National Bank of Fujairah PJSC
Condensed consolidated interim financial information
For the six month period ended
30 June 2026

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Review report on condensed consolidated interim financial information

To the Board of Directors of National Bank of Fujairah PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of National Bank of Fujairah PJSC (the “Bank”) and its subsidiaries (together referred to as the “Group”) as at 30 June 2026 and the related condensed consolidated interim statements of income and comprehensive income for the three-month and six-month periods then ended and the condensed consolidated interim statements of cash flows and changes in equity for the six-month period then ended and explanatory notes. The Directors are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity”. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Licence no. 102451, Auditors’ Registry no. FC0006-01, a branch of a DIFC entity

Review report on condensed consolidated interim financial information (continued)

To the Board of Directors of National Bank of Fujairah PJSC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers Limited Partnership Dubai Branch
30 July 2026

Stuart Alexander Scoular
Registered Auditor Number: 5563
Place: Dubai, United Arab Emirates

National Bank of Fujairah PJSC

Condensed consolidated interim statement of financial position

As at 30 June 2026

	Notes	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Assets			
Cash and balances with the Central Bank of the UAE	*5*	9,810,359	9,332,525
Due from banks and financial institutions	*6*	1,657,017	1,420,745
Investments and Islamic instruments - fair value	*7*	13,163,190	11,864,529
Investments and Islamic instruments - amortised cost	*7*	8,109,008	6,667,038
Loans and advances and Islamic financing receivables	*8*	36,141,128	37,466,935
Acceptances		982,022	1,415,268
Other assets		682,762	605,716
Property and equipment		287,635	263,808
Intangibles		344,773	337,324
Total assets		**71,177,894**	**69,373,888**
Liabilities			
Due to banks	*11*	2,082,101	1,893,359
Customer deposits and Islamic customer deposits	*12*	51,707,850	50,981,399
Repurchase agreements	*11*	5,765,879	4,723,661
Term borrowings	*11*	1,230,455	899,885
Acceptances		984,441	1,420,716
Other liabilities		1,551,696	1,704,957
Total liabilities		**63,322,422**	**61,623,977**
Equity			
Share capital	*13.1*	2,580,412	2,580,412
Statutory reserve		1,709,784	1,709,784
Special reserve		885,493	885,493
Fair value reserve		34,308	105,252
Cash flow hedge reserve		5,766	3,833
Proposed cash dividends	*13.2*	-	516,082
Retained earnings		2,639,709	1,949,055
Total equity attributable to equity holders of the Group		**7,855,472**	**7,749,911**
Total liabilities and equity		**71,177,894**	**69,373,888**

This condensed consolidated interim financial information was approved and authorized for issue by the Board of Directors on 30 July 2026 and was signed on its behalf by:

Adnan Anwar
Chief Executive Officer

Brian Mulholland
Chief Financial Officer

The notes on pages 9 to 47 form an integral part of the condensed consolidated interim financial information.
The independent auditor's review report of the condensed consolidated interim financial information is set out on pages 1 and 2.

National Bank of Fujairah PJSC

Condensed consolidated interim statement of income – (Unaudited)

For the six month period ended 30 June 2026

	Notes	**Three month period ended 30 June 2026 AED'000**	**Three month period ended 30 June 2025 AED'000**	**Six month period ended 30 June 2026 AED'000**	**Six month period ended 30 June 2025 AED'000**
Interest income and income from Islamic financing and investment activities		860,010	860,976	1,701,808	1,697,040
Interest expense and distribution to Islamic depositors		(374,634)	(389,434)	(717,679)	(770,927)
Net interest income and net income from Islamic financing and investment activities		**485,376**	**471,542**	**984,129**	**926,113**
Fees and commission income		127,217	145,275	269,478	290,140
Fees and commission expense		(21,265)	(17,390)	(40,078)	(29,501)
Net fees and commission income		**105,952**	**127,885**	**229,400**	**260,639**
Foreign exchange and derivatives income		51,287	49,686	107,874	110,685
Income from investments and Islamic instruments		4,459	5,694	9,167	8,127
Other operating income		33,069	29,332	50,634	54,104
Operating income		**680,143**	**684,139**	**1,381,204**	**1,359,668**
Operating expenses					
Employee benefit expense		(115,434)	(114,181)	(227,234)	(219,214)
Depreciation and amortisation		(18,117)	(12,797)	(37,500)	(25,288)
Other operating expenses		(52,159)	(65,484)	(126,261)	(120,940)
Total operating expenses		**(185,710)**	**(192,462)**	**(390,995)**	**(365,442)**
Operating profit before impairment losses and tax		**494,433**	**491,677**	**990,209**	**994,226**
Net impairment losses	*14*	(113,573)	(141,300)	(233,100)	(306,602)
Profit for the period before tax		**380,860**	**350,377**	**757,109**	**687,624**
Tax	*20*	(34,300)	(31,812)	(68,210)	(62,245)
Profit for the period after tax		**346,560**	**318,565**	**688,899**	**625,379**
Earnings per share (basic and diluted)	*15*	**AED 0.134**	**AED 0.123**	**AED 0.267**	**AED 0.242**

The notes on pages 9 to 47 form an integral part of the condensed consolidated interim financial information. The independent auditor's review report of the condensed consolidated interim financial information is set out on pages 1 and 2.

National Bank of Fujairah PJSC

Condensed consolidated interim statement of comprehensive income – (Unaudited)

For the six month period ended 30 June 2026

	Three month period ended 30 June 2026 AED'000	Three month period ended 30 June 2025 AED'000	Six month period ended 30 June 2026 AED'000	Six month period ended 30 June 2025 AED'000
Profit for the period after tax	**346,560**	**318,565**	**688,899**	**625,379**
Other comprehensive (loss) / income:				
Items that will not be reclassified subsequently to the statement of income:				
Movement in fair value reserve (equity instruments):				
Net change in fair value	(179)	-	7,190	-
Tax	76	-	117	(180)
Other comprehensive (loss) / income of the items that will not be reclassified subsequently to the statement of income	**(103)**	**-**	**7,307**	**(180)**
Items that may be reclassified subsequently to statement of income:				
Movement in fair value reserve (debt instruments):				
-Net change in fair value	5,328	25,059	(73,082)	54,674
-Net change in allowances for impairment	(4,930)	93	(4,748)	(903)
-Net amount transferred to the statement of income	(2,591)	(5,679)	(7,089)	(7,889)
Net change in fair value on cash flow hedges	1,265	900	1,933	2,182
Deferred tax	(102)	(1,807)	6,668	(4,297)
Other comprehensive (loss) / income of the items that may be reclassified subsequently to statement of income	**(1,030)**	**18,566**	**(76,318)**	**43,767**
Other comprehensive (loss) / income for the period	**(1,133)**	**18,566**	**(69,011)**	**43,587**
Total comprehensive income for the period	**345,427**	**337,131**	**619,888**	**668,966**

The notes on pages 9 to 47 form an integral part of the condensed consolidated interim financial information. The independent auditor's review report of the condensed consolidated interim financial information is set out on pages 1 and 2.

National Bank of Fujairah PJSC

Condensed consolidated interim statement of cash flows – (Unaudited)

For the six month period ended 30 June 2026

	Notes	Six month period ended 30 June 2026 AED'000	Restated* Six month period ended 30 June 2025 AED'000
Cash flows from operating activities			
Profit for the period before tax		**757,109**	**687,624**
Adjustments for:			
Depreciation and amortization		37,500	25,288
Provision for employee end of service and other long term benefits		10,741	12,884
Gain on disposal of property, equipment and intangibles		-	(161)
Net impairment losses	*14*	233,100	306,602
Tax	*20*	(68,210)	(62,245)
Net fair value gain on disposal of investments and Islamic instruments		(9,233)	(8,195)
Net changes in fair value of investments		66	68
Cash flows from operating activities before changes in operating assets and liabilities and payment of employee end of service and other long term benefits		**961,073**	**961,865**
Payment of employee end of service and other long term benefits		(7,540)	(12,066)
Change in due from the Central Bank of the UAE		550,000	(600,000)
Change in investments and Islamic instruments from CBUAE M-Bills		(604,022)	700,032
Change in due from banks and financial institutions		24,370	238,118
Change in loans and advances and Islamic financing receivables		1,087,783	(3,626,609)
Change in acceptances and other assets		359,224	(1,171)
Change in due to banks		188,742	816,928
Change in repurchase agreements		1,042,218	479,911
Change in customer deposits and Islamic customer deposits		726,451	1,845,352
Change in acceptances and other liabilities		(573,006)	(78,699)
Net cash generated from operating activities		**3,755,293**	**723,661**
Cash flows from investing activities			
Purchase of property, equipment and intangibles		(63,914)	(51,202)
Proceeds from sale of property, plant and equipment and intangibles		-	161
Purchase of investments and Islamic instruments		(3,344,448)	(2,219,280)
Proceeds from sale and maturity of investments and Islamic instruments		1,350,013	1,434,140
Net cash used in investing activities		**(2,058,349)**	**(836,181)**
Cash flows from financing activities			
Cash dividends paid		(516,082)	(387,062)
Proceeds from term borrowings		606,045	91,825
Repayment of term borrowings		(275,475)	-
Net cash used in financing activities		**(185,512)**	**(295,237)**

National Bank of Fujairah PJSC

Condensed consolidated interim statement of cash flows – (Unaudited)

For the six month period ended 30 June 2026

Net change in cash and cash equivalents		1,511,432	(407,757)
Cash and cash equivalents at beginning of the period		6,487,414	6,997,007
Cash and cash equivalents at end of the period	*18*	**7,998,846**	**6,589,250**

Interest / profit income received	1,738,468	1,708,410
Interest / profit expense paid	741,579	800,031

*For further details, refer note 23 – Comparative figures of this condensed consolidated interim financial information.

