Management Discussion and Analysis Report

National Bank of Fujairah PJSC

For the six-month period ended 30 June 2026

NBF posted its best half yearly net profit after tax of AED 688.9 million, up 10.2% vs H1 2025

30 July 2026: NBF is pleased to announce its results today for the six-month period ended 30 June 2026.

Overview of Results and Operational Performance for the six-month period ended 30 June 2026

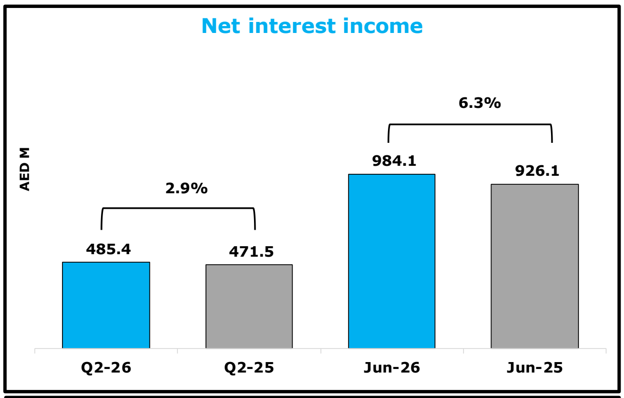
NBF recorded year-on-year growth of 10.1% to close the six-month period at a net profit before tax of AED 757.1 million compared to AED 687.6 million in the corresponding period of 2025. Further, NBF posted its best ever net profit after tax for a half year, amounting to AED 688.9 million, compared to AED 625.4 million in the corresponding period of 2025 with a corporate tax charge of AED 68.2 million. On the back of a strong Q2 2026 performance, NBF posted a net profit after tax of AED 346.6 million in the second quarter of 2026, a rise of 8.8% over the corresponding quarter of 2025. These results exhibit a high level of resilience in the bank's core business and effective asset and liability management amidst on-going geopolitical conflict, heightened uncertainty, volatility, oil price fluctuations and an expected overhang of recession and inflation testing the growth environment for all banks. Moreover, reduction in impairment provisions and continued careful management of costs and cost of risk, also contributed to this robust set of results.

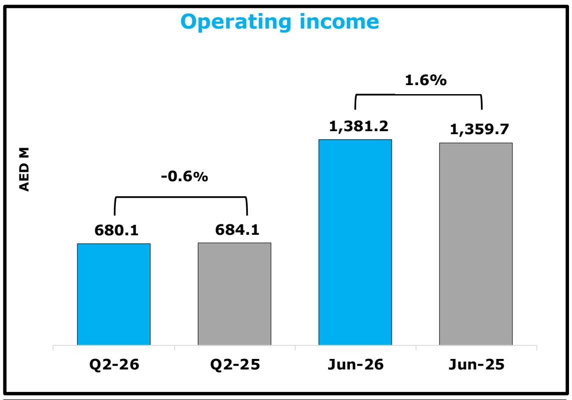
NBF maintained its policy of prudent and transparent recognition of problem accounts. NBF booked net impairment provisions of AED 233.1 million for the six-month period ended 30 June 2026 compared to AED 306.6 million in the corresponding period of 2025, representing a substantial reduction of 24%. The asset quality measured by the combined IFRS 9 stage 2 and 3 mix stood at 7.67% compared to 7.26% as at 31 December 2025. The NPL ratio stood at 3.94% compared to 3.95% as at 31 December 2025. The total provision coverage ratio improved to 151.5% compared to 139% as at 31 December 2025. Within these results, the bank has also taken the opportunity to prudently enhance stage 1 and 2 provisions for the potential impact of the exceptional nature of the current circumstances.

