

Management discussion and Analysis Report

For the 6 months period
ended

30 June 2024



Financial Performance Summary

H1 of 2024 Key Highlights – Income Statement

- Gross Revenue of AED 594 Mn, increased by 34%.
- Net interest income of AED 337 Mn, increased by 16%.
- Non Interest income of AED 139 Mn, grew by 66%.
- Operating expenses of AED 85 Mn, increased by 10%.
- Net Profit before tax of AED 308 Mn, rose by 21%.
- Net Profit after tax amounted to AED 285 Mn.

H1 of 2024 Key Highlights -Statement of Financial Position

- Total Assets stood at AED 15.6 Bn as at 30 June 2024.
- Net Loans and Advances reached at AED 7,367 Mn, an increase of 5% from Dec 2023.
- Customer deposits reached AED 9,439 Mn, an increase of 8% from Dec 2023.
- Capital adequacy and CET1 ratios were 43.00% and 41.87% respectively.
- NPL ratio improved by 240 bps to reach 4.41% as at 30 Jun 2024 compared to 6.81% as at Dec 2023.
- Impairment coverage including collateral was 344 % compared to 278 % as at 31 Dec 2023.

Net Profit before tax

AED 308 Mn

↑ 21% from H1 of 2023



Customer Deposit

AED 9,439 Mn

↑ 8% from Dec 2023



Non Performing Loans Ratio

4.41%

↓ 240 bps from Dec 2023



Financial Performance Summary

- National Bank of Umm Al-Qaiwain has recorded a Net Profit after tax of AED 285 million for H1 of 2024.
- Net Profit before tax of AED 308 Mn has increased by 21% compared to AED 255 million for H1 of 2023 due to increase in operating income and effective cost optimization strategies.
- Total assets reached at AED 15.6 billion as of 30 June 2024.
- Customer deposit stood at AED 9,439 Mn and Net loans and advances reached AED 7,367 Mn as of 30 June 2024, maintaining deposits to net lending ratio at 128%.
- NBQ follows a prudent policy in building credit provisions. Collateral and provision coverage to the tune of 344 % is maintained for non-performing loans and this reflects prudent and effective monitoring of loans and advances portfolio.
- Non-Performing Loans ratio improved by 240 bps to 4.41% as of H1 of 2024 from 6.81% as at Dec 2023.
- Capital Adequacy Ratio stood at 43.00 % as of 30 June 2024, which continues to be well over the minimum threshold stipulated by Central Bank of the UAE in accordance with Basel III guidelines. Common Equity Tier I ratio is maintained strongly at 41.87 %. This provides opportunities to leverage.
- Bank has maintained high liquidity with Eligible Liquid Assets Ratio of 32.76 % as of 30 June 2024.
- Lending to Stable Resource Ratio as of 30 June 2024 stood at 71 %. This enables Bank to prudently expand its lending portfolio.

Chief Executive Officer

Mr. Adnan Al Awadhi announced that NBQ has recorded a net profit before tax of AED 308 Mn in H1 of 2024, an increase of 21% compared to H1 of 2023. Net profit after tax reached AED 285 Mn, showcasing improved cost management and operational efficiency. Total assets expanded to AED 15.6 Bn, with a healthy growth in our loan and deposit portfolios.

NBQ is marked by significant achievement in financial performance, strategic growth and technological advancement. We remain committed to delivering value to our stakeholders and supporting the economic development of the country. Our Risk management framework has been strengthened to address emerging threats, including cyber risks and market volatility.

Looking ahead, Our focus will be on further digital innovation, expanding our market share and enhancing customer experience. We are well-positioned to capitalize on opportunities in SME financing, green banking and digital banking while remaining vigilant to potential economic and regulatory challenges.

Moody's Rating

Bank Deposits-long term (Local Currency)	Baa2
Bank Deposits-short term (Foreign Currency)	Baa2
Counterparty Risk Rating	Baa1/P-2
Outlook	Stable

Capital Intelligence Rating

Foreign Currency Rating-short term	A2
Foreign Currency Rating-Long term	A-
Core Financial Strength	bbb
Outlook	Stable



Thank you