بنك أم القيوين
NBQ

Management Discussion and Analysis Report

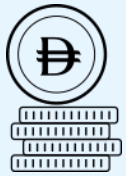
For the 9-month period ended 30 September 2026

Key Financial Highlights



Profit After Tax

৳ 378.2 Mn



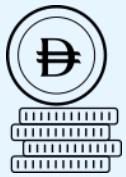
Total Assets

৳ 25.1 Bn



Net Interest Income

৳ 469 Mn



Net Loans and Advances

৳ 9.6 Bn



Net Interest Margin

2.8%



Non-Performing Loans Ratio

0.4%



Cost to Income Ratio

28.2%



Eligible Liquid Assets Ratio

17.8%



Return on Average Assets

2.0%



Capital Adequacy Ratio

29.7%

Chief Executive Officer Statement

The first nine months of 2026 demonstrated National Bank of Umm Al Qaiwain's resilience and continued progress in executing our strategic priorities despite a challenging operating environment marked by geopolitical uncertainty, evolving market conditions. Our performance reflects the strength of our diversified business model, disciplined balance sheet management, and continued focus on sustainable and long-term growth.

Throughout the period, we maintained strong capital and liquidity positions while continuing to support our customers and contribute to the economy. Our prudent approach to risk management, disciplined cost management, and continued focus on asset quality have enabled us to preserve the strength and resilience of our balance sheet while delivering sustainable value to our stakeholders.

We continued to advance our digital transformation agenda, with ongoing investments in technology aimed at enhancing customer experience, improving operational efficiency, and strengthening the resilience and security of our digital platforms. We also continued to enhance our product and service offerings through strategic partnerships and targeted initiatives, reinforcing our commitment to customer-centricity and operational excellence.

During the nine-month period, we remained focused on strengthening our organizational capabilities through investment in our people, Emiratization, leadership development, and talent management. At the same time, our sustainability and community initiatives continued to support our broader commitment to responsible banking and to contributing positively to the UAE's economic and social development.

As we approach the final quarter of 2026, we remain focused on maintaining the strength of our balance sheet, improving business efficiency, supporting quality growth, and managing risks prudently. While we remain mindful of the evolving global and regional economic environment, NBQ is well positioned to pursue opportunities arising from the UAE's continued economic development. We will continue to focus on innovation, customer-centricity, operational excellence, and disciplined risk management as we work towards creating sustainable long-term value for our shareholders, customers, employees, and the communities we serve.

Adnan Al Awadhi
Chief Executive Officer

Income Statement Summary

Key Figures (AED Mn)	30-Sep -26	30-Sep-25	Variance	%
Net Interest Income	468.63	473.36	-4.73	-1.00%
Non Interest Income	139.93	232.52	-92.59	-39.82%
Operating Cost	171.62	152.16	19.46	12.79%
Net Impairment Losses	28.19	49.28	-21.09	-42.80%
Profit After Tax	378.22	464.51	-86.29	-18.58%

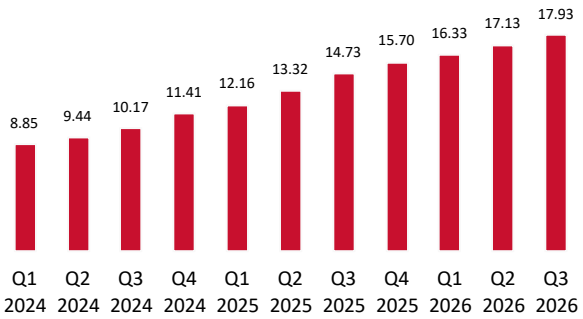
- National Bank of Umm Al-Qaiwain reported a profit after tax of AED 378.22 Mn for the period ended 30 September 2026.
- NBQ's sustained strong growth is backed by strong fundamentals, continued diversification of the balance sheet and income streams, disciplined risk management, and consistent focus on sustainable, long-term growth.
- Net interest income reached AED 469 Mn, underpinning stable core earnings amid challenging conditions.
- Operating expenses increased by 13% year over year, mainly driven by higher investment in talent development, technology, and infrastructure to support business growth.
- Cost to income ratio stood at 28%.