The notes on pages 9 to 47 form an integral part of the condensed consolidated interim financial information.
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National Bank of Fujairah PJSC

Condensed consolidated interim statement of changes in equity – (Unaudited)

For the six month period ended 30 June 2026

AED'000	Share capital	Statutory reserve	Special reserve	Fair value reserve	Cash flow hedge reserve	Proposed dividends	Retained earnings	Total
At 1 January 2026	**2,580,412**	**1,709,784**	**885,493**	**105,252**	**3,833**	**516,082**	**1,949,055**	**7,749,911**
Profit for the period after tax	-	-	-	-	-	-	688,899	**688,899**
Other comprehensive income for the period	-	-	-	(70,944)	1,933	-	1,755	**(67,256)**
Total comprehensive income for the period	**-**	**-**	**-**	**(70,944)**	**1,933**	**-**	**690,654**	**621,643**
2025 cash dividends paid	-	-	-	-	-	(516,082)	-	**(516,082)**
At 30 June 2026	**2,580,412**	**1,709,784**	**885,493**	**34,308**	**5,766**	**-**	**2,639,709**	**7,855,472**
At 1 January 2025	**2,580,412**	**1,709,784**	**764,977**	**32,567**	**565**	**387,062**	**1,380,308**	**6,855,675**
Profit for the period after tax	-	-	-	-	-	-	625,379	**625,379**
Other comprehensive income for the period	-	-	-	41,405	2,182	-	180	**43,767**
Total comprehensive income for the period	**-**	**-**	**-**	**41,405**	**2,182**	**-**	**625,559**	**669,146**
2024 cash dividends paid	-	-	-	-	-	(387,062)	-	**(387,062)**
At 30 June 2025	**2,580,412**	**1,709,784**	**764,977**	**73,972**	**2,747**	**-**	**2,005,867**	**7,137,759**

The notes on pages 9 to 47 form an integral part of the condensed consolidated interim financial information.
The independent auditor's review report of the condensed consolidated interim financial information is set out on pages 1 and 2.

National Bank of Fujairah PJSC

Notes to the condensed consolidated interim financial information

For the six month period ended 30 June 2026

1. Legal status and activities

National Bank of Fujairah (the Bank) is a Public Joint Stock Company registered under the laws of the United Arab Emirates. The Bank operates under a banking license issued on 29 August 1984 by the Central Bank of the United Arab Emirates (Central Bank of the UAE or CBUAE) and commenced operations on 20 September 1984. The shares of the Bank were listed on Abu Dhabi Securities Exchange (ADX) on 23 October 2005. The shareholders who hold 5% or more of the Bank's share capital as at 30 June 2026 were:

Name	The percentage of shares owned from the Bank's capital
Department of Industry and Economy - Government of Fujairah	57.87%
Easa Saleh Al Gurg LLC	18.54%
Fujairah Investment Company	5.04%

The Bank is controlled by the Department of Industry and Economy - Government of Fujairah by majority of voting rights.

The principal activity of the Bank is commercial banking which is carried out from its network of fifteen branches, across the UAE in emirates of Fujairah, Abu Dhabi, Dubai, Sharjah and Ras Al Khaimah.

The Bank has two fully owned subsidiary companies:

- NBF Financial Services FZC was established in December 2004 with limited liability status in the Fujairah Free Trade Zone to provide support services to the Bank.
- NBF Markets (Cayman) Limited is registered in the Cayman Islands as an exempted company limited by shares under the Companies Law (revised) of the Cayman Islands and regulated by the Cayman Island Government General Registry. The Company was established on 31 January 2017 to provide support services to the Bank to enter into foreign exchange and derivative transactions with financial institutions / counterparties under the terms and conditions of International Swaps and Derivatives Association (ISDA).

The condensed consolidated interim financial information for the six month period ended 30 June 2026 comprise the Bank and its subsidiaries (together referred to as 'the Group').

The registered address of the Group is Hamad Bin Abdullah Street, P. O. Box 887, Fujairah, United Arab Emirates.

2. Basis of preparation

Statement of compliance

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting as issued by International Accounting Standard Board (IASB).

This condensed consolidated interim financial information does not include all the information and disclosures required for full annual consolidated financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2025.

2. Basis of preparation *(continued)*

Statement of compliance *(continued)*

In preparing this condensed consolidated interim financial information, significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2025 except the details explained in Note 22.

3. Material accounting policies

Changes in accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025. The Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective in this condensed consolidated interim financial information. Other amendments and interpretations apply for the first time in 2026, but do not have a material impact on the Group's condensed consolidated interim financial information.

Standards, amendments and interpretations that are effective for the Group's accounting period beginning on 1 January 2026

The following amendments to existing standards have been applied by the Group in preparation of this condensed consolidated interim financial information. The adoption of these new standards does not have a significant impact on the condensed consolidated interim financial information.

Description	Effective from
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026

Standards, amendments and interpretations issued but not yet effective and not early adopted

The new and amended standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's condensed consolidated interim financial information are described below.

Description	Effective from
Presentation and Disclosures in Financial Statements (IFRS 18)	1 January 2027

The Group is currently evaluating these amendments and will adopt it when they become effective.

4. Financial risk management

The Group's financial risk management objectives, policies and procedures are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 31 December 2025.

(a) Fair value measurement principles

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the fair value of a financial instrument is based on quoted market prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a quoted market price is not available or if a market for a financial instrument is not active, the fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, discounted cash flow methods, comparison to similar instruments for which market observable prices exist. For investments under management with external fund managers, fair value is provided by the external fund managers, and is determined based on the market value of underlying investments of each fund. For other investments, a reasonable estimate of the fair value is determined by reference to the price of recent market transactions involving similar investments, or based on the expected discounted cash flows.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate at the date of the condensed consolidated interim statement of financial position for an instrument with similar terms and conditions.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and the counterparty, where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Group believes a third-party market participant would take them into account in pricing a transaction.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Group would receive or pay to terminate the contract at the date of the consolidated interim statement of financial position, taking into account current market conditions and the current creditworthiness of the counterparty.

4. Financial risk management *(continued)*

(b) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, group, pricing service or regulatory agency, and those prices represent actual and regularly recurring market transactions on an arm's length basis.
- Level 2: Valuation techniques based on observable input, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Pursuant to disclosure requirements of IFRS 13 Fair Value Measurement, the Group has disclosed the relevant information in the table below:

Fair value measurement – fair value hierarchy:

30 June 2026 (Unaudited) **AED'000**	**Notional**	**Gross carrying value**	**Level 1**	**Level 2**	**Level 3**
Investments and Islamic instruments					
Debt securities / Islamic sukuks	-	12,850,643	12,850,643	-	-
Other investments	-	318,798	318,733	65	-
Forward foreign exchange contracts	29,067,478	18,497	-	18,497	-
Currency options	1,868,487	-	-	-	-
Interest rate derivatives	1,732,032	(3,774)	-	(3,774)	-
Commodity derivatives	501,760	20	-	20	-

31 December 2025 (Audited) **AED'000**	**Notional**	**Gross carrying value**	**Level 1**	**Level 2**	**Level 3**
Investments and Islamic instruments					
Debt securities / Islamic sukuks	-	11,446,430	11,446,430	-	-
Other investments	-	419,602	419,472	130	-
Forward foreign exchange contracts	28,541,334	152	-	152	-
Currency options	1,812,611	-	-	-	-
Interest rate derivatives	2,145,829	(5,683)	-	(5,683)	-
Commodity derivatives	673,539	(2,588)	-	(2,588)	-

4. Financial risk management *(continued)*

(b) Fair value hierarchy *(continued)*

Fair value measurement – fair value hierarchy *(continued)*

	Fair value (FV) hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to FV
Debt securities / Islamic sukuks and Other investments	Level 1	Quoted bid prices in active market	None	Not applicable
Other investments	Level 2	Quoted prices in secondary market	None	Not applicable
Derivatives	Level 2	Observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from prices)	None	Not applicable

During the period, there were no transfers between Level 1 and Level 2. Further, there has been no change in the valuation techniques in relation to valuation of financial instruments.

