

**National Bank of Fujairah PJSC**  
**Management Discussion and Analysis Report**

For the six-month period ended 30 June 2025

**NBF posted its best half yearly net profit in H1 2025 of AED 625.4 million, up 41.8% compared to H1 2024**

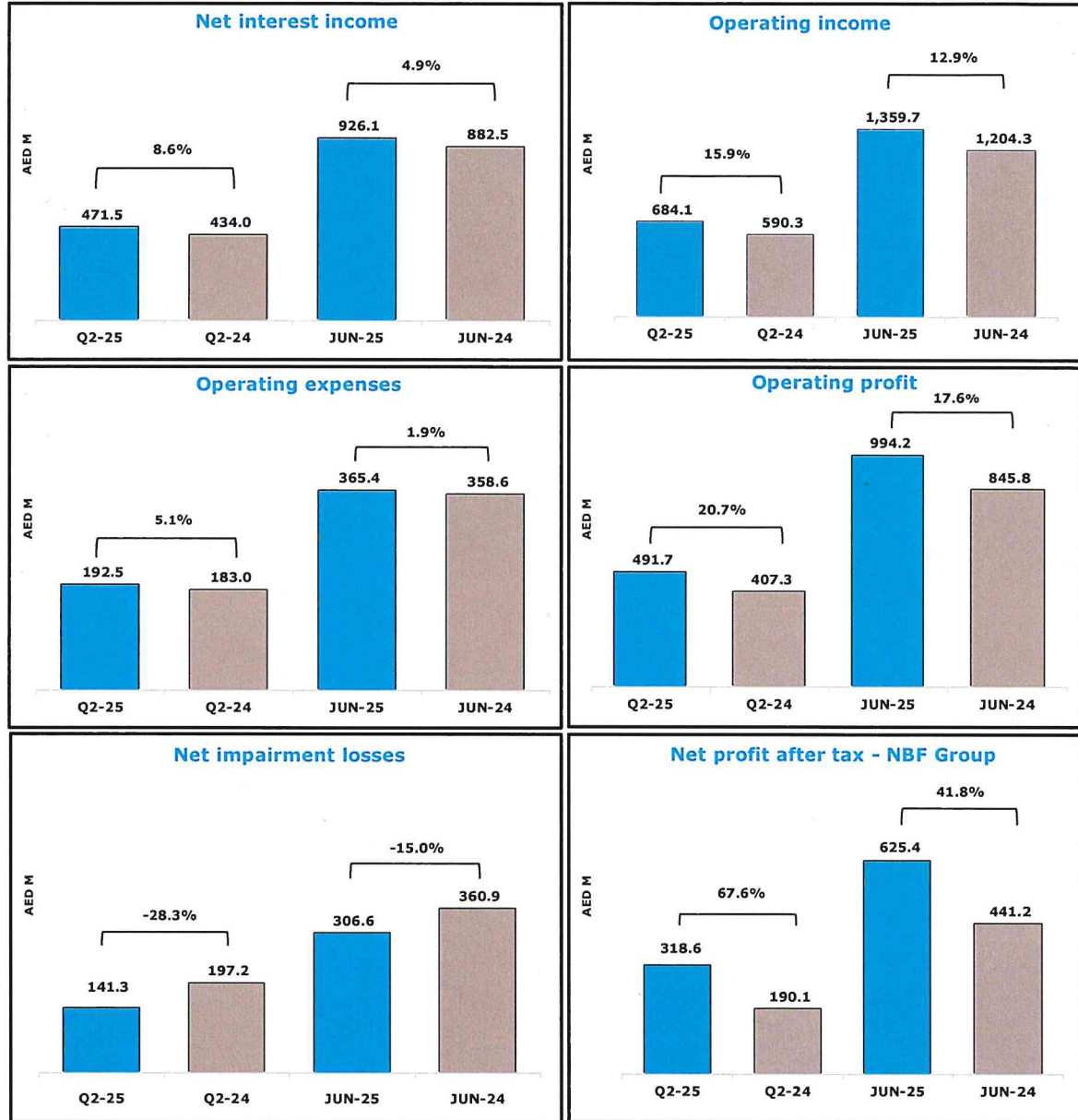
**31 July 2025:** NBF is pleased to announce its results today for the six-month period ended 30 June 2025.

