

## Management Discussion and Analysis Report

National Bank of Fujairah PJSC

For the year ended 31 December 2025

**NBF surpasses the milestone of AED 1 billion net profit, posting its third consecutive year of record performance**

**Net profit after tax surged 41.8% to reach AED 1.2 billion**

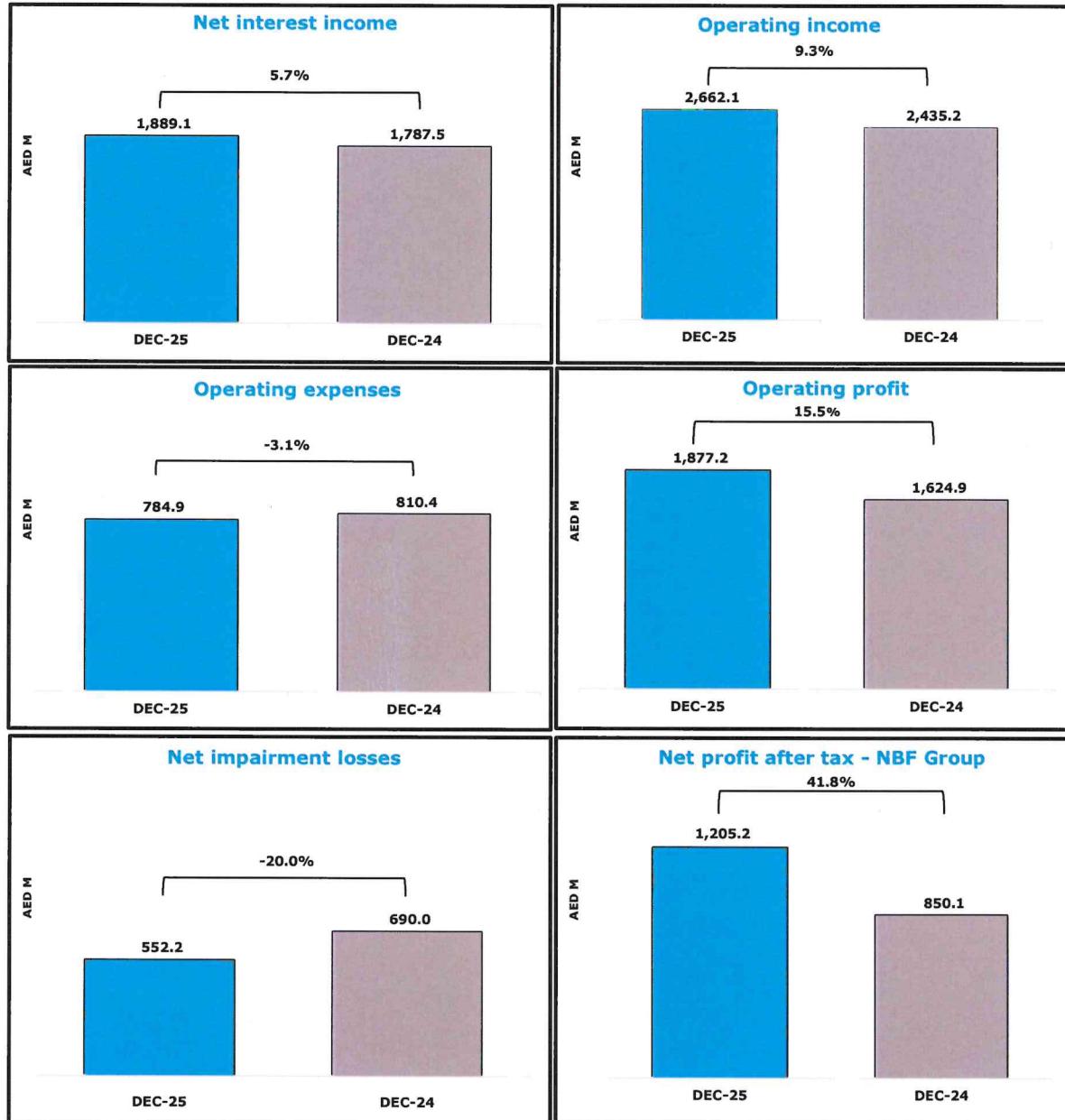
**28 January 2026:** NBF is pleased to announce its results today for the year ended 31 December 2025.