(c) Fair values of derivative financial instruments

The positive and negative fair values of derivative financial instruments, entered into by the Group, at the reporting date are as below:

	30 June 2026 (Unaudited)				31 December 2025 (Audited)			
AED'000	**Notional**	**Positive fair value**	**Negative fair value**	**Net**	**Notional**	**Positive fair value**	**Negative fair value**	**Net**
Derivatives								
Forward foreign exchange contracts	29,067,478	85,383	66,886	18,497	28,541,334	93,245	93,093	152
Currency options	1,868,487	22,775	22,775	-	1,812,611	19,100	19,100	-
Interest rate derivatives	1,732,032	8,141	11,915	(3,774)	2,145,829	9,388	15,071	(5,683)
Commodity derivatives	501,760	8,554	8,534	20	673,539	4,881	7,469	(2,588)
Total	**33,169,757**	**124,853**	**110,110**	**14,743**	**33,173,313**	**126,614**	**134,733**	**(8,119)**

National Bank of Fujairah PJSC

Notes to the condensed consolidated interim financial information

For the six month period ended 30 June 2026 (continued)

4. Financial risk management *(continued)*

(d) Assets and liabilities

Classification and measurement

The carrying values of the assets and liabilities (financial and non-financial) are shown below:

30 June 2026 (Unaudited) **AED'000**	**At fair value through profit or loss**	**At fair value through other comprehensive income**	**Amortised cost / carrying value**	**Total**
Assets				
Cash and balances with the Central Bank of the UAE	-	-	9,810,359	**9,810,359**
Due from banks and financial institutions	-	-	1,657,017	**1,657,017**
Investments and Islamic instruments	65	13,163,125	8,109,008	**21,272,198**
Loans and advances and Islamic financing receivables	-	-	36,141,128	**36,141,128**
Acceptances and other assets	-	-	1,664,784	**1,664,784**
Property and equipment and intangibles	-	-	632,408	**632,408**
Total assets	**65**	**13,163,125**	**58,014,704**	**71,177,894**
Liabilities				
Due to banks	-	-	2,082,101	**2,082,101**
Customer deposits and Islamic customer deposits	-	-	51,707,850	**51,707,850**
Repurchase agreements	-	-	5,765,879	**5,765,879**
Term borrowings	-	-	1,230,455	**1,230,455**
Acceptances and other liabilities	-	-	2,536,137	**2,536,137**
Total liabilities	**-**	**-**	**63,322,422**	**63,322,422**

4. Financial risk management *(continued)*

(d) Assets and liabilities *(continued)*

31 December 2025 (Audited) **AED'000**	**At fair value through profit or loss**	**At fair value through other comprehensive income**	**Amortised cost / carrying value**	**Total**
Assets				
Cash and balances with the Central Bank of the UAE	-	-	9,332,525	**9,332,525**
Due from banks and financial institutions	-	-	1,420,745	**1,420,745**
Investments and Islamic instruments	130	11,864,399	6,667,038	**18,531,567**
Loans and advances and Islamic financing receivables	-	-	37,466,935	**37,466,935**
Acceptances and other assets	-	-	2,020,984	**2,020,984**
Property and equipment and intangibles	-	-	601,132	**601,132**
Total assets	**130**	**11,864,399**	**57,509,359**	**69,373,888**
Liabilities				
Due to banks	-	-	1,893,359	**1,893,359**
Customer deposits and Islamic customer deposits	-	-	50,981,399	**50,981,399**
Repurchase agreements	-	-	4,723,661	**4,723,661**
Term borrowings	-	-	899,885	**899,885**
Acceptances and other liabilities	-	-	3,125,673	**3,125,673**
Total liabilities	**-**	**-**	**61,623,977**	**61,623,977**

Fair value of investments and Islamic instruments measured at amortised cost amounted to AED 8,040.8 million (31 December 2025: AED 6,710.8 million).

(e) Market risk

Derivative financial instruments

In the ordinary course of business, the Group enters into various types of derivative transactions that are affected by variables in the underlying instruments.

A derivative is a financial instrument or other contract with all three of the following characteristics:

(i) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying');

4. Financial risk management *(continued)*

(e) Market risk *(continued)*

Derivative financial instruments *(continued)*

(ii) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and

(iii) it is settled at a future date.

Derivative financial instruments which the Group enters into includes forward foreign exchange contracts, interest rate derivatives, commodity derivatives and currency options.

The Group uses derivative financial instruments for hedging purposes as part of its asset and liability management activities in order to reduce its own exposure to fluctuations in interest rates.

The Group uses interest rate swaps to hedge interest rate risks. In all such cases, the hedging relationship and objectives including details of the hedged item and hedging instrument are formally documented and the transactions are accounted for based on the type of hedge.

The Group's exposure to interest rate swaps designated in hedge accounting relationships represents an amount of AED 318.9 million (31 December 2025: AED 518.9 million). The objective of the majority of these hedges is to reduce fluctuations from interest rate risk and is consistent with the overall interest rate risk management strategy of NBF.

The following table shows the positive (assets) and negative (liabilities) fair values of derivative financial instruments:

Hedging instrument	Assets	Liabilities	Notional
30 June 2026 (Unaudited)			
AED'000			
Derivatives held as cash flow hedges			
Interest rate swaps	5,766	-	318,875
Total derivative financial instruments	**5,766**	**-**	**318,875**

Hedging instrument			
31 December 2025 (Audited)			
AED'000			
Derivatives held as cash flow hedges			
Interest rate swaps	3,858	25	518,886
Total derivative financial instruments	**3,858**	**25**	**518,886**

5. Cash and balances with the Central Bank of the UAE

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Cash on hand	443,271	1,415,644
Certificates of Deposit (CDs) with the Central Bank of the UAE	5,500,000	4,450,000
Regulatory cash reserve deposit	3,867,088	3,466,881
	9,810,359	**9,332,525**

6. Due from banks and financial institutions

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
6.1 By type :		
Placements	165,285	73,460
Current accounts / term deposits	506,591	467,330
Bills discounted	994,327	882,796
	1,666,203	**1,423,586**
Less: Allowances for impairment (ECL) (note 10)	(9,186)	(2,841)
	1,657,017	**1,420,745**

Current accounts / term deposits include cash collateral of AED 30.6 million (31 December 2025: AED 22.1 million) in respect of negative fair value of derivatives, in accordance with the agreements with interbank counterparties.

Bills discounted represent bank risk discounting portfolio to support customers' trade business.

6.2 By currency :

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
AED	249,821	292,148
USD	1,140,581	901,446
EUR	105,750	74,773
GBP	8,741	7,368
XAU	-	6,215
Others	161,310	141,636
	1,666,203	**1,423,586**
Less: Allowances for impairment (ECL) (note 10)	(9,186)	(2,841)
	1,657,017	**1,420,745**

6. Due from banks and financial institutions *(continued)*

6.3 By geographical area :

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
UAE	196,657	288,839
GCC	252,153	286,266
Europe	313,036	229,128
Americas	235,295	201,358
Others	669,062	417,995
	1,666,203	**1,423,586**
Less: Allowances for impairment (ECL) (note 10)	(9,186)	(2,841)
	1,657,017	**1,420,745**

The dispersion of due from banks and financial institutions portfolio based on the redistribution of risk is set out below:

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
UAE	196,559	288,839
GCC	246,941	281,766
Europe	397,927	204,983
Americas	161,975	97,485
Others	662,801	550,513
	1,666,203	**1,423,586**
Less: Allowances for impairment (ECL) (note 10)	(9,186)	(2,841)
	1,657,017	**1,420,745**

6. Due from banks and financial institutions *(continued)*

6.4 Based on external credit ratings :

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
AA	10,006	46,908
AA−	31,619	146,231
A+	210,416	39,288
A	499,613	419,839
BBB+	213,423	277,925
BBB	15,082	11,652
BBB− and below	686,044	481,743
	1,666,203	**1,423,586**
Less: Allowances for impairment (ECL) (note 10)	(9,186)	(2,841)
	1,657,017	**1,420,745**

6.5 Due from banks and financial institutions stage-wise analysis

The following table contains an analysis of the credit risk exposure of due from banks and financial institutions. The gross carrying amount of due from banks and financial institutions, including accrued interest / profit, represents the Group's maximum exposure to credit risk on these assets:

	30 June 2026 (Unaudited)			
AED'000	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Outstanding balance	1,666,220	-	-	**1,666,220**
Allowances for impairment (ECL) (note 10)	(9,186)	-	-	**(9,186)**
Carrying amount	**1,657,034**	**-**	**-**	**1,657,034**

	31 December 2025 (Audited)			
AED'000	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Outstanding balance	1,427,813	-	-	**1,427,813**
Allowances for impairment (ECL) (note 10)	(2,841)	-	-	**(2,841)**
Carrying amount	**1,424,972**	**-**	**-**	**1,424,972**

Due from banks and financial institutions were in stage 1 throughout the period. Accordingly, there have been no significant movements between stages in respect of these financial assets.

7. Investments and Islamic instruments

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Investments at fair value through profit or loss (FVTPL)		
Investments designated as measured at FVTPL		
Other Investments (note 7.1)	65	130
	65	130
Investments at fair value through other comprehensive income (FVOCI)		
Debt securities / Islamic sukuks (note 7.2)	12,850,643	11,446,430
Other investments / Islamic instruments (note 7.3)	318,733	419,472
	13,169,376	**11,865,902**
Less: Allowances for impairment (ECL) (note 10)	(6,251)	(1,503)
Investments at fair value through other comprehensive income (FVOCI)	**13,163,125**	**11,864,399**
Investments - fair value	**13,163,190**	**11,864,529**
Investments measured at amortised cost		
Debt securities / Islamic sukuks (note 7.2)	8,121,211	6,669,396
Less: Allowances for impairment (ECL) (note 10)	(12,203)	(2,358)
Investments measured at amortised cost	**8,109,008**	**6,667,038**
	21,272,198	**18,531,567**

7.1 Investments at FVTPL include debt securities and various funds whose fair values are based on the net asset values provided by the fund managers.