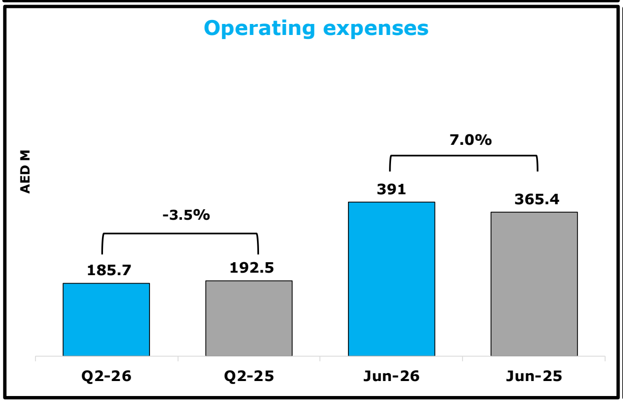
بنك الفجيرة الوطني ش م ع ص.ب ٨٨٧، الفجيرة، الإمارات العربية المتحدة هاتف: ٦٠٠ ٥٦٥٥٥١ للاتصال من خارج دولة الإمارات: ٤٥٠٧٨٤٩٩ ٩٧١+ فكس: ٩٢٢٢ ٧٩٩٢ ٩٧١+ nbf.ae
National Bank of Fujairah PJSC PO Box 887, Fujairah, UAE **Tel:** 600 565551 **Outside UAE:** +971 450 78499 **Fax:** +971 9222 7992 **nbf.ae**
سجل تجاري رقم ٦٣. الفرع الرئيسي الفجيرة
Commercial Registration No 63. Head Office Fujairah

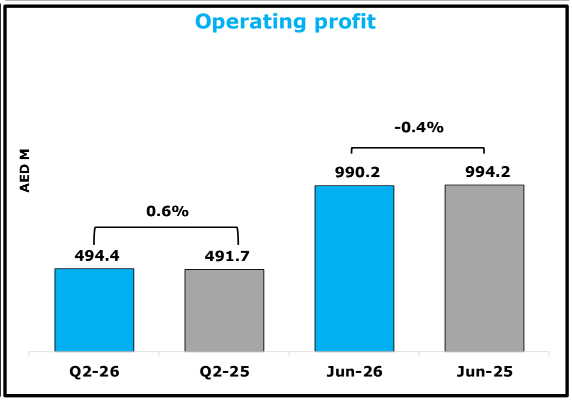
Classified as: NBF External

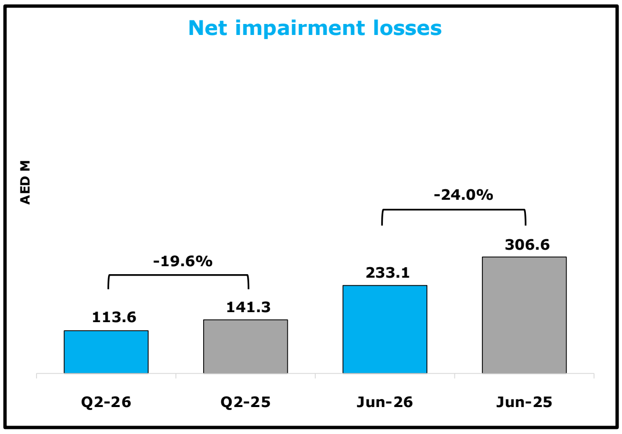
Summary of Income Statement performance for the six-month period ended 30 June 2026

