

Management discussion and Analysis Report

For the 9 months period
ended

30 Sept 2024



Financial Performance Summary

9 Months Period ended 30 Sept 2024 Key Highlights Income Statement

- Gross Revenue of AED 838 Mn, increased by 19%.
- Net interest income of AED 494 Mn, increased by 10%.
- Non Interest income of AED 157 Mn, grew by 7%.
- Operating expenses of AED 130 Mn, increased by 5%.
- Profit before tax of AED 434 Mn, rose by 13%.
- Profit after tax amounted to AED 400 Mn.

Statement of Financial Position

- Total Assets stood AED 16.5 Bn as at 30 Sept 2024.
- Net Loans and Advances reached at AED 7,263 Mn, an increase of 4% from Dec 2023
- Customer deposits reached AED 10,170 Mn, an increase of 17% from Dec 2023.
- Capital adequacy and CET1 ratios were 42.01% and 40.87% respectively.
- NPL ratio improved by 258 bps to reach 4.23% as at 30 Sept 2024 compared to 6.81% as at Dec 2023.
- Impairment coverage including collateral was 337 % compared to 262 % as at 31 Dec 2023.

Profit before tax

AED 434 Mn

↑ **13% from 9 months period ended 2023**



Customer Deposit

AED 10,170 Mn

↑ **17% from Dec 2023**



Non Performing Loans Ratio

4.23%

↓ **258bps from Dec 2023**



Financial Performance Summary

- National Bank of Umm Al-Qaiwain has recorded a Profit after tax of AED 400 Mn for 9 months period ended 30 Sept 2024.
- Profit before tax of AED 434 Mn has increased by 13% compared to AED 385 Mn for 9 months period ended 30 Sept 2023 due to increase in operating income and effective cost optimization strategies.
- Total assets reached AED 16.5 Bn as of 30 Sept 2024, an increase of 12 % compared to AED 14.8 Bn as at 31 Dec 2023.
- Customer deposit stood at AED 10.2 Bn, representing an increase of 17% compared to AED 8.7 Bn as at 31 Dec 2023.
- Net loans and advances reached AED 7.3 Bn as of 30 Sept 2024, registering an increase of 4 % compared to AED 7.0 Bn as at 31 Dec 2023, maintaining deposits to net lending ratio at 140%.
- Treasury assets were AED 8.7 Bn as of 30 Sept 2024, an increase of 20% compared to AED 7.3 Bn as at 31 Dec 2023.
- NBQ follows a prudent policy in building credit provisions. Collateral and provision coverage to the tune of 337 % is maintained for non-performing loans and this reflects prudent and effective monitoring of loans and advances portfolio.
- Non-Performing Loans ratio improved by 258 bps to 4.23% as of 30 Sept 2024 from 6.81% as at Dec 2023.
- Capital Adequacy Ratio stood at 42.01 % as of 30 Sept 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 40.87 %. This provides opportunities to leverage.
- Bank has maintained high liquidity with Eligible Liquid Assets Ratio of 25 % as of 30 Sept 2024.
- Lending to Stable Resource Ratio as of 30 Sept 2024 stood at 66 %. This enables Bank to prudently expand its lending portfolio.

Chief Executive Officer

Mr. Adnan Al Awadhi announced that NBQ has recorded profit before tax of AED 434 Mn for the 9 months of 2024 an increase of 13% compared to 9 months of 2023. Profit after tax reached AED 400 Mn, showcasing robust balance sheet growth and operational efficiency. Total assets expanded to AED 16.5 Bn, with a healthy growth in our loan and deposit portfolios.

He highlighted NBQ's commitment to accelerating digital transformation and enhancing its products and services offerings across both corporate and retail banking. NBQ continues to focus on innovation, particularly digital banking services to meet evolving customer needs and improve operational efficiency.

Looking ahead, NBQ has emphasized its strong financial standing, aiming for sustainable growth despite market challenges. Our strategic direction also includes a focus on corporate governance, risk management and leveraging technology to stay competitive.

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