7.2 Debt securities aggregating AED 12,108.0 million (31 December 2025: AED 10,072.6 million) represent the Group's investments in bonds and notes which are quoted on recognized exchanges and prices of which are available on internationally recognized platforms of Reuters and Bloomberg and are liquid in normal market conditions. The debt securities portfolio includes floating rate securities amounting to AED nil (31 December 2025: AED nil).

Debt securities portfolio include Islamic sukuks amounting to AED 1,195.3 million (31 December 2025: AED 1,287.1 million).

Debt securities portfolio include CBUAE M-bills amounting to AED 8,863.9 million (31 December 2025: AED 8,043.2 million).

7.3 Other investments include debt investments managed by external asset managers at the discretion of the Group, amounting to AED 218.1 million (31 December 2025: AED 216.4 million) and additional tier 1 perpetual securities of AED 100.6 million (31 December 2025: AED 203.1 million). No shares were purchased by the Bank during the period (31 December 2025: nil).

7. Investments and Islamic instruments *(continued)*

7.4 The dispersion of the investment portfolio is as follows:

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Government	11,887,454	11,092,691
Banks and financial institutions	9,185,029	7,226,244
Others	218,169	216,493
	21,290,652	**18,535,428**
Less: Allowances for impairment (ECL) (note 10)	(18,454)	(3,861)
	21,272,198	**18,531,567**

7.5 By geographical area :

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
UAE	11,486,840	10,385,986
GCC	595,682	1,085,954
Europe	4,512,478	3,269,537
Americas	3,240,795	2,652,580
Others	1,454,857	1,141,371
	21,290,652	**18,535,428**
Less: Allowances for impairment (ECL) (note 10)	(18,454)	(3,861)
	21,272,198	**18,531,567**

The dispersion of investment portfolio based on the redistribution of risk is set out below:

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
UAE	11,890,638	10,844,779
GCC	1,356,821	1,634,645
Europe	4,423,251	3,179,588
Americas	2,061,114	1,600,821
Others	1,558,828	1,275,595
	21,290,652	**18,535,428**
Less: Allowances for impairment (ECL) (note 10)	(18,454)	(3,861)
	21,272,198	**18,531,567**

Others include investments in multilateral development banks amounting to AED 177.5 million (31 December 2025: AED 134.1 million).

7. Investments and Islamic instruments *(continued)*

7.6 By currency :

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
AED	8,992,231	8,158,438
USD	12,152,536	10,196,152
EUR	92,612	98,062
GBP	53,273	54,254
SGD	-	28,522
	21,290,652	**18,535,428**
Less: Allowances for impairment (ECL) (note 10)	(18,454)	(3,861)
	21,272,198	**18,531,567**

7.7 Based on external credit rating :

30 June 2026 (Unaudited) AED'000	Debt securities / Islamic sukuks	Other investments	Total
AAA	89,163	-	**89,163**
AA	1,597,068	-	**1,597,068**
AA-	9,579,322	-	**9,579,322**
A+	1,057,169	4,433	**1,061,602**
A	1,243,886	255,669	**1,499,555**
A-	3,528,908	-	**3,528,908**
BBB+	3,245,735	-	**3,245,735**
BBB	546,444	-	**546,444**
BBB- and below	84,159	58,696	**142,855**
Less: Allowances for impairment (ECL) (note 10)	(18,404)	(50)	**(18,454)**
	20,953,450	**318,748**	**21,272,198**

7. Investments and Islamic instruments *(continued)*

7.7 Based on external credit rating *(continued)*

31 December 2025 (Audited) AED'000	**Debt securities / Islamic sukuks**	**Other investments**	**Total**
AAA	89,819	-	**89,819**
AA	1,531,685	-	**1,531,685**
AA-	8,661,031	-	**8,661,031**
A+	1,070,657	41,835	**1,112,492**
A	832,084	216,362	**1,048,446**
A-	2,857,639	36,127	**2,893,766**
BBB+	2,481,590	-	**2,481,590**
BBB	390,212	-	**390,212**
BBB- and below	201,109	125,278	**326,387**
Less: Allowances for impairment (ECL) (note 10)	(3,810)	(51)	**(3,861)**
	18,112,016	**419,551**	**18,531,567**

BBB- and below rating investments include unrated issuances by Government related entities.

7.8 Debt investments and Islamic instruments stage-wise analysis :

The following table contains an analysis of the credit risk of relevant debt investments and Islamic instruments and the related ECL. The gross carrying amount of debt investments and Islamic instruments, including accrued interest / profit, represents the Group's maximum exposure to credit risk on these assets:

30 June 2026 (Unaudited) AED'000	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Outstanding balance	12,326,106	-	-	**12,326,106**
Allowances for impairment (ECL) (note 10)	(18,454)	-	-	**(18,454)**
Carrying amount	**12,307,652**	-	-	**12,307,652**

31 December 2025 (Audited) AED'000	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Outstanding balance	10,492,077	-	-	**10,492,077**
Allowances for impairment (ECL) (note 10)	(3,861)	-	-	**(3,861)**
Carrying amount	**10,488,216**	-	-	**10,488,216**

Debt investments and Islamic instruments are in stage 1 throughout the period. Accordingly, there have been no significant movements between stages in respect of these financial assets.

In addition to the above, the net carrying value of CBUAE M-bills amounted to AED 8.9 billion (31 December 2025: AED 8.0 billion).

8. Loans and advances and Islamic financing receivables

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
8.1 By type		
Overdrafts	1,580,589	1,703,940
Term loans	29,630,491	30,803,394
Loans against trust receipts	5,221,069	4,832,154
Bills discounted	1,838,137	1,986,887
Bills drawn under letters of credit	163,470	315,085
Gross loans and advances and Islamic financing receivables	**38,433,756**	**39,641,460**
Allowances for impairment losses (ECL) (note 10)	(2,292,628)	(2,174,525)
Net loans and advances and Islamic financing receivables	**36,141,128**	**37,466,935**

8.2 Loans and advances and Islamic financing receivables include Murabaha Tawarruq and Ijara financing activities amounting to AED 5,838.7 million (31 December 2025: AED 5,887.2 million) provided through a Shari'ah compliant Islamic window, NBF Islamic.

8.3 Loans and advances and Islamic financing receivables stage-wise analysis

The following table contains an analysis of the credit risk exposure of loans and advances and Islamic receivables. The gross carrying amount of loans and advances and Islamic receivables, including accrued interest / profit, represents the Group's maximum exposure to credit risk on these assets:

30 June 2026 (Unaudited) AED'000	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Outstanding balance	35,724,239	1,452,975	1,811,632	**38,988,846**
Allowances for impairment (ECL) (note 10)	(299,254)	(609,820)	(1,383,554)	**(2,292,628)**
Carrying amount	**35,424,985**	**843,155**	**428,078**	**36,696,218**

31 December 2025 (Audited) AED'000	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Outstanding balance	37,019,766	1,326,145	1,814,562	**40,160,473**
Allowances for impairment (ECL) (note 10)	(295,080)	(409,174)	(1,470,271)	**(2,174,525)**
Carrying amount	**36,724,686**	**916,971**	**344,291**	**37,985,948**

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Notes to the condensed consolidated interim financial information

For the six month period ended 30 June 2026 (continued)

8. Loans and advances and Islamic financing receivables *(continued)*

8.4 Movement in the gross balance of loans and advances and Islamic financing receivables

Outstanding balance (Unaudited) **AED'000**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount - 31 December 2025	**37,019,766**	**1,326,145**	**1,814,562**	**40,160,473**
Transferred from Stage 1	(209,596)	175,843	33,753	-
Transferred from Stage 2	28,705	(83,198)	54,493	-
Transferred from Stage 3	-	2,670	(2,670)	-
Other changes in underlying portfolios during the period	(1,114,636)	31,515	31,495	**(1,051,626)**
Written-off during the period	-	-	(120,001)	**(120,001)**
Gross carrying amount – 30 June 2026	**35,724,239**	**1,452,975**	**1,811,632**	**38,988,846**

Outstanding balance (Audited) **AED'000**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount – 31 December 2024	**31,203,824**	**1,807,164**	**1,976,030**	**34,987,018**
Transferred from Stage 1	(305,862)	254,470	51,392	**-**
Transferred from Stage 2	387,885	(615,709)	227,824	**-**
Transferred from Stage 3	-	318	(318)	**-**
Other changes in underlying portfolios during the year	5,733,919	(120,098)	53,858	**5,667,679**
Written-off during the year	-	-	(494,224)	**(494,224)**
Gross carrying amount - 31 December 2025	**37,019,766**	**1,326,145**	**1,814,562**	**40,160,473**

8. Loans and advances and Islamic financing receivables *(continued)*

8.5 Movement in the provision for impairment of loans and advances and Islamic financing receivables

ECL (Unaudited) AED'000	Stage 1	Stage 2	Stage 3	Total
ECL allowance - 31 December 2025	**295,080**	**409,174**	**1,470,271**	**2,174,525**
Transferred from Stage 1	(1,805)	3,740	15,876	**17,811**
Transferred from Stage 2	393	(3,579)	25,318	**22,132**
Transferred from Stage 3	-	22	(1,950)	**(1,928)**
Originated / (derecognized) during the period including changes in PDs / LGDs / EADs	5,586	200,463	(5,960)	**200,089**
Net allowance for impairment losses	**4,174**	**200,646**	**33,284**	**238,104**
Written-off during the period	-	-	(120,001)	**(120,001)**
ECL allowance – 30 June 2026	**299,254**	**609,820**	**1,383,554**	**2,292,628**