### Overview of Results and Operational Performance for the year ended 31 December 2025

NBF recorded its best ever net profit before tax of AED 1.3 billion compared to AED 934.8 million in 2024 translating into a year-on-year growth of 41.7%. Further, NBF posted a record net profit after tax of AED 1.2 billion for the year compared to AED 850.1 million in 2024. Moreover, improvement in impairment provisions and careful management of costs also contributed to this robust set of results. These results show the bank's continued momentum on quality business growth and effective asset and liability management amidst global and regional uncertainties. A challenging geopolitical environment coupled with volatile commodities and oil prices have tested the growth environment for all banks.

NBF maintained its policy of prudent and transparent recognition of problem accounts. NBF booked net impairment provisions of AED 552.2 million for the year ended 31 December 2025 compared to AED 690.0 million in 2024, representing a substantial reduction of 20%. The asset quality measured by the combined IFRS 9 stage 2 and 3 mix improved to 7.3% from 10.2% as at 31 December 2024. The NPL ratio improved to 3.95% compared to 5.12% as at 31 December 2024. The total provision coverage ratio increased to 139.0% compared to 119.4% as at 31 December 2024.

## Summary of Income Statement performance for the year ended 31 December 2025



Underpinned by higher revenue generation from balance sheet growth and the on-going cost discipline, NBF posted its highest ever operating profit of AED 1.9 billion, a rise of 15.5% compared to AED 1.6 billion in 2024.

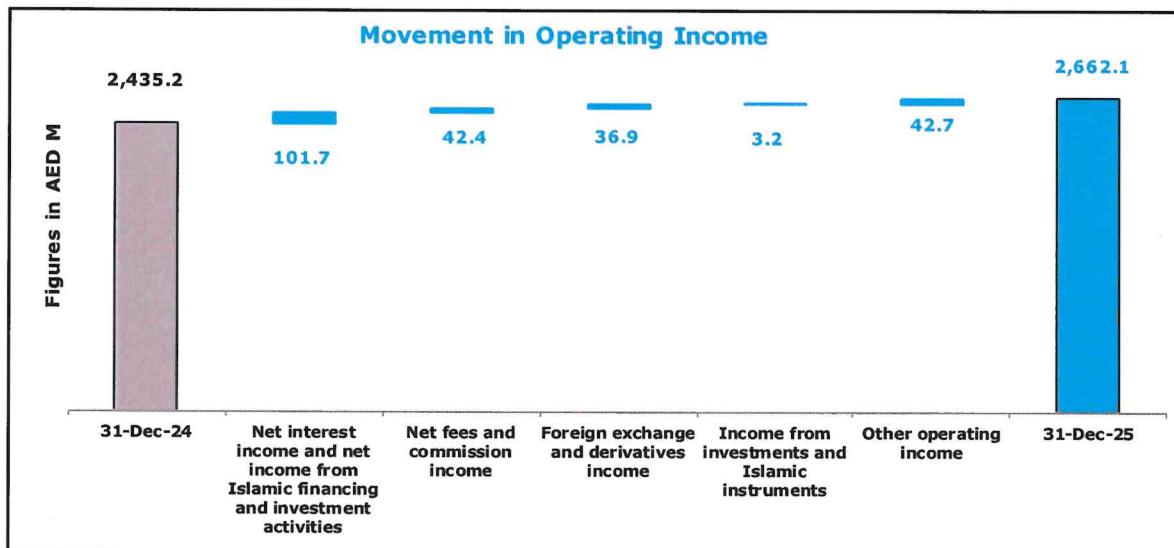
NBF recorded its best ever operating income of AED 2.7 billion, up 9.3% over 2024 reflecting the enhanced focus on key business segments growth, proactive asset and liability management and the bank's long-standing customer centric approach that offset the impact from the interest rates cuts.

Net interest income and net income from Islamic financing and investment activities grew 5.7% to AED 1.9 billion compared to AED 1.8 billion in 2024.