**Overview of Results and Operational Performance for the six-month period ended 30 June 2025**

NBF recorded year-on-year growth of 41.8% to close the six-month period at a net profit before tax of AED 687.6 million compared to AED 484.9 million in the corresponding period of 2024. Further, NBF posted its best ever net profit after tax for a half year, amounting to AED 625.4 million, compared to AED 441.2 million in the corresponding period of 2024 with a corporate tax charge of AED 62.2 million. On the back of a strong Q2 2025 performance, NBF posted a net profit after tax of AED 318.6 million in the second quarter of 2025, a rise of 67.6% over the corresponding quarter of 2024. These results exhibit the bank's continued momentum on quality business growth and effective asset and liability management in a new era of heightened uncertainty and unpredictability, arising out of fractious geopolitics risk and trade tensions. 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 306.6 million for the six-month period ended 30 June 2025 compared to AED 360.9 million in the corresponding period of 2024, representing a reduction of 15%. The asset quality measured by the combined IFRS 9 stage 2 and 3 mix improved to 8.95% compared to 10.2% as at 31 December 2024. The NPL ratio improved to 4.6% compared to 5.1% as at 31 December 2024. The total provision coverage ratio improved to 133.4% compared to 119.4% as at 31 December 2024.

## Summary of Income Statement performance for the six-month period ended 30 June 2025



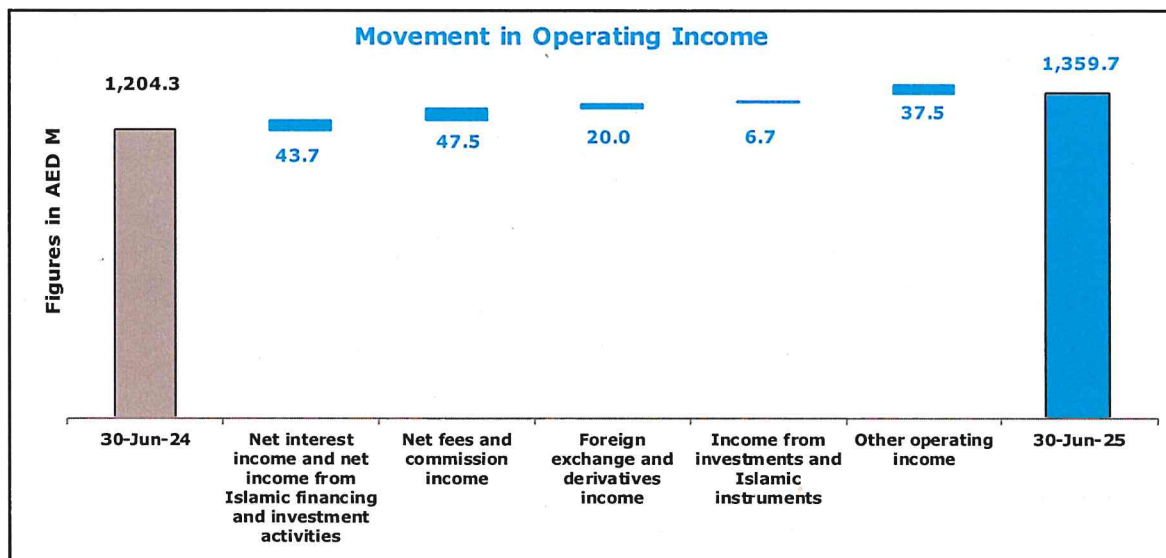
Underpinned by higher revenue generation from balance sheet growth and the on-going cost discipline, NBF posted an operating profit of AED 994.2 million for the six-month period, a rise of 17.6% compared to AED 845.8 million in the corresponding period of 2024; and up 20.7% for the three-month period ended 30 June 2025 over the corresponding period of 2024.