ECL (Audited) AED'000	Stage 1	Stage 2	Stage 3	Total
ECL allowance - 31 December 2024	**248,990**	**336,035**	**1,525,015**	**2,110,040**
Transferred from Stage 1	(5,195)	13,848	29,329	**37,982**
Transferred from Stage 2	5,181	(62,341)	155,004	**97,844**
Transferred from Stage 3	-	17	(313)	**(296)**
Originated / (derecognized) during the year including changes in PDs / LGDs / EADs	46,104	121,615	255,460	**423,179**
Net allowance for impairment losses	**46,090**	**73,139**	**439,480**	**558,709**
Written-off during the year	-	-	(494,224)	**(494,224)**
ECL allowance - 31 December 2025	**295,080**	**409,174**	**1,470,271**	**2,174,525**

8.6 Risk mitigation, collateral and credit enhancements

In line with Basel, IFRS 9 standards and the CRMS issued by the Central Bank of the UAE (CBUAE), the CRFP outlines the basis pertaining to the eligibility, valuation, roles & responsibilities of various departments and overall management of collateral in order to adopt effective credit risk mitigation mechanism and maximize the use of eligible collateral.

The eligible collateral under IFRS 9 helps in arriving at EAD and LGD for Expected Credit Loss (ECL) calculations. As for measuring ECL, the expected cash shortfalls will reflect via LGD, the cash flows expected from collateral realization provided the same are as per contractual terms.

The Group manages credit exposure by obtaining security where appropriate, and the Group may also close out transactions, facilitate a secondary market sale or reduce exposures as appropriate to mitigate credit risk.

8. Loans and advances and Islamic financing receivables *(continued)*

8.6 Risk mitigation, collateral and credit enhancements *(continued)*

The amount and type of collateral depends on assessments of the credit risk of the counterparty. The types of collateral mainly include cash, guarantees, stand-by letter of credit (bank guarantee), pledge over listed shares and mortgage and liens over real estate or movable and immovable assets; vehicles, ships and equipment. Collateral generally is not held against non-trading investments and due from banks and financial institutions.

Management monitors the market value of collateral, and wherever necessary the Group requests additional collateral in accordance with the underlying agreement, and considers collateral obtained during its review of the adequacy of the allowance for impairment losses.

Estimates of fair value are updated and assessed on a periodic basis in accordance with the respective credit policies.

The credit quality of the loans and advances and Islamic financing receivables is managed by the Group using internal credit ratings comprising 22 grades. The risk rating system is used as a credit risk management tool whereby any risks taken on the Group's books are rated against a set of predetermined standards which are in line with the Central Bank of the UAE guidelines.

The Group's Credit Risk Rating Methodology reflects its assessment of the probability of default of individual counterparties mapped to the ratings specified by the External Credit Assessment Institutions (ECAIs). The mapping is based on a statistical model which takes into consideration the industry weights, country specific factors and the sensitivity of the counter party to systematic risk. Risk classification distribution by risk grades is presented below:

Risk grades of gross loans and advances and Islamic financing receivables

	30 June 2026 (Unaudited)			
AED'000	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
RR 1-19				
Grade RR 1 – 17: Performing	35,485,606	208,611	-	**35,694,217**
Grade RR 18 – 19: Watchlist	-	1,226,227	-	**1,226,227**
Total – RR 1-19	**35,485,606**	**1,434,838**	**-**	**36,920,444**
RR 20-22: Non-performing	-	-	1,513,312	**1,513,312**
Total	**35,485,606**	**1,434,838**	**1,513,312**	**38,433,756**

	31 December 2025 (Audited)			
AED'000	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
RR 1-19				
Grade RR 1 – 17: Performing	36,763,702	302,541	-	**37,066,243**
Grade RR 18 – 19: Watchlist	-	1,011,163	-	**1,011,163**
Total – RR 1-19	**36,763,702**	**1,313,704**	**-**	**38,077,406**
RR 20-22: Non-performing	-	-	1,564,054	**1,564,054**
Total	**36,763,702**	**1,313,704**	**1,564,054**	**39,641,460**

9. Contingent liabilities and commitments

Contingent liabilities represent credit related commitments under letters of credit and guarantees which are designed to meet the requirements of the Group's customers towards third parties. Commitments represent credit facilities and other capital expenditure commitments of the Group which are undrawn at the date of consolidated interim statement of financial position. All credit related commitments are unconditionally cancellable / revocable at the discretion of the Group except for the amounts mentioned in the following table:

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Contingent liabilities:		
– Letters of credit covering movement of goods	1,600,841	1,487,525
– Financial guarantees and other direct credit substitutes	1,241,196	1,119,487
– Bid bonds, performance bonds and other transaction related contingencies	7,603,021	7,764,417
	10,445,058	**10,371,429**
Commitments:		
– Undrawn irrevocable commitments – credit related	540,096	521,946
– Commitments for future expenditure	277,544	228,788
	817,640	**750,734**
	11,262,698	**11,122,163**

The total undrawn commitments which are revocable at the discretion of the Bank amount to AED 19,242.8 million (31 December 2025: AED 17,655.6 million). Many of the contingent liabilities and commitments will expire without being funded in whole or in part. Therefore, the amounts do not necessarily represent expected future cash flows.

9. Contingent liabilities and commitments *(continued)*

9.1 Off balance sheet exposures stage-wise analysis

The following table contains an analysis of the credit risk of relevant off balance sheet exposures and the related ECL. The gross carrying amount of off balance sheet exposures below represents the Group's maximum exposure to credit risk on these assets:

	30 June 2026 (Unaudited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
AED'000				
Outstanding balance	9,973,483	111,275	147,205	**10,231,963**
Allowances for impairment (ECL) (note 10)	(35,819)	(7,775)	(100,891)	**(144,485)**
Carrying amount	**9,937,664**	**103,500**	**46,314**	**10,087,478**

	31 December 2025 (Audited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
AED'000				
Outstanding balance	9,753,305	143,891	168,635	**10,065,831**
Allowances for impairment (ECL) (note 10)	(33,967)	(6,597)	(126,838)	**(167,402)**
Carrying amount	**9,719,338**	**137,294**	**41,797**	**9,898,429**

9.2 Movement in the gross balance of off–balance sheet exposures

Outstanding balance (Unaudited)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
AED'000				
Gross carrying amount - 31 December 2025	**9,753,305**	**143,891**	**168,635**	**10,065,831**
Transferred from Stage 1	(7,116)	333	6,783	-
Transferred from Stage 2	3,589	(3,589)	-	-
Transferred from Stage 3	-	-	-	-
Originated / (expired) during the period	223,705	(29,360)	(28,213)	**166,132**
Written-off during the period	-	-	-	-
Gross carrying amount - 30 June 2026	**9,973,483**	**111,275**	**147,205**	**10,231,963**

Outstanding balance (Audited)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
AED'000				
Gross carrying amount - 31 December 2024	**8,506,912**	**173,075**	**167,799**	**8,847,786**
Transferred from Stage 1	(47,756)	40,744	7,012	-
Transferred from Stage 2	9,656	(13,918)	4,262	-
Transferred from Stage 3	-	1,090	(1,090)	-
Originated / (expired) during the year	1,284,493	(57,100)	(9,348)	**1,218,045**
Written-off during the year	-	-	-	-
Gross carrying amount - 31 December 2025	**9,753,305**	**143,891**	**168,635**	**10,065,831**

9. Contingent liabilities and commitments *(continued)*

9.3 Movement in the provision for impairment of off–balance sheet exposures

ECL – AED ’000 (Unaudited)	Stage 1	Stage 2	Stage 3	Total
ECL allowances - 31 December 2025	**33,967**	**6,597**	**126,838**	**167,402**
Transferred from Stage 1	(41)	105	1,494	**1,558**
Transferred from Stage 2	6	(40)	-	**(34)**
Transferred from Stage 3	-	-	-	-
Originated / expired during the period including changes in PDs / LGDs / EADs	1,887	1,113	(27,441)	**(24,441)**
Net allowance for impairment losses	**1,852**	**1,178**	**(25,947)**	**(22,917)**
Written-off during the period	-	-	-	-
ECL allowances - 30 June 2026	**35,819**	**7,775**	**100,891**	**144,485**

ECL – AED ’000 (Audited)	Stage 1	Stage 2	Stage 3	Total
ECL allowances - 31 December 2024	**28,118**	**5,281**	**121,166**	**154,565**
Transferred from Stage 1	(287)	504	6,642	**6,859**
Transferred from Stage 2	102	(68)	3,783	**3,817**
Transferred from Stage 3	-	-	(836)	**(836)**
Originated / expired during the year including changes in PDs / LGDs / EADs	6,034	880	(3,917)	**2,997**
Net allowance for impairment losses	**5,849**	**1,316**	**5,672**	**12,837**
Written-off during the year	-	-	-	-
ECL allowances – 31 December 2025	**33,967**	**6,597**	**126,838**	**167,402**

The provision for ECL against the off-balance sheet exposures disclosed above is classified under other liabilities.