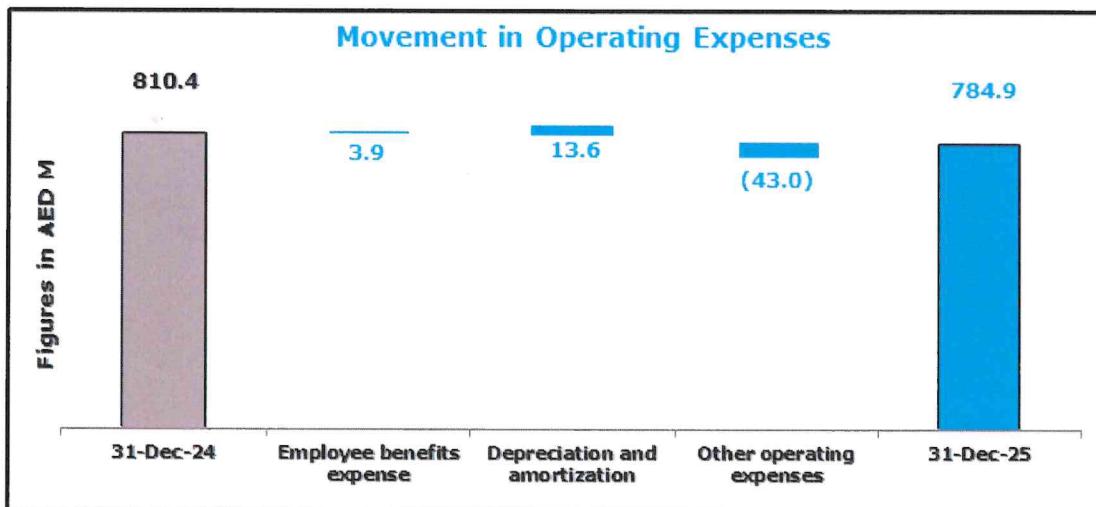
Net fees, commission and other income rose 18.8% to AED 537.9 million compared to AED 452.7 million in 2024.

Foreign exchange and derivatives income experienced a solid growth of 19.5% compared to 2024, reaching AED 226.1 million for the year ended 31 December 2025.

Helped by an improvement of AED 76 million in investments designated as fair value through other comprehensive income (FVOCI), NBF's total comprehensive income for the year was AED 1.3 billion, up 47.2% compared to AED 870.1 million in 2024.



Operating expenses reduced by 3.1% over 2024, reflecting NBF's focus on efficiency and excellence, in tandem with investment in digitalization. These measures improved NBF's cost-to-income ratio to 29.5% compared to 33.3% in 2024, remaining comparable in the mid-industry range.



## Summary of financial position as at 31 December 2025

## Figures in AED M

	DEC-2025	DEC-2024	Change %	DEC-25	SEP-25	Change %
<b>Total Assets</b>	<b>69,374</b>	<b>60,879</b>	<b>14.0%</b>	<b>69,374</b>	<b>67,987</b>	<b>2.0%</b>
<b>Loans and Advances and Islamic Financing Recivables</b>	<b>37,467</b>	<b>32,392</b>	<b>15.7%</b>	<b>37,467</b>	<b>36,306</b>	<b>3.2%</b>
<b>Customer Deposits and Islamic Customer Deposits</b>	<b>50,981</b>	<b>45,757</b>	<b>11.4%</b>	<b>50,981</b>	<b>49,128</b>	<b>3.8%</b>
<b>Total Equity</b>	<b>7,750</b>	<b>6,856</b>	<b>13.0%</b>	<b>7,750</b>	<b>7,482</b>	<b>3.6%</b>

Loans and advances and Islamic financing receivables rose by 15.7% to reach AED 37.5 billion compared to AED 32.4 billion at 2024 year-end.

Customer deposits and Islamic customer deposits increased by 11.4% to reach AED 51.0 billion compared to AED 45.8 billion at 2024 year-end. Current and Saving Accounts (CASA) deposits improved to 45.3% (2024: 43.2%) of total customer deposits, balancing the impact of fixed-term deposit products.

## **Summary of the cash flows and capital expenditure during the year ended 31 December 2025**

During the year, 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 6.5 billion compared to AED 7.0 billion at 2024 year-end.

During the year ended 31 December 2025, NBF incurred AED 91.5 million in capital expenditure relating to the additions of property, equipment and intangibles compared to AED 100.6 million in the previous year.