Statement of Financial Position Summary

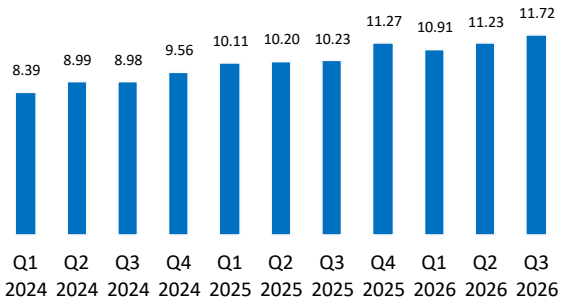
Key Figures (AED Bn)	30-Sep-26	31-Dec-25	Variance	%	30-Sep-25	Variance	%
Total Assets	25.13	22.89	2.24	10%	21.80	3.33	15%
Loans to Customers (Gross)	9.65	9.15	0.50	5%	8.80	0.85	10%
Loans to Banks (Gross)	2.07	2.12	-0.05	-2%	1.43	0.64	45%
Customer Deposits	17.93	15.70	2.23	14%	14.73	3.20	22%

- Total assets reached AED 25.1 Bn as of 30 September 2026, an increase of 10% from December 2025 and an increase of 15% from September 2025.
- Gross loans and advances reached AED 9.7 Bn, a rise of 10% compared to 30 September 2025, maintaining a strong deposits-to- net lending ratio of 188%.
- Customer deposits rose 22% from 30 September 2025 to reach AED 17.9 Bn over the same period, demonstrating continued customer confidence and funding strength.

Customer Deposits (AED Bn)



Total Gross Loans (AED Bn)



- Capital Adequacy Ratio stood at 29.7% as of 30 September 2026, 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 29.1%. This provides opportunities to leverage.
- The Bank maintained a strong liquidity position, with an Eligible Liquid Assets Ratio of 17.8% as of 30 September 2026, despite ongoing geopolitical challenges.
- Lending to Stable Resource Ratio as of 30 September 2026 stood at 63.9%. This enables Bank to prudently expand its lending portfolio.

Key Indicators (%)	30-Sep-26	30-Jun-26	31-Mar-26	31-Dec-25	30-Sep-25
Return on Average Assets	2.0%	2.0%	1.9%	2.8%	3.0%
Return on Average Equity	7.3%	7.3%	6.7%	9.3%	9.7%
Cost to Income	28.2%	25.6%	22.2%	23.4%	21.6%
Net Interest Margin	2.8%	2.9%	2.9%	3.5%	3.5%
Non-Performing Loan Ratio	0.4%	0.4%	0.4%	0.3%	0.9%
Provision Coverage Ratio	282.7%	266.4%	257.1%	305.9%	109.5%
Eligible Liquid asset ratio	17.8%	15.6%	20.4%	18.5%	21.7%
Tier 1 Ratio	29.1%	30.0%	30.2%	30.1%	33.4%
Capital Adequacy Ratio	29.7%	30.5%	30.8%	30.7%	33.8%

Outlook

- Looking ahead, National Bank of Umm Al Qaiwain (“NBQ”) is expected to benefit from the UAE’s resilient economic growth, rising business activity, and continued expansion in the SME and retail banking sectors.
- The bank’s strong capital base, conservative lending approach, and improving asset quality should support sustainable profitability for rest of the year.
- NBQ is also to focus on digital banking enhancement, operational efficiency, and selective credit growth, helping reinforce its competitive position while maintaining stable returns and solid shareholder confidence.

Awards and Rankings

- NBQ’s ranked 5th globally among small banks by the Forbes’ “World’s Top Performing Banks” Report, released in September 2026.
- NBQ Honored with Nafis Award for 2024-2025



Thank you