

**Management
discussion and
Analysis Report**
For the year ended
31 Dec 2024



Financial Performance Summary

2024 YoY Key Highlights – Income Statement

- Profit before tax of AED 551 Mn. grew by 10 %
- Profit after tax amounted to AED 506 Mn.
- Gross Revenue of AED 1,091 Mn, increased by 14 %.
- Net interest income of AED 657 Mn, grew by 8 %.
- Net Fee and Commission Income of AED 30 Mn, increased by 11%.
- Operating expenses of AED 180 Mn, increased by 8 %.
- Cost to income ratio stood at 21.5 %.

2024 Key Highlights -Statement of Financial Position

- Total Assets stood at AED 17.9 Bn as at 31 Dec 2024, an increase of 21% from Dec 2023.
- Net loans and advances reached at AED 7,776 Mn, an increase of 11% from Dec 2023.
- Customer deposits reached AED 11,406 Mn, an increase of 31 % from Dec 2023.
- Shareholders equity stood at AED 5,986 Mn, an increase of 6 % from Dec 2023.
- Capital adequacy and CET1 ratios were 36.23 % and 35.11 % respectively.
- NPL ratio improved by 279 bps to reach 4.02 % as at 31 Dec 2024 compared to 6.81% as at 31 Dec 2023.
- Impairment coverage including collateral was 345 % compared to 262 % as at 31st Dec 2023 .

Profit before tax

AED 551 Mn

10 % from YoY



Net Loans and Advances

AED 7,776 Mn

11 % from Dec 2023



Non Performing Loans Ratio

4.02%

279 bps from Dec 2023



Financial Performance Summary

- National Bank of Umm Al-Qaiwain has recorded a profit after tax of AED 506 Mn for the year ended 31 Dec 2024.
- Profit before tax of AED 551 Mn has increased by 10% compared to AED 503 Mn for the year ended 31 Dec 2023 due to increase in operating income and effective cost optimization strategies.
- The cost-to-income ratio stands at 21.5% for the current period, compared to 21.2% for the year ended 2023. This demonstrates Bank's continued operational efficiencies and disciplined cost management.
- Total assets reached to AED 17.9 Bn as of 31 Dec 2024, an increase of 21% compared to AED 14.8 Bn as at 31 Dec 2023.
- Customer deposit stood at AED 11.4 Bn, representing an increase of 31% compared to AED 8.7 Bn as at 31 Dec 2023.
- Net Loans and Advances reached AED 7.8 Bn as of 31 Dec 2024, registering an increase of 11% compared to AED 7 Bn as at 31 Dec 2023, maintaining deposits to net lending ratio at 147%.
- Treasury assets were AED 9.6 Bn as of 31 Dec 2024, an increase of 31% compared to AED 7.3 Bn as at 31 Dec 2023.
- NBQ follows a prudent policy in building credit provisions. Collateral and specific provision coverage to the tune of 345% is maintained for non-performing loans and this reflects prudent and effective monitoring of loans and advances portfolio.
- Non-Performing Loans ratio improved by 279 bps to 4.02% as of Dec 2024 from 6.81% as at Dec 2023.
- Capital Adequacy Ratio stood at 36.23% as of 31 Dec 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 35.11%. This provides opportunities to leverage.
- Bank has maintained high liquidity with Eligible Liquid Assets Ratio of 22% as of 31 Dec 2024.
- Lending to Stable Resource Ratio as of 31 Dec 2024 stood at 62%. This enables Bank to prudently expand its lending portfolio.

Chief Executive Officer

Mr. Adnan Al Awadhi announces that , in 2024, the National Bank of Umm Al Qaiwain continued to demonstrate resilience and growth amid a dynamic economic environment. The bank delivered strong financial results, marked by an increase in profitability, assets, and customer deposits. Our robust capital position and solid liquidity ratios reflect our commitment to maintaining financial stability while driving sustainable growth.

Key achievements include the continued expansion of our digital banking services, the enhancement of customer experience, and ongoing investments in technology to support operational efficiency. The bank also made significant strides in risk management and compliance, aligning with regulatory standards and implementing proactive measures to mitigate potential risks.

Looking ahead, we remain focused on expanding our market share through strategic investments in digital innovation and product diversification. The outlook for 2025 is positive, with continued emphasis on operational excellence, customer-centric solutions, and sustainability initiatives to ensure long-term value for our stakeholders.

We thank our employees, customers, and shareholders for their trust and support, and we remain committed to driving the bank's growth and success in the years 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