	*(2)*	813	*5*	841	*1*
Of which CASA balances	**391**	383	*2*	401	*(3)*	392	*-*
Liquidity Coverage Ratio (LCR %)	**140**	145	*(5)*	152	*(12)*	154	*(14)*

- **Total Assets** were AED 1.41 trillion (USD 384 billion), rising 2% ytd.
- **Loans & Advances (net) grew 7% ytd**, or AED 45 billion, reaching AED 661 billion reflecting broad-based franchise momentum, including a 17% increase in Islamic financing. Sequentially, loans were 1% lower as underlying growth across multiple sectors was offset by portfolio optimisation.
- **NPLs (non-performing loans)** stood at AED 15.1 billion as of 30 June 2026, lower yoy reflecting write-offs and subdued NPL formation during the period. Gross NPL ratio was 2.2%, improving from 2.8% in the prior year.
- **Provision Coverage** was 108%, with total ECL/provisions at AED 16.2 billion.
- **Investments** were 4% lower ytd to AED 259 billion, largely due to investment maturities. The portfolio remains predominantly comprised of high-quality liquid assets (HQLA) and fixed-income securities.
- **Customer Deposits** rose 1% ytd, or AED 12 billion, to AED 853 billion underpinning a robust liquidity position with a **Group Liquidity Coverage Ratio of 140%** at June-end 2026, well above regulatory requirements. Seasonal movements in wholesale balances drove a 2% sequential decline, partly offset by continued growth in retail liabilities and CASA balances, which rose 2% to AED 391 billion and represented 46% of total deposits.

- Reflecting FAB's strong credit profile and access to global capital markets, **the Group raised AED 22.1 billion (USD 6.0 billion equivalent) of senior wholesale funding in H1'26,** already surpassing total FY'25 issuance.
- Notable transactions included **multiple benchmark issuances across USD, EUR and GBP markets, achieving record pricing levels**, including the tightest-ever public bond spread by a CEEMEA bank and the lowest-ever pricing for a MENA issuer in the Formosa market.
- FAB further demonstrated disciplined capital management through **the successful call of its USD 750 million AT1 notes at first call date** and the issuance of **USD 750 million Tier 2 notes at the tightest spread ever achieved by a GCC bank for this instrument.**

Sustainable returns underpinned by a strong capital position

- **The Group's capital position remained well above regulatory requirements,** with CET1, Tier 1 and Capital Adequacy ratios of 13.7%, 15.2% and 17.1%, respectively. The quarter delivered the strongest CET1 accretion in six years, driven by strong earnings and disciplined balance sheet management, further strengthening capacity to capture future growth.
- **With a Return on Tangible Equity (RoTE)** at 18.5% for H1'26, the Group is delivering robust returns at scale, firmly above medium-term guidance of over 16%.

Summary Financials

Income Statement – Summary (AED mn)	**Q2'26**	**Q1'26**	*qoq %*	**Q2'25**	*yoy %*	**H1'26**	**H1'25**	*yoy %*
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Investments	**259**	283	*(8)*	280	*(7)*	269	*(4)*
Customer deposits	**853**	871	*(2)*	813	*5*	841	*1*
Of which CASA balances	**391**	383	*2*	401	*(3)*	392	*0*
Equity (incl Tier 1 capital notes)	**144**	140	*3*	133	*8*	147	*(2)*
Tangible Equity	**113**	106	*6*	102	*11*	113	*0*
Risk Weighted Assets	**786**	790	*(1)*	720	*9*	735	*7*

Key ratios (%)	**Q2'26**	**Q1'26**	*qoq*	**Q2'25**	*yoy*	**H1'26**	**H1'25**	*yoy*
Net Interest Margin	**1.99**	1.95	*4bps*	1.85	*14bps*	**1.97**	1.90	*7bps*
Cost-Income Ratio	**21.0**	22.6	*(1.6)pp*	21.4	*(0.4)pp*	**21.8**	21.8	*0pp*
Cost of Risk (bps)	**59**	67	*(8)bps*	51	*8bps*	**64**	51	*13bps*
Non-performing Loans Ratio	**2.2**	2.1	*12bps*	2.8	*(60)bps*	**2.2**	2.8	*(60)bps*
Provision Coverage Ratio	**108**	110	*(2.6)pp*	100	*8.0pp*	**108**	100	*8.0pp*
Liquidity Coverage Ratio (LCR)	**140**	145	*(5.4)pp*	152	*(12.0)pp*	**140**	152	*(12.0)pp*
Return on Tangible Equity (RoTE)	**20.3**	17.8	*2.5pp*	21.5	*(1.2)pp*	**18.5**	20.5	*(1.9)pp*
Return on Risk-weighted Assets (RoRWA)	**2.9**	2.7	*25bps*	3.2	*(25)bps*	**2.8**	3.2	*(31)bps*
CET1 Ratio	**13.7**	12.8	*92bps*	13.4	*23bps*	**13.7**	13.4	*23bps*
Capital Adequacy Ratio	**17.1**	15.8	*133bps*	16.9	*20bps*	**17.1**	16.9	*20bps*

Notes:

- Movements in Cost-Income Ratio, Provision Coverage Ratio, Liquidity Coverage Ratio (LCR) and Return on Tangible Equity (RoTE) are presented in percentage points (pp); movement in all other ratios are presented in basis points (bps)
- Comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in the consolidated financial statements.
- Ratios for the quarter are annualised, where applicable, except for Basic EPS.
- For further details on calculation of the ratios, please see the Quarterly Series on FAB IR website's financial reports page.
- Rounding differences may appear in above tables.

ABOUT FIRST ABU DHABI BANK (FAB)

Headquartered in Abu Dhabi with a global footprint beyond 20 markets, FAB is the finance and trade gateway to the Middle East and North Africa (MENA) region. With total assets of AED 1.41 trillion (USD 384 billion) as of June-end 2026, FAB is among the world's largest banking groups. The bank provides financial expertise to its wholesale and retail client franchise across three business units:
1) Investment Banking & Markets, 2) Wholesale Banking, and 3) Personal, Business, Wealth & Privileged Client Banking Group.

FAB is listed on the Abu Dhabi Securities Exchange (ADX) and rated Aa3/AA-/AA- by Moody's, S&P, and Fitch, respectively, with a stable outlook. On sustainability, FAB holds an MSCI ESG rating of 'AA', and has the Best LSEG ESG Score (top 17% worldwide) in the MENA region.

For further information, visit: **www.bankfab.com**

To access our latest disclosures and presentations, please visit **www.bankfab.com/en-ae/about-fab/investor-relations**

For investor-related queries, please contact FAB Investor Relations team on **ir@bankfab.com**

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Recent Accolades

Best Investment Bank for Financing Solutions-UAE
2026 Euromoney Awards for Excellence

Best Bank for Payments – Middle East
2026 Global Finance

Best Customer Implementation in Supply Chain Finance
2026 Global Finance

Best Trade Finance provider in the UAE
2026 Global Finance

Best Bank Cash & Liquidity Management for Middle East Africa
2026 TMI Awards

Top Custodian by assets under custody
ADX Annual Awards

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Lars Kramer
Group Chief Financial Officer