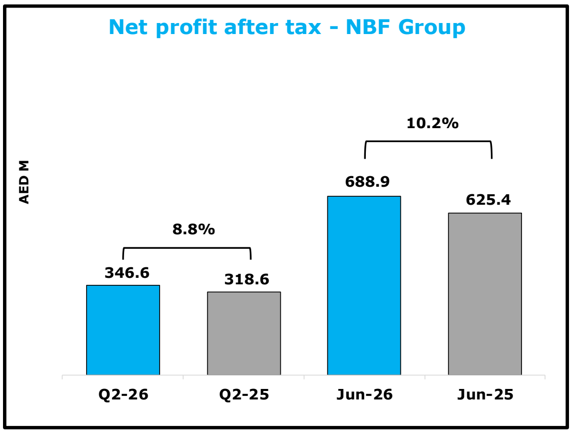












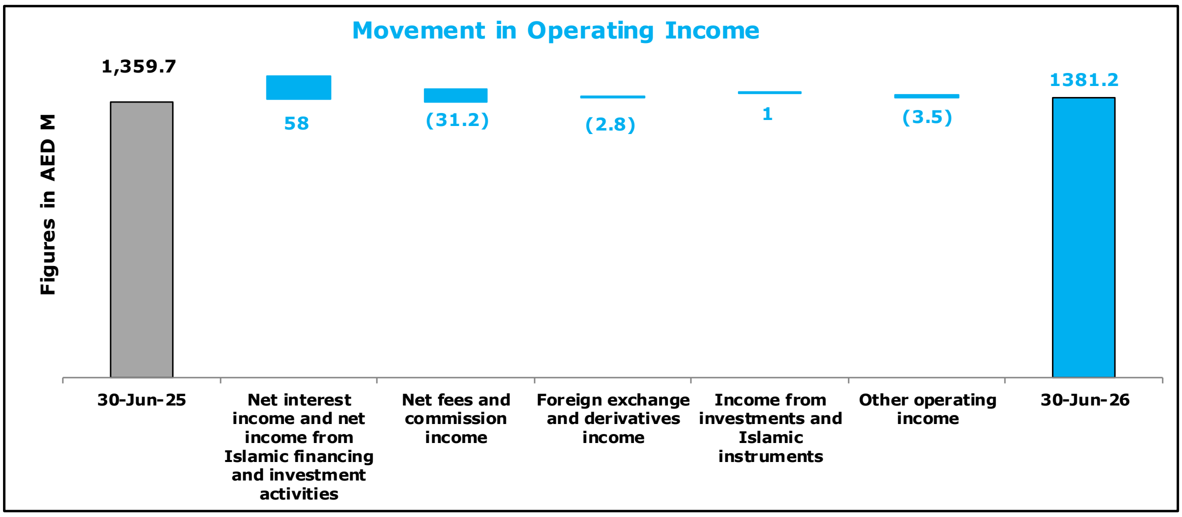
NBF posted an operating profit of AED 990.2 million for the six-month period, down by 0.4% compared to AED 994.2 million in the corresponding period of 2025, and up 0.6% for the three-month period ended 30 June 2026 over the corresponding period of 2025 reflecting the investments in its people, customers, process, technology, compliance and governance in line with the bank's long-term strategy.

Operating income reached AED 1.38 billion, up 1.6% compared to AED 1.36 billion in the corresponding period of 2025; and down 0.6% for the three-month period ended 30 June

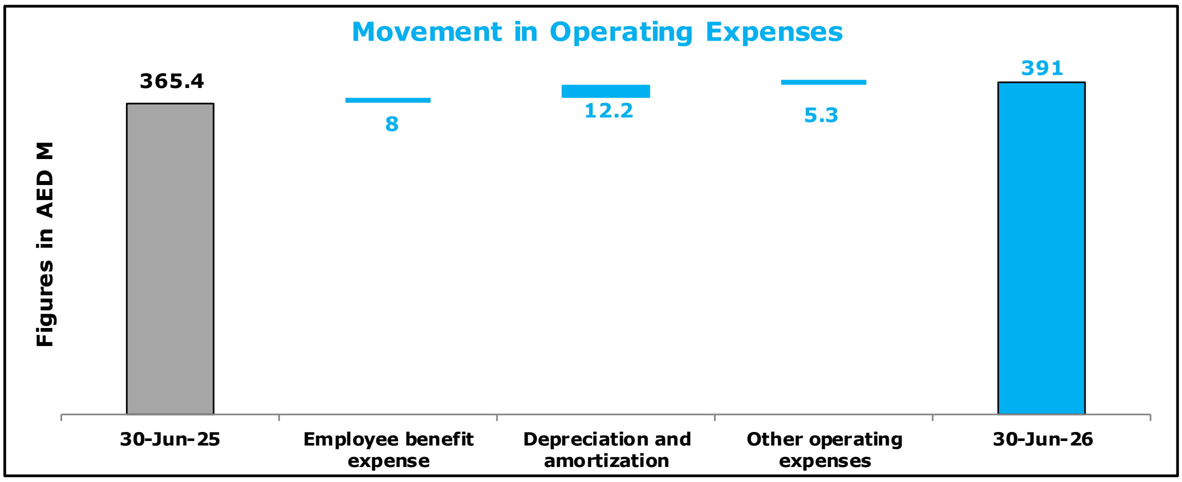
2026 over the corresponding period of 2025 reflecting the enhanced focus on key business segment growth, proactive asset and liability management and the bank's focus on customer centricity and efficiency and excellence.

