

Management discussion and Analysis Report

For the year ended

31 Dec 2025



Financial Performance Summary

- National Bank of Umm Al-Qaiwain has recorded a profit after tax of AED 581 million for the year ended 31 December 2025, representing a 15% increase over AED 506 million in 2024. This performance was delivered despite a decline in benchmark interest rate environment and was supported by strategic diversification of the balance sheet and income sources, alongside disciplined cost optimization initiatives.
- NBQ reported a Net Interest Margin of 3.50% and a Return on Average Assets of 2.85% as at 31 Dec 2025.
- Total assets reached to AED 22.9 Bn as of 31 Dec 2025, an increase of 28 % compared to AED 17.9 Bn as at 31 Dec 2024.
- Net Loans and Advances to customers reached AED 9.1 Bn as of 31 Dec 2025, registering an increase of 17 % compared to AED 7.8 Bn as at 31 Dec 2024, maintaining deposits to net lending ratio at 173%.
- Treasury assets were AED 11.1 Bn as of 31 Dec 2025, an increase of 18 % compared to AED 9.4 Bn as at 31 Dec 2024.
- Customer deposits stood at AED 15.7 Bn, representing an increase of 38 % compared to AED 11.4 Bn as at 31 Dec 2024.
- NBQ follows a prudent policy in building credit provisions. Impairment coverage ratio stood at 306 %. Collateral and specific provision coverage to the tune of 276 % is maintained for non-performing loans and this reflects prudent and effective monitoring of loans and advances portfolio.
- Non-Performing Loans ratio improved by 371 bps to 0.31 % as of 31 Dec 2025 from 4.02% as at 31 Dec 2024.
- Capital Adequacy Ratio stood at 30.67 % as of 31 Dec 2025, 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 30.12 %. This provides opportunities to leverage.
- Bank has maintained high liquidity with Eligible Liquid Assets Ratio of 18.49 % as of 31 Dec 2025.
- Lending to Stable Resource Ratio as of 31 Dec 2025 stood at 69.12 %. This enables Bank to prudently expand its lending portfolio.

Chief Executive Officer

Mr. Adnan Al Awadhi, Chief Executive Officer of the National Bank of Umm Al Qaiwain (NBQ), commented that 2025 concluded as a year of resilient performance and strategic progress for the Bank. NBQ delivered steady financial results, supported by strong core fundamentals, disciplined execution, and a balanced growth strategy. Both interest and non-interest income recorded healthy growth, driven by sustained credit growth, effective management of funding cost, and continued improvement in asset quality.

Throughout the year, NBQ maintained a robust balance sheet, characterized by strong liquidity levels and solid capital buffers. This financial strength enabled the Bank to support its customers, manage risks prudently, and invest confidently in future growth initiatives.

Digital transformation remained a key priority in 2025. NBQ advanced its technology roadmap through enhanced mobile and digital banking capabilities, greater automation of core processes, and the introduction of tailored solutions across retail, SME, and corporate segments. These initiatives strengthened customer engagement, improved operational efficiency, and reinforced the Bank's competitive positioning. We stay dedicated to promoting Emiratization, advancing human capital, empowering women and supporting sustainability.

Risk management continued to be a cornerstone of NBQ's strategy, ensuring stability and resilience amid evolving economic and market conditions. The Bank's prudent approach has supported sustainable growth while safeguarding stakeholder interests.

Looking ahead, NBQ remains cautiously optimistic as it navigates a changing interest rate environment and increasing competition. With a clear strategic vision, a dedicated team, and the continued trust of its customers and stakeholders, NBQ is well-positioned to deliver sustainable long-term value and build on the momentum achieved in 2025.

Credit Rating

2025 Moody's Rating - 2025 Capital Intelligence Rating

Moody's Rating

Bank Deposit	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