Operating income reached AED 1.4 billion, up 12.9% compared to AED 1.2 billion in the corresponding period of 2024; and up 15.9% for the three-month period ended 30 June 2025 over the corresponding period of 2024 reflecting the enhanced focus on key business segment growth, proactive asset and liability management and the bank's commitment to delivering exceptional customer service.

Net interest income and net income from Islamic financing and investment activities grew 4.9% to AED 926.1 million for the six-month period ended 30 June 2025 compared to AED 882.5 million in the corresponding period of 2024. It was up 8.6% for the three-month period ended 30 June 2025 compared to the corresponding period of 2024.

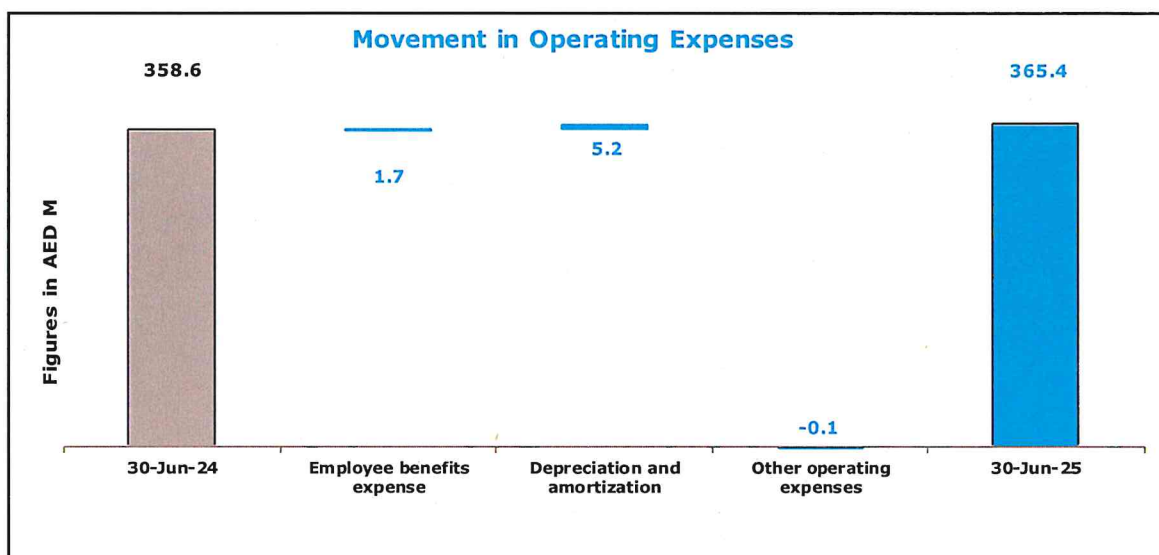
Net fees, commission and other income rose 37% to AED 314.7 million for the six-month period ended 30 June 2025 compared to AED 229.8 million in the corresponding period of 2024. It was up 42.8% for the three-month period ended 30 June 2025 compared to the corresponding period of 2024.

Foreign exchange and derivatives income experienced a solid growth of 22.1% compared to the corresponding period of 2024, reaching AED 110.7 million for the six-month period ended 30 June 2025. It was up 8.9% for the three-month period ended 30 June 2025 compared to the corresponding period of 2024.





Operating expenses increased by 1.9%, reflecting NBF's strategic focus on efficiency and excellence and investments in digitalization. This is executed with a fine balance of investments in its businesses, systems, infrastructure and people to deliver exceptional customer service, enhance innovation and deal with competitiveness in line with the changing market demands. These measures improved NBF's cost-to-income ratio to 26.9% compared to 29.8% in the corresponding period of 2024, remaining in the mid-industry range.



