

Management discussion and Analysis Report

For the 9 months period
ended

30 September 2025



Financial Performance Summary

9 Months Period ended 30 September 2025 Key Highlights Income Statement

- Profit after tax amounted to AED 465 Mn, increased by 16%
- Gross Revenue of AED 937 Mn, grew by 12% and Net Interest Income amounted to AED 473 Mn.
- Non interest income of AED 233 Mn, grew by 48%.
- Operating expenses of AED 152 Mn, increased by 17 %.
- Cost to income ratio stood at 22 %.

Statement of Financial Position

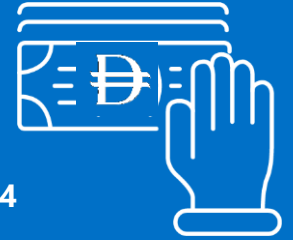
- Total Assets stood at AED 21.8 Bn as at 30 Sept 2025, an increase of 22 % from Dec 2024 and an increase of 32 % from Sept 2024.
- Net loans and advances reached at AED 8,714 Mn, an increase of 12% from Dec 2024 and an increase of 20 % from Sept 2024.
- Customer deposits reached AED 14,727 Mn, an increase of 29 % from Dec 2024 and an increase of 45 % from Sept 2024.
- Shareholders equity stood at AED 6,403 Mn, a increase of 7 % from Dec 2024 and an increase of 10% from Sept 2024.
- Capital adequacy and CET1 ratios were 33.75 % and 33.43 % respectively.
- NPL ratio improved by 317 bps to reach 0.85 % as at 30 Sept 2025 compared to 4.02 % as at 31 Dec 2024.
- Impairment coverage ratio stood at 110 %. Impairment coverage including collateral was 459 % as at 30 Sept 2025.

Profit after tax

AED 465 Mn



16% from 9 months period ended 2024



Net Loans and Advances

AED 8,714 Mn



12% from Dec 2024



Non Performing Loans Ratio

0.85%



317 bps from Dec 2024



Financial Performance Summary

- National Bank of Umm Al-Qaiwain has recorded a profit after tax of AED 465 Mn for 9 months period compared to AED 400 Mn in comparable period in 2024, an increase of 16 %, despite of adverse interest rate environment. This growth was achieved by diversification of income sources and the implementation of effective cost optimization strategies.
- Total assets reached to AED 21.8 Bn as of 30 Sept 2025, an increase of 22 % compared to AED 17.9 Bn as at 31 Dec 2024 and an increase of 32 % from Sept 2024.
- Net Loans and Advances reached AED 8.7 Bn as of 30 Sept 2025, registering an increase of 12 % compared to AED 7.8 Bn as at 31 Dec 2024, an increase of 20 % from Sept 2024, maintaining deposits to net lending ratio at 169%.
- Treasury assets were AED 11.1 Bn as of 30 Sept 2025, an increase of 38 % compared to AED 8 Bn as at 31 Dec 2024 and 36 % increase from Sept 2024.
- Customer deposits stood at AED 14.7 Bn, representing an increase of 29 % compared to AED 11.4 Bn as at 31 Dec 2024 and an increase of 45 % from Sept 2024.
- NBQ follows a prudent policy in building credit provisions. Impairment coverage ratio stood at 110 %. Collateral and specific provision coverage to the tune of 459 % is maintained for non-performing loans and this reflects prudent and effective monitoring of loans and advances portfolio.
- Non-Performing Loans ratio improved by 317 bps to 0.85 % as of Sept 2025 from 4.02% as at Dec 2024.
- Capital Adequacy Ratio stood at 33.75 % as of 30 Sept 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 33.43 %. This provides opportunities to leverage.
- Bank has maintained high liquidity with Eligible Liquid Assets Ratio of 21.73 % as of 30 Sept 2025.
- Lending to Stable Resource Ratio as of 30 Sept 2025 stood at 64.57 %. This enables Bank to prudently expand its lending portfolio.

Chief Executive Officer

Mr. Adnan Al Awadhi, CEO of the National Bank of Umm Al Quwain (NBQ), announced that the third quarter of 2025 marked another period of steady performance for NBQ, underpinned by strong fundamentals and disciplined execution. We achieved solid growth in both interest income and non-interest income, supported by healthy loan growth, prudent cost management, and improved asset quality. Our balance sheet remains robust, with ample liquidity and strong capital buffers, allowing us to support customers and invest in future growth.

Throughout the quarter, we accelerated our digital transformation agenda and deepened customer engagement across key segments. Enhanced mobile banking features, automation of core processes, and tailored product offerings for retail, SME, and corporate clients have strengthened our market position and improved operational efficiency. Risk management continues to be a cornerstone of our strategy, ensuring resilience amid a dynamic economic landscape.

Looking ahead, we remain cautiously optimistic as we navigate a changing interest rate environment and competitive market conditions. Our focus will remain on sustainable growth, digital innovation, and service excellence. With a clear strategic direction, a committed team, and the trust of our stakeholders, NBQ is well-positioned to deliver long-term value in the quarters to come.

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