Net interest income and net income from Islamic financing and investment activities grew 6.3% to AED 984.1 million for the six-month period ended 30 June 2026 compared to AED 926.1 million in the corresponding period of 2025. It was up 2.9% for the three-month period ended 30 June 2026 compared to the corresponding period of 2025.

Net fees, commission and other income and foreign exchange and derivatives income stood at AED 280 million and AED 107.9 million respectively; compared to AED 314.7 million and AED 110.7 million in the corresponding period of 2025.



Operating expenses increased by 7% for the six-month period ended 30 June 2026 compared to the corresponding period of 2025 with the increased focus and investments on governance and compliance initiatives, Operating efficiency and excellence combined with investments in digitalization. The bank has been making additional investments for further resilience in operations and business continuity for continued sustainable operations of the bank. Further, NBF's cost-to-income ratio stood at 28.3% compared to 26.9% in the corresponding period of 2025, remaining in the mid-industry range.



Summary of financial position as at 30 June 2026

Figures in AED M

	JUN-2026	DEC-2025	Change %	JUN-2026	JUN-2025	Change %
Total Assets	71,178	69,374	2.6%	71,178	64,328	10.6%
Loans and Advances and Islamic Financing Recievables	36,141	37,467	-3.5%	36,141	35,721	1.2%
Customer Deposits and Islamic Customer Deposits	51,708	50,981	1.4%	51,708	47,602	8.6%
Total Equity	7,855	7,750	1.4%	7,855	7,138	10.1%

Total assets rose by 2.6% to reach AED 71.2 billion compared to AED 69.4 billion at 2025 year-end, up by 10.6% from 30 June 2025.

Loans and advances and Islamic financing receivables stood at AED 36.1 billion compared to AED 37.5 billion at 2025 year-end, up by 1.2% from 30 June 2025.

Customer deposits and Islamic customer deposits rose by 1.4% to reach AED 51.7 billion compared to AED 51 billion at 2025 year-end, up by 8.6% from 30 June 2025. Current and Saving Accounts (CASA) deposits stood at 44.1% of total customer deposits, balancing the impact of fixed-term deposit products.

Summary of the cash flows and capital expenditure during the six-month period ended 30 June 2026

During the period, liquidity has been generated and deployed in line with asset and liability management strategy adapted to the market conditions, and the overall position remains well within the bank's risk appetite and regulatory expectations. Cash and cash equivalents amounted to AED 8.0 billion compared to AED 6.6 billion on 30 June 2025.

During the period ended 30 June 2026, NBF incurred AED 63.9 million in capital expenditure relating to the additions of property, equipment and intangibles compared to AED 51.2 million in the corresponding period of 2025.

Key Performance Indicators

- Ample liquidity has been maintained with lending to stable resources ratios at 63.8% (2025: 68.9%) and eligible liquid assets ratio (ELAR) at 31.5% (2025: 30.5%), well ahead of Central Bank of the UAE's minimum requirements.

- The capital adequacy ratio (CAR) improved to 17.4% (Tier 1 ratio of 16.3% and CET 1 ratio of 16.3%) compared to 16.0% (Tier 1 ratio of 14.9% and CET 1 ratio of 14.9%) at 2025 year-end; well above the regulatory requirements and ensuring a robust financial foundation.