10. Stage-wise ECL

The analysis of ECL by stage for loans and advances and Islamic financing receivables, due from banks and financial institutions, debt investments and Islamic instruments, acceptances and other assets and off-balance sheet items is as follows:

AED' 000 — **30 June 2026 (Unaudited)**

	Loans and advances and Islamic financing receivables	Due from banks and financial institutions	Investments and Islamic instruments	Acceptances and other assets	Off-balance sheet exposures	Total	ECL rate
Stage 3	**1,383,554**	**-**	**-**	**10,800**	**100,891**	**1,495,245**	**75.9%**
Stage 2	609,820	-	-	9	7,775	**617,604**	**39.5%**
Stage 1	299,254	9,186	18,454	2,410	35,819	**365,123**	**0.6%**
	909,074	**9,186**	**18,454**	**2,419**	**43,594**	**982,727**	
Total ECL	**2,292,628**	**9,186**	**18,454**	**13,219**	**144,485**	**2,477,972**	**3.9%**
ECL rate	**5.9%**	**0.6%**	**0.15%**	**1.3%**	**1.4%**		

AED' 000 — **31 December 2025 (Audited)**

	Loans and advances and Islamic financing receivables	Due from banks and financial institutions	Investments and Islamic instruments	Acceptances and other assets	Off-balance sheet exposures	Total	ECL rate
Stage 3	**1,470,271**	**-**	**-**	**12,095**	**126,838**	**1,609,204**	**80.6%**
Stage 2	409,174	-	-	2,298	6,597	**418,069**	**26.3%**
Stage 1	295,080	2,841	3,861	1,855	33,967	**337,604**	**0.6%**
	704,254	**2,841**	**3,861**	**4,153**	**40,564**	**755,673**	
Total ECL	**2,174,525**	**2,841**	**3,861**	**16,248**	**167,402**	**2,364,877**	**3.7%**
ECL rate	**5.4%**	**0.2%**	**0.04%**	**1.1%**	**1.7%**		

11. Due to banks, repurchase agreements and term borrowings

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
By type:		
Due to banks	2,082,101	1,893,359
Repurchase agreements	5,765,879	4,723,661
Term borrowings (note 11.1)	1,230,455	899,885
	9,078,435	**7,516,905**
By geographical area:		
UAE	2,743,560	2,357,800
GCC	142,844	100,000
Europe	4,137,178	3,820,173
Americas	352,224	53,771
Others	1,702,629	1,185,161
	9,078,435	**7,516,905**

As at 30 June 2026, due to banks include cash collateral of AED 56.2 million (31 December 2025: AED 118.8 million), in respect of positive fair value of derivatives, in accordance with the agreements with the interbank counterparties.

Due to banks include Wakala borrowings amounting to AED 532.6 million (31 December 2025: 183.7 million) undertaken through a Shari'ah - compliant Islamic window, NBF Islamic.

The investment securities under repurchase agreements amounted to AED 6,260.2 million (31 December 2025: AED 5,247.2 million).

11.1 Term borrowings comprise of several bilateral borrowings obtained from other banks and financial institutions as follows:

Loan no.	*Year obtained*	*Maturity*	*Interest rate*	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
1	2023	Sep-26	SOFR + Margin	183,650	183,650
2	2023	Dec-28	SOFR + Margin	183,650	183,650
3	2024	May-26	SOFR + Margin	-	183,650
4	2024	May-26	SOFR + Margin	-	91,825
5	2024	Sep-26	SOFR + Margin	73,460	73,460
6	2024	Dec-27	SOFR + Margin	91,825	91,825
7	2025	Mar-27	SOFR + Margin	91,825	91,825
8	2026	Mar-27	SOFR + Margin	165,285	-
9	2026	Apr-27	SOFR + Margin	91,825	-
10	2026	Apr-27	SOFR + Margin	146,920	-
11	2026	Jun-27	SOFR + Margin	110,190	-
12	2026	Jun-27	SOFR + Margin	91,825	-
				1,230,455	**899,885**

12. Customer deposits and Islamic customer deposits

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
By type:		
Demand and margin deposits	21,616,890	21,944,448
Saving deposits	1,194,378	1,156,148
Fixed term and notice deposits	28,896,582	27,880,803
	51,707,850	**50,981,399**
By geographical area:		
UAE	49,679,975	47,589,601
GCC	232,743	1,122,498
Europe	1,073,962	1,268,394
Americas	197,390	598,701
Others	523,780	402,205
	51,707,850	**50,981,399**

12.1 Included above, Islamic customer deposits undertaken through a Shari'ah - compliant Islamic window, NBF Islamic.

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
By type:		
Qard Islamic current accounts	1,066,775	876,538
Murabaha deposits	163,664	1,036,064
Wakala deposits	3,609,177	2,844,856
Mudaraba deposits	58,929	70,315
	4,898,545	**4,827,773**

13. Shareholders' equity

13.1 ***Share capital***

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Authorised, issued and fully paid:		
2,580,412,281 shares of AED 1 each (2025: 2,580,412,281 shares of AED 1 each)	**2,580,412**	**2,580,412**

13. Shareholders' equity *(continued)*

13.2 *Proposed cash dividends*

The Board of Directors proposed a distribution of profits 20% (2024: 15%) of share capital in the form of cash dividends for the year ended 31 December 2025. Accordingly, cash dividend per share amounted to AED 0.20 (2024: AED 0.15). This distribution was approved by the shareholders at the Annual General Assembly Meeting held in March 2026 and paid during April 2026.

14. Net impairment losses

	30 June 2026 AED'000 Unaudited	**30 June 2025 AED'000 Unaudited**
Loans and advances and Islamic financing receivables, acceptances, other assets and off balance sheet items	212,162	308,653
Due from banks and financial institutions	6,345	(1,207)
Investments and Islamic instruments	14,593	(844)
	233,100	**306,602**

15. Earnings per share

The calculation of earnings per share for the six month period ended 30 June 2026 is based on net profit after tax of AED 688.9 million (30 June 2025: AED 625.4 million) divided by the weighted average number of shares of 2,580.4 million (30 June 2025: 2,580.4 million shares) outstanding during the period.

The calculation of earnings per share for the three month period ended 30 June 2026 is based on net profit after tax of AED 346.6 million (30 June 2025: net profit of AED 318.6 million) divided by the weighted average number of shares of 2,580.4 million (30 June 2025: 2,580.4 million shares) outstanding during the period.

16. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In the case of the Group, related parties, as defined in the International Accounting Standard No. 24, include major shareholders of the Group, directors and officers of the Group and companies of which they are principal owners. Banking transactions are entered into with related parties on agreed terms and conditions approved by the Board of Directors. The significant transactions and balances included in the condensed consolidated interim financial information, which predominantly relate to Directors and shareholders of the Group, are as follows:

16. Related parties *(continued)*

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Condensed consolidated interim statement of financial position items		
Loans and advances and Islamic financing receivables	3,089,806	2,576,543
Customer deposits and Islamic customer deposits	10,562,512	10,283,225
Investments and Islamic instruments	-	213,034
Acceptances	23,295	42,584
Contingent liabilities		
Letters of credit	61,338	70,702
Financial guarantees and other direct credit substitutes	49,584	42,950
Transaction related contingencies	517,593	835,710
Commitments for future expenditure	136,501	123,510

	30 June 2026 AED'000 Unaudited	30 June 2025 AED'000 Unaudited
Condensed consolidated interim statement of income items		
Interest income and income from Islamic financing and investment activities	66,551	103,980
Interest expense and distribution to Islamic depositors	183,289	218,532
Other income	6,712	8,450
Operating expenses	27,624	19,564
Key management compensation		
Salaries and other short-term benefits	21,821	24,324
Employee end of service benefits	423	872

Stage 3 ECL, amounting to AED 282.8 million, has been recognized pertinent to related parties (31 December 2025: 282.8 million). Further, stage 1 and 2 ECL amounted to AED 17.3 million (31 December 2025: 13.0 million).

The loans and advances and Islamic financing receivables given to related parties have been secured against collateral amounting to AED 3,041.2 million (31 December 2025: AED 2,154.1 million).

During the period, capital expenditure transactions with related parties amounted to AED 1.7 million (31 December 2025: AED 17.6 million).

16. Related parties *(continued)*

Further, segregation of balances with related parties at the reporting date are shown below:

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Major shareholders and their related entities		
Loans and advances and Islamic financing receivables	1,561,577	1,154,264
Customer deposits and Islamic customer deposits	10,245,917	8,478,255
Investments and Islamic instruments	-	213,034
Acceptances	7,470	38,990
Letters of credit	36,726	46,354
Financial guarantees and other direct credit substitutes	49,139	42,506
Transaction related contingencies	239,216	540,603
Commitments for future expenditure	136,501	123,510
Exposure to directors and their related entities		
Loans and advances and Islamic financing receivables	154,767	139,424
Customer deposits and Islamic customer deposits	62,199	155,535
Transaction related contingencies	3,120	2,445
Key management personnel and their related parties		
Loans and advances and Islamic financing receivables	62,276	64,776
Customer deposits and Islamic customer deposits	44,866	38,958
Others		
Loans and advances and Islamic financing receivables	1,311,186	1,218,079
Customer deposits and Islamic customer deposits	209,530	1,610,477
Acceptances	15,825	3,594
Letters of credit	24,612	24,348
Financial guarantees and other direct credit substitutes	445	444
Transaction related contingencies	275,257	292,662

17. Capital adequacy ratio

The Bank's risk weighted assets (RWA) are weighted on the basis of relative credit, market, and operational risks. Credit risk includes both on and off-balance sheet risks. In accordance with the Basel III Compliance – Standardized Approach, the Bank is following the standardized measurement approach for credit, market and operational risk, under the existing Pillar 1 of Basel III requirements with the addition of the respective changes pertinent to capital supply.