## Summary of financial position as at 30 June 2025

Figures in AED M

	JUN-2025	DEC-2024	Change %	JUN-25	JUN-24	Change %
<b>Total Assets</b>	<b>64,328</b>	<b>60,879</b>	<b>5.7%</b>	<b>64,328</b>	<b>55,631</b>	<b>15.6%</b>
<b>Loans and Advances and Islamic Financing Recievables</b>	<b>35,721</b>	<b>32,392</b>	<b>10.3%</b>	<b>35,721</b>	<b>29,449</b>	<b>21.3%</b>
<b>Customer Deposits and Islamic Customer Deposits</b>	<b>47,602</b>	<b>45,757</b>	<b>4.0%</b>	<b>47,602</b>	<b>41,594</b>	<b>14.4%</b>
<b>Investments and Islamic instruments</b>	<b>10,284</b>	<b>9,446</b>	<b>8.9%</b>	<b>10,284</b>	<b>8,847</b>	<b>16.2%</b>
<b>Total Equity</b>	<b>7,138</b>	<b>6,856</b>	<b>4.1%</b>	<b>7,138</b>	<b>6,748</b>	<b>5.8%</b>

Total assets rose by 5.7% to reach AED 64.3 billion compared to AED 60.9 billion at 2024 year-end, up by 15.6% from 30 June 2024.

Loans and advances and Islamic financing receivables rose by 10.3% to reach AED 35.7 billion compared to AED 32.4 billion at 2024 year-end, up by 21.3% from 30 June 2024.

Investments and Islamic instruments increased by 8.9% to reach AED 10.3 billion compared to AED 9.4 billion at 2024 year-end, up by 16.2% from 30 June 2024; optimizing a portion of liquidity towards a high-quality investment book to augment value and return.

Customer deposits and Islamic customer deposits increased by 4.0% to reach AED 47.6 billion compared to AED 45.8 billion at 2024 year-end, up by 14.4% from 30 June 2024. Current and Saving Accounts (CASA) deposits stood at 42.9% 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 2025

During the period, surplus liquidity has been deployed to fund quality loans and investment book growth and the overall position remains well within the bank's risk appetite and regulatory expectations. Cash and cash equivalents amounted to AED 3.4 billion compared to AED 1.9 billion on 30 June 2024.

During the six-month period ended 30 June 2025, NBF had incurred AED 51.2 million in capital expenditure relating to the additions of property, equipment and intangibles compared to AED 47.5 million in the corresponding period.

### Key Performance Indicators

- Ample liquidity has been maintained with lending to stable resources ratio (LSRR) at 70.3% (2024: 67.3%) and eligible liquid assets ratio (ELAR) at 27.0% (2024: 29.9%), well ahead of Central Bank of the UAE's minimum requirements.
- The capital adequacy ratio (CAR) stood at 16.5% (CET 1 ratio of 15.4%) compared to 16.6% (CET 1 ratio of 15.5%) at 2024 year-end; exceeding regulatory requirements and ensuring a robust financial foundation.
- Return on average equity improved to 17.9%, up from 13.3% for the corresponding period in 2024.
- Return on average assets improved to 2.0%, up from 1.6% for the corresponding period in 2024.

بنك الفجيرة الوطني ش.م.ع. ص.ب. ٨٧، الفجيرة، الإمارات العربية المتحدة هاتف: ٠٦٠٠ ٥٦٥٥٥١ للاتصال من خارج دولة الإمارات: ٨٤٩٩ ٥٠ ٩٧١ فاكس: ٩٧١ ٩٣٣٣ ٧٩٩٣ nbf.ae

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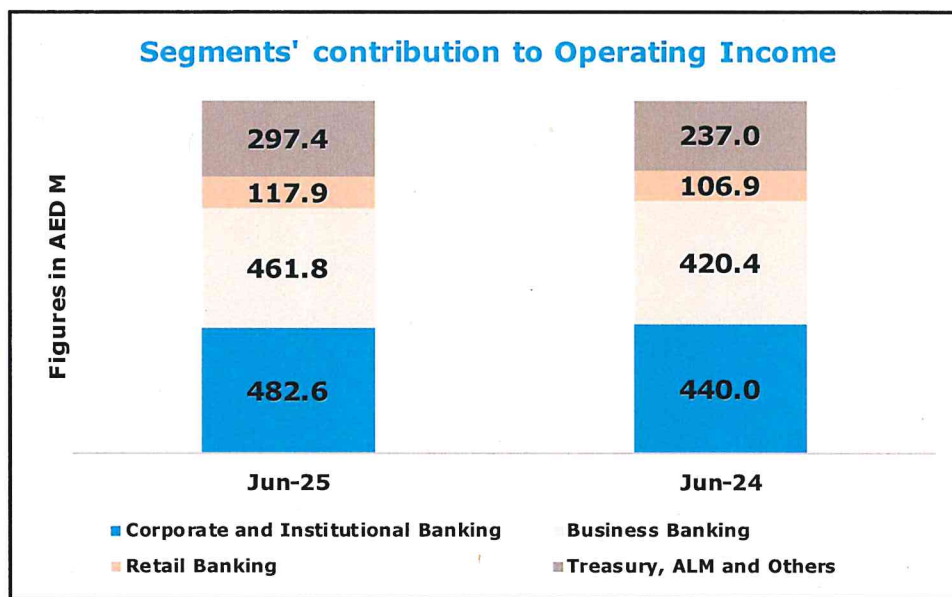
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## Our Segmented Focus