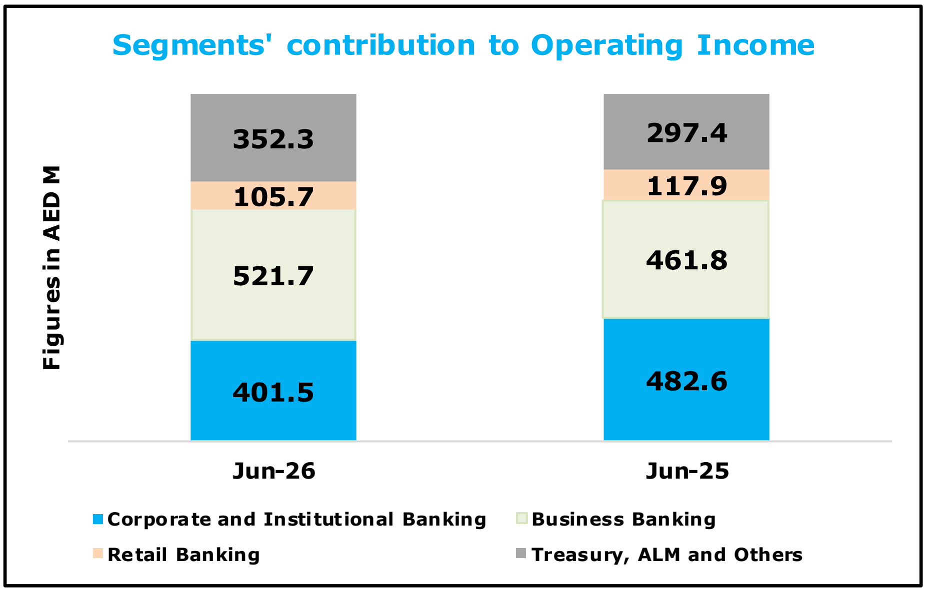
- Return on average equity stood at 17.7% compared to 17.9% in the corresponding period of 2025.

- Return on average assets was maintained at the 30 June 2025 level of 2.0%.

Our Segmented Focus

NBF's business strategy continues to revolve around client relationships, supported by the segmented approach adopted by the bank to serve its customers' needs. This assists in building diversification and maintaining stable growth.

For the six-month period ended 30 June 2026, the operating income from Corporate and Institutional Banking customers was AED 401.5 million, a decrease of 16.8% compared to the previous year. For the Business Banking segment, the operating income rose by 13% to AED 521.7 million. For Retail Banking it decreased by 10.3% while Treasury, ALM & others have increased by 18.5% compared to the corresponding period. Within operating income, NBF Islamic, the Islamic Window, increased by 21.6% compared to the previous year, in line with our commitment to the UAE's growth of the Islamic sector, driven by Islamic customer deposits of AED 4.9 billion and Islamic financing facilities of AED 5.1 billion.



Expectation regarding the economy, sector and its impact on the bank

The first half of 2026 continued to present a dynamic global operating environment, shaped by evolving economic conditions and geopolitical developments. Against this backdrop, the UAE economy continued to demonstrate resilience, supported by its strong fundamentals, progressive economic agenda and sustained focus and investment across key sectors. As the UAE continues to advance its long-term economic vision, NBF remains committed to supporting its customers and contributing to the nation's sustainable growth.

We continued with the upward trajectory of our financial and operational performance reinforcing our commitment to achieving sustainable growth, driven by our four strategic pillars, supported by robust capital adequacy, healthy liquidity, improved asset quality and a well-diversified balance sheet.

Shareholding and Rating

NBF’s key shareholders include the Government of Fujairah and Easa Saleh Al Gurg LLC. Rated Baa1 / Prime-2 for deposits and A3 for counterparty risk assessment by Moody’s and BBB+ / A-2 by Standard & Poor’s, both with a stable outlook, the bank is listed on the Abu Dhabi Securities Exchange under the symbol “NBF”. It has a branch network of 15 across the UAE.

nbf
بنك الفجيرة الوطني
National Bank of Fujairah

nbf Islamic

Awards and Accolades

NBF was recognized with the below prestigious awards which reflect the Bank's commitment to achieving excellence in a wide range of operations and enhancing overall customer satisfaction.

- Best Overall Bank for SMEs - SME Business & Finance Awards 2026.
- Best Digital Banking Solution for SMEs - SME Business & Finance Awards 2026.
- Best Cybersecurity and Risk Management Implementation - MEA Finance Banking Technology Awards 2026.
- Best Cloud Implementation - MEA Finance Banking Technology Awards 2026.
- Best Core Banking Infrastructure Implementation - MEA Finance Banking Technology Awards 2026.

Adnan Anwar
Chief Executive Officer

Brian Mulholland

Brian Mulholland
Chief Financial Officer