The quantitative requirements, based on the regulations / guidelines, have been detailed below:

i. Total regulatory capital (net of regulatory adjustments) – at least 10.5% of risk weighted assets (RWA) – comprises of two tiers:

   a. Tier 1 capital – at least 8.5% of RWA, composed of:

   - Common equity Tier 1 (CET1) – at least 7.0% of RWA; and
   - Additional Tier 1 (AT1).

   Common equity Tier 1 (CET1) includes ordinary share capital, statutory reserve, special reserve, retained earnings and fair value reserves relating to unrealized gains on investments classified as FVOCI / available-for-sale with a hair-cut of 55%; and Additional Tier 1 (AT1) comprises of Tier 1 capital securities.

   b. Tier 2 capital

   It includes collective impairment provision and sub-ordinated facilities. Collective impairment provision, including impairment reserve general, shall not exceed 1.25% of total credit risk weighted assets.

ii. Banks must maintain a Capital Conservation Buffer (CCB) of 2.5% of RWA in the form of CET1 capital. CBUAE may also require banks to implement Countercyclical Buffer (CCyB), to protect the banks from periods of excess aggregate credit growth. CCyB must be met by using CET1 capital and the level may vary between 0 - 2.5% of RWA.

Minimum transitional arrangements as per the Central Bank of the UAE

Capital element	**Basel III 2026**	**Basel III 2025**
Minimum common equity tier 1 ratio	**7.0%**	**7.0%**
Minimum tier 1 capital ratio	**8.5%**	**8.5%**
Minimum capital adequacy ratio	**10.5%**	**10.5%**
Capital conservation buffer	**2.5%**	**2.5%**

17. Capital adequacy ratio *(continued)*

AED'000	30 June 2026 Unaudited	31 December 2025 Audited
CET1 capital		
Share capital	2,580,412	2,580,412
Statutory reserve	1,709,784	1,709,784
Special reserve	885,493	885,493
Retained earnings	2,639,709	1,949,055
Accumulated other comprehensive income	18,033	49,088
Regulatory deductions – intangibles	(344,773)	(337,324)
CET1 total	**7,488,658**	**6,836,508**
Additional Tier 1 (AT1) Capital		
AT1 capital securities	-	-
Total Tier 1	**7,488,658**	**6,836,508**
Tier 2 Capital		
Collective impairment provision	510,497	514,027
Total Tier 2	**510,497**	**514,027**
Total capital base (a)	**7,999,155**	**7,350,535**

Risk weighted assets

AED'000		
Credit risk	40,839,781	41,122,170
Market risk	112,187	65,065
Operational risk	4,924,449	4,747,192
Total risk weighted assets (b)	**45,876,417**	**45,934,427**
Capital adequacy ratio (a) / (b)	**17.4%**	**16.0%**
Tier 1 ratio	**16.3%**	**14.9%**
Common equity Tier 1 ratio (CET 1)	**16.3%**	**14.9%**

18. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances from the date of acquisition:

	30 June 2026 AED'000 Unaudited	Restated* 30 June 2025 AED'000 Unaudited
Cash on hand	443,271	356,091
Balances with the Central Bank of the UAE	3,016,611	2,098,896
Due from banks with less than three months maturity	671,876	896,574
Regulatory cash reserve deposit	3,867,088	3,237,689
	7,998,846	**6,589,250**

Balances with the Central Bank of the UAE include certificates of deposit and CBUAE M-Bills with less than three-month maturity.

Based on residual maturities, cash on hand, balances with the Central Bank of the UAE and due from banks amounting to AED 11,071.8 million are maturing within three months from 30 June 2026 (AED 6,780.9 million had maturity within three months from 30 June 2025).

19. Segmental reporting

The Group uses business segments for presenting its segment information in line with the Group's management and internal reporting structure. The Group's operations are confined mainly in the UAE.

Business segments pay and receive interest, to and from Treasury on an arm's length basis to reflect allocation of capital and funding costs.

Business segments

The Group conducts its activity through the following clearly defined business segments:

Corporate and Institutional banking

Corporate and Institutional segments

The segment offers a range of products and services including credit and trade finance products, and services to large and medium sized corporate customers through separate units and to financial institutions, and accepts deposits.

Business banking segment

The segment offers a range of products and services including credit and trade finance products, and services to small and medium sized customers through separate units, and accepts deposits. The segment also offers transactional services to small and medium sized businesses.

19. Segmental reporting *(continued)*

Retail banking

The segment offers a range of products and services to individuals and high net worth individuals including personal and mortgage loans, credit cards, other transactions and balances, and accepts their deposits.

Treasury, Asset and Liability Management (ALM) and others

The segment undertakes the Group's asset and liability management centrally and is responsible for optimum utilization of resources in productive assets and management of exchange and interest positions within the limits and guidelines set by management and approved by the Board.

Treasury also offers various foreign exchange and derivative products to customers and is entrusted with the responsibility of managing the Group's investment portfolio together with the Investment Management Unit under the guidance from the Investment Committee and Asset and Liability Committee. The Group's capital and investment in subsidiaries is recognised under this segment.

The Group has central shared services which include Operations, Risk Management, Human Resources, Finance, Information systems and Technology, Product Development, Legal, Credit and Internal Audit. The shared services costs are allocated to business segments based on transaction and relevant drivers.

The segment analysis based on business segments is as follows:

Six month period ended 30 June 2026 AED'000 (Unaudited)	**Corporate and institutional segments**	**Business banking segment**	**Retail banking**	**Treasury, ALM and others**	**Consolidated**
Net interest income and net income from Islamic financing and investment activities	313,437	366,902	100,277	203,513	**984,129**
Non-interest income	88,074	154,812	5,411	148,778	**397,075**
Operating income	**401,511**	**521,714**	**105,688**	**352,291**	**1,381,204**
Operating expenses	(117,911)	(182,377)	(60,237)	(30,470)	**(390,995)**
Operating profit before impairment losses and tax	**283,600**	**339,337**	**45,451**	**321,821**	**990,209**
Net impairment losses	(149,425)	(48,717)	(20,700)	(14,258)	**(233,100)**
Profit for the period before tax	**134,175**	**290,620**	**24,751**	**307,563**	**757,109**
Tax	(12,088)	(26,183)	(2,230)	(27,709)	**(68,210)**
Profit for the period after tax	**122,087**	**264,437**	**22,521**	**279,854**	**688,899**
30 June 2026 (Unaudited)					
Segment assets	20,977,591	10,685,619	6,844,201	32,670,483	**71,177,894**
Segment liabilities	31,320,811	16,758,227	5,962,767	9,280,617	**63,322,422**
Capital expenditure	-	-	-	63,914	**63,914**

19. Segmental reporting *(continued)*

Six month period ended 30 June 2025 AED'000 (Unaudited)	**Corporate and institutional segments**	**Business banking segment**	**Retail banking**	**Treasury, ALM and others**	**Consolidated**
Net interest income and net income from Islamic financing and investment activities	353,049	323,079	97,829	152,156	**926,113**
Non-interest income	129,584	138,715	20,056	145,200	**433,555**
Operating income	**482,633**	**461,794**	**117,885**	**297,356**	**1,359,668**
Operating expenses	(116,727)	(158,615)	(65,847)	(24,253)	**(365,442)**
Operating profit before impairment losses and tax	**365,906**	**303,179**	**52,038**	**273,103**	**994,226**
Net impairment losses	(159,985)	(117,828)	(30,942)	2,153	**(306,602)**
Profit for the period before tax	**205,921**	**185,351**	**21,096**	**275,256**	**687,624**
Tax	(18,640)	(16,778)	(1,910)	(24,917)	**(62,245)**
Profit for the period after tax	**187,281**	**168,573**	**19,186**	**250,339**	**625,379**
31 December 2025 (Audited)					
Segment assets	22,614,102	10,276,983	7,145,500	29,337,303	**69,373,888**
Segment liabilities	31,714,288	16,740,403	5,797,180	7,372,106	**61,623,977**
Capital expenditure	-	-	-	91,474	**91,474**

20. Tax

UAE Corporation Tax Law and application of IAS 12 Income Taxes

On 9 December 2022, UAE Federal Decree Law No. 47 of 2022 was published setting in place a general corporate income tax for the first time. The UAE Tax Law has confirmed the application of the Corporate Tax ('CT') to tax periods commencing on or after 1 June 2023. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the consolidated financial statements for the period beginning from 1 January 2024.