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

For the six-month period ended 30 June 2025, the operating income from Corporate and Institutional banking customers was AED 482.6 million, an increase of 9.7% compared to the corresponding period. For Business Banking segment, the operating income rose by 9.8% to AED 461.8 million. For Retail Banking, it increased by 10.2% while Treasury, ALM & others have increased by 25.5% compared to the corresponding period.





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

We are pleased with the NBF franchise growing and posting another set of stellar results in the first half of 2025 and being honored with a number of prestigious awards and endorsements. We are particularly impressed that, during Q2 2025, NBF has been recognized at the 2025 MEA Business Achievement Awards, in the Banking and Finance category, covering ESG Excellence and Outstanding Community Impact and Engagement; showcasing our commitment and collective efforts towards responsible banking, sustainable development and embedding best-in-class practices.

Against the backdrop of heightened uncertainty and unpredictability, arising out of geopolitics risk and trade tensions, climate change and supply chain issues all contributing to a more volatile environment, we continued to deliver remarkable results across our diversified verticals reinforcing our commitment to delivering enhanced shareholder value and achieving sustainable growth.

Specifically, the change in growth forecast for the UAE remains fairly positive relative to other parts of the World and the bank will continue to prudently capitalize on the quality growth opportunities offered by the domestic economy.

NBF, therefore, remains well placed to benefit from the evolving market opportunities and the UAE banking sector's economic resilience, driven by its four strategic pillars, facilitated by its robust capital adequacy, healthy liquidity and a well-diversified balance sheet. We look to continuing the performance trend to deliver for our stakeholders.

## Shareholding and Rating

NBF's key shareholders include the Government of Fujairah, Easa Saleh Al Gurg LLC and Investment Corporation of Dubai. 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 14 across the UAE.

## Awards and Accolades

NBF has won five awards at the MEA Business Achievement Awards 2025 & Global Sustainable Finance Awards 2025 highlighting our leadership in secure and innovative banking solutions across mobile, trade, and corporate services. The awards include:

- Best SME Bank for Sustainable Finance, Middle East – Global Sustainable Finance Awards 2025
- Best SME Bank for Sustainable Finance, United Arab Emirates – Global Sustainable Finance Awards 2025
- ESG Excellence – MEA Business Achievement Awards 2025
- Outstanding Community Impact and Engagement – MEA Business Achievement Awards 2025
- Outstanding Sustainability Initiative – MEA Business Achievement Awards 2025

NBF has won five awards at the MEA Finance Banking Technology Awards 2025, highlighting our leadership in secure and innovative banking solutions across mobile, trade, and corporate services. The awards include:

- Best Cybersecurity and Risk Management Implementation – UAE
- Best Mobile Banking Services – UAE
- Best Innovation in Corporate Banking and Finance
- Best Innovation in Trade Finance - UAE
- Best Corporate Payment Service

These accolades reflect NBF's commitment to excellence, expertise, and a customer-focused digital strategy. This recognition emphasizes the bank's vision of blending trusted relationships with advanced technologies and a deep understanding of customer needs.



**Adnan Anwar**  
Chief Executive Officer



**Brian Mulholland**  
Chief Financial Officer