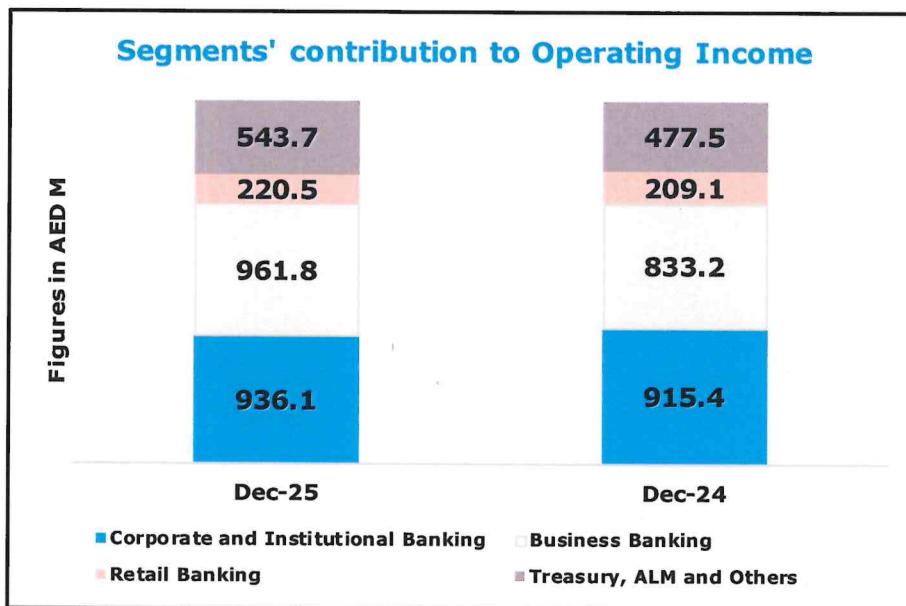
## Key Performance Indicators

- Ample liquidity has been maintained with lending to stable resources ratios at 68.9% (2024: 67.3%) and eligible liquid assets ratio (ELAR) at 30.5% (2024: 29.9%), well ahead of Central Bank of the UAE's minimum requirements.
- The capital adequacy ratio (CAR) stood at 16.0% (Tier 1 ratio of 14.9% and CET 1 ratio of 14.9%) compared to 16.6% (Tier 1 ratio of 15.5% and CET 1 ratio of 15.5%) at 2024 year-end; well above the regulatory requirements and ensuring a robust financial foundation.
- Return on average equity improved to 16.5%, up from 12.7% in 2024.
- Return on average assets improved to 1.9%, up from 1.5% in 2024.
- Taking into account the 2025 performance, the Board of Directors proposed a distribution of profits of 42.8% of net profit after tax, in the form of cash dividends.

## 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 year ended 31 December 2025, the operating income from Corporate and Institutional Banking customers was AED 936.1 million, an increase of 2.3% compared to the previous year. For the Business Banking segment, the operating income rose by 15.4% to AED 961.8 million. For Retail Banking it increased by 5.4% while Treasury, ALM & others have increased by 13.9% compared to the year 2024. Within operating income, NBF Islamic, the Islamic Window, increased by 5.4% 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 4.8 billion and Islamic financing facilities of AED 5.3 billion.



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

NBF continued its streak of third consecutive year of record results in 2025. This accomplishment exhibits the resilience in our core business, robust capital adequacy, sound improvement in asset quality, continued focus on cost discipline, a well-diversified balance sheet and enhanced integration of advanced technologies.

NBF will continue to deliver sustainable strategic growth for its customers and shareholders and enhance the quality of the work undertaken to maintain the upward trajectory on a sustainable basis. We will work towards the highest standards of governance and compliance practices and prioritise a high-performance culture where employees are zealous about what they can achieve and rewarded for their sharp client focus, skills and initiative.

The UAE is uniquely positioned to play its role in the growing global economy and benefitting from this buoyancy, we are confident about the future, excited about the possibilities that lie ahead, the value we deliver and what we seek to achieve. NBF is committed to building on the franchise and brand generating strategic growth to continue to support its customers and partners for excellent outcomes and will deliver attractive returns to our valued stakeholders.

Looking ahead, our priorities are clear to continue our growth consistently and play our role in the continued economic development of the UAE, and we will continue to invest in our people, processes and technologies to enable long-term sustainable success.

## 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 15 across the UAE.

## 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 Trade Finance Bank – for the expertise in providing innovative trade finance solutions that support businesses in expanding across markets.
- Best SME Bank – for empowering SMEs with tailored financial solutions and dedicated support to help them grow sustainably.
- Best Commercial Bank – for delivering comprehensive banking services and strategic insights that drive business success.
- Best Islamic Banking Window, UAE 2025 – International Finance Awards 2025.
- Most Innovative SME On-Boarding Solutions, UAE 2025 – International Finance Awards 2025.
- The 2<sup>nd</sup> place in Nafis Award- Third Cycle under “Medium Sized Entities – Banking Sector” category. This recognition highlights NBF’s commitment to achieving the 2024 Emiratization targets and enhancing Emirati talent competitiveness.

**Adnan Anwar**  
**Chief Executive Officer**

*Brian M. Mulholland*  
**Brian Mulholland**  
**Chief Financial Officer**