Similar to previous year, the Group considered the application of IAS 12 and any requirements for the measurement and recognition of deferred taxes for the period ended 30 June 2026. Based on the review and assessment, a deferred tax liability has been recognized, amounting to AED 1.3 million as at 30 June 2026 (31 December 2025: AED 8 million), arising from items that may be reclassified subsequently to the statement of income, from other comprehensive income perspective. Further, NBF Group is effectively managed and controlled in the UAE, therefore, NBF Group is out of scope of the UAE Domestic Minimum Top-Up Tax (DMTT) rules. Accordingly, the current tax impact has been calculated considering the potential adjustments which has resulted in an effective tax rate of 9.01% per annum: the details of which have been presented below.

Amount recognised in the condensed consolidated statement of income

The components of corporate income tax expense for the period ended 30 June 2026 are as follows:

	30 June 2026 AED'000 Unaudited	30 June 2025 AED'000 Unaudited
Current corporate income tax		
Current corporate income tax charge	68,210	62,245
Adjustments in respect of current corporate income tax of previous year	-	-
Corporate income tax expense reported in the consolidated interim statement of income	**68,210**	**62,245**

20. Tax *(continued)*

Amount recognized in the consolidated statement of other comprehensive income

	30 June 2026 AED'000 Unaudited	30 June 2025 AED'000 Unaudited
Tax related to items that will not be reclassified subsequently to the statement of income	117	(180)
Deferred tax related to items that may be reclassified subsequently to the statement of income	6,668	(4,297)
Tax reflected in the consolidated statement of other comprehensive income	**6,785**	**(4,477)**

Tax reconciliation

	30 June 2026 AED'000 Unaudited	30 June 2025 AED'000 Unaudited
Accounting profit for the period before tax	757,109	687,624
At United Arab Emirates' statutory corporate income tax rate of 9%	68,140	61,886
Tax amount of the adjustments related to non-deductible expenses	104	393
Effect of standard tax exemptions	(34)	(34)
Corporate income tax expense	**68,210**	**62,245**
Corporate income tax expense reported in the consolidated statement of income	**68,210**	**62,245**
Effective tax rate	**9.01%**	**9.05%**

Movement in current and deferred tax liability recognized in other liabilities

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Deferred tax liability		
Balance at the beginning of the year	7,963	2,815
Movement during the period / year	(6,668)	5,148
Balance at the end of the period / year	**1,295**	**7,963**

20. Tax (*continued*)

Movement in current and deferred tax liability recognized in other liabilities *(continued)*

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Current tax liability		
Balance at the beginning of the period / year	120,568	84,541
Current tax charge during the period / year	68,210	119,840
Adjustments in respect of items that will not be reclassified subsequently to the statement of income	(87)	728
Tax paid	-	(84,541)
Balance at the end of the period / year	**188,691**	**120,568**

21. Subsequent events

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the condensed consolidated interim financial information as at and for the six-month period ended 30 June 2026.

22. Impact of geopolitical conflict

Early March 2026, the region saw unprecedented geopolitical tensions with an escalating regional conflict sending shockwaves through the global economy. This disrupted energy exports, shipping routes and supply chains with oil prices reaching exceptionally high levels exhibiting the largest supply disruption in modern energy history. This was amplified by cyber incidents, inflationary pressures, volatile commodity prices and an operating environment characterized by uncertainty. The CBUAE announced support measures to facilitate the UAE banking sector's key role in supporting its customers, the UAE economy and to stabilize the overall macro-economic environment.

Since the onset of the regional conflict, NBF activated its Business Continuity Planning ('BCP') and has successfully taken a number of measures ranging from remote working and use of digital solutions. This has ensured continuity of customer services, and safeguarding health and safety of all stakeholders whilst leaving large number of the branches open for business. NBF continues to closely monitor regional and market developments and remains aligned with the guidance of the relevant UAE authorities. Enhanced vigilance across technology, cybersecurity, and operational resilience protocols remain in place to safeguard systems and customer interests. NBF has been proactively managing its liquidity and further strengthened its position to navigate through these uncertain times with resilience. As at 30 June 2026, NBF's advances to deposits ratio stood at 69.9%, lending to stable resources ratio ('LSRR') at 63.8% and eligible liquid assets ratio ('ELAR') at 31.5%, well within CBUAE's minimum requirements.

22. Impact of geopolitical conflict (*continued*)

The Management Risk Committee ('MRC'), Distressed Asset Committee ('DAC') and Central Credit Committee ('CCC') of the Group ensures governance over all critical decisions and requirements of the IFRS 9 standard and the related guidance and notices. Directives issued by the Regulator are complied and monitored with the appropriate involvement of key stakeholders including Finance, Risk, Credit and the Business divisions. These include key technical accounting and risk methodology decisions, management overlays, inputs and assumptions used for the determination of ECL and macro-economic factors consideration. Execution of principal decisions and results of reviews and monitoring are presented to the Board Audit Committee, Board Risk and Sustainability Committee and the Board, as NBF is committed to upholding the highest corporate governance standards.

Pursuant to the Standards and Guidance issued by the CBUAE during March 2026 and updated during June 2026 (version 2.0) via the financial institution resilience package and due to the exceptional nature of current circumstances, NBF has granted repayment holiday to some of its impacted customers. In cases where the bank has offered payment deferral relief to selected customers, an assessment by management of the related "significant increase in credit risk" based on past performance and future expected performance has been assessed and documented accordingly.

On account of the uncertainties caused by the on-going geopolitical conflicts, NBF prudently updated the inputs and assumptions used for the determination of ECL. NBF has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination. Forecast for macroeconomic variables has been modified as well as the assigned probabilities for downside scenario increased to 40% from 30% as at 31 December 2025 and reduced the upside scenario to 20% from 30% as at 31 December 2025. These are temporary and will be subject to appropriate suitability and governance reviews going forward. The Group has considered the potential impacts of the current market volatility in determination of the reported amounts of the Group's financial and non-financial assets, and these are considered to represent management's best assessment based on observable information.

Markets, however, remain volatile and the resulting impacts remain sensitive to market fluctuations. The Group will continue to monitor and reflect appropriately all such impacts in ECL calculations on a going forward basis. Scenarios will be re-assessed as the conditions develop, and the Group will continue to re-assess its position and the related impact on a regular basis. With the heightened geopolitical concerns and the related shocks being experienced throughout the world economies, NBF on an on-going basis will review prudently the macro-economic environment, the credit book, the staging decisions and regulatory guidance to ensure accurate reflection of the Group's assessment of all of these aspects at the reporting date.

23. Comparative figures

Reclassification of "Cash reserve with the Central Bank of the UAE" from operating activities to Cash and Cash Equivalents *(adjustment 1)*

In prior periods, the Group had classified changes in "cash reserve with the Central Bank of the UAE" within "Net cash generated from operating activities". According to the Central Bank of the UAE regulations, the Group is allowed to draw on the cash reserve with the Central Bank of the UAE on any day up to 100%, while ensuring that, on average, it meets the reserve requirements over a 14-day reserve maintenance period. According to IAS 7 – Statement of cash flows, cash comprises cash on hand and demand deposits.

The Group has reassessed the nature of "cash reserve with the Central Bank of the UAE" and concluded that the balance is available on demand and meets the definition of cash as set out under IAS 7, and therefore should be classified as cash and cash equivalents in the condensed consolidated interim statement of cash flows for the six month period ended 30 June 2025. As such, the comparative figures in the condensed consolidated interim statement of cash flows for the six month period ended 30 June 2025 have been restated in accordance with IAS 1 'Presentation of financial statements' in order to conform with the presentation for the current period.

CBUAE Monetary Bills *(adjustment 2)*

In prior years, CBUAE Monetary Bills (M-Bills) were presented under "Cash and balances with the Central Bank of the UAE" in the consolidated statement of financial position. The M-Bills are investment securities with contractual maturities ranging from 1 to 12 months and are measured at fair value through other comprehensive income.

In the Group's view, such presentation is more relevant for the readers of the consolidated statement of financial position as M-Bills are held for liquidity management purposes and are now classified with investments with similar nature and measurement basis. As a result of this restatement, the condensed consolidated interim statement of cashflows of the Group for the six month period ended 30 June 2025 has been restated and cashflows arising from "Change in investments and Islamic instruments from CBUAE M-Bills" for the six month period ended 30 June 2025 amounting to AED 700 million is presented as a separate line item within operating activities in the condensed consolidated interim statement of cashflows of the Group, which is consistent with the nature and the function of these investments. There is no overall impact on the operating activities within the consolidated statement of cash flows as a result of this restatement.

23. Comparative figures (continued)

CBUAE Monetary Bills *(adjustment 2)* (*continued*)

The impact of the restatements on the condensed consolidated interim statement of cash flows for the period ended 30 June 2025 is as follows.

	30 June 2025		
	As previously reported AED'000	Impact of restatements AED'000	**Restated AED'000**
Operating activities			
Change in due from the Central Bank of the UAE *(adjustment 1 and 2*)*	(370,409)	(229,591)	**(600,000)**
Change in investments and Islamic instruments from CBUAE M-bills *(adjustment 2)*	-	700,032	**700,032**
Net cash used in operating activities	253,220	470,441	**723,661**
Net change in cash and cash equivalents	(878,198)	470,441	**(407,757)**
Cash and cash equivalents at beginning of the year	4,229,759	2,767,248	**6,997,007**
Cash and cash equivalents at end of the period	3,351,561	3,237,689	**6,589,250**

**Adjustment 1 amounted to AED 470.4 million.*