



**Q4/FY  
2024**

**The National Bank of Ras Al Khaimah (P.S.C.)**

**Financial Results Press Release  
and Management Discussion  
& Analysis**



## RAKBANK triples its profit in 3 years, crossing AED 2B profit before tax for the first time in its history

Ras Al Khaimah, United Arab Emirates, January 23, 2025 – The National Bank of Ras Al Khaimah (RAKBANK) today reported its financial results for the full year and the fourth quarter of 2024

| Highlights     | Total Income<br>AED 4.7B | Total Assets<br>AED 88.3B | Deposits<br>AED 59.6B | Return on<br>Equity | Return on<br>Assets |
|----------------|--------------------------|---------------------------|-----------------------|---------------------|---------------------|
| Full year 2024 | +7%<br>YoY               | +19%<br>YoY               | +18%<br>YoY           | 18.4%<br>FY'24      | 2.6%<br>FY'24       |

### Key Financial Highlights – FY 2024

**RAKBANK delivers Profit After Tax of AED 2.1B, up 16% YoY and Profit Before Tax of AED 2.3B, up 27% YoY, achieving a historical milestone, supported by the highest ever Income of AED 4.7B, up 7% YoY with the total Customer Loans & Advances surpassing AED 50B, up 19% YoY.**

- Operating income for FY'24 is up 7% YoY, supported by a net interest margin of 4.5%, on the back of well diversified asset growth, stable and loyal CASA customer base, augmented by higher non-interest income.
- Operating Expenses at AED 1.7B, increasing YoY by 3.6%, with Cost to income ratio (CIR) at 35.2% compared to 36.4% for FY'23, as the bank continues to scale the business and deliver operational efficiencies through investment in technology and strategic cost management initiatives.
- Gross loans & advances at AED 50.3B as at Dec'24, up 19.2% YoY, driven by growth across all segments, with Wholesale Banking and Business Banking loans and advances growing by 35% and 7.5% YoY respectively, in line with the Bank's diversification strategy.
- Customer deposits at AED 59.6B grew 18.4% YoY, with a CASA ratio of 62.7%, remaining one of the highest in the industry.
- Portfolio credit quality remains robust with net impairment charge to average loans and advances ratio at 1.7% for current year compared to 2.5% for the last year, supported by a strategic shift in business mix towards secured, low risk assets and benign credit environment. Non-Performing Loans and Advances to Gross Loans and Advances ratio improved to 2.1% from 2.6 % in the previous year.
- Shareholder returns remain strong with Return on Equity (ROE) of 18.4% and Return on Assets (ROA) of 2.6%. The Bank remains well capitalized with capital adequacy ratio (CAR) at 18.1% for FY'24 against 17.6% as at the close of FY'23.
- Strong liquidity position is reflected by an Eligible Liquid Asset Ratio of 16.4% (vs. 13.0% at FY'23) and Advances to Stable Resources Ratio at 80.2% (vs. 82.1% at FY'23).

### Key Financial Highlights – Q4 2024

- Profit after tax of AED 386M and Profit before tax of AED 424M for Q4'24, a decline of 10.4% and 4.6% respectively.
- Operating Income for Q4'24 was at AED 1,160M, reflecting an increase of 3.7% YoY.
- Gross loans & advances for the quarter are up 2.3% vs Q3'24 driven by growth across all the segments. Customer Deposits increased by 4.2% vs Q3'24.

## H.E. Mohamed Omran Alshamsi, Chairman



It is with great pride that I reflect on RAKBANK's outstanding performance in 2024. Our unwavering commitment to excellence, coupled with a focus on digital innovation and exceptional customer experiences, has driven remarkable financial growth, enabling us to surpass the AED 2 billion Profit milestone for the first time in the Bank's history.

At RAKBANK, our purpose goes beyond financial success—we are dedicated to driving financial inclusion, fostering innovation, and supporting a sustainable economy. This year, we launched our Microfinance product to serve underbanked and financially excluded segments, disbursing approximately 513K loans and replacing informal borrowing with a transparent banking solution. We also held financial literacy sessions across schools and labor camps, covering key topics like budgeting, saving, and understanding interest, empowering participants with valuable financial knowledge.

As a trusted partner in the UAE's growth, we are also dedicated to the development of Emirati talent. By investing in learning and leadership programmes, we are equipping the next generation with the skills and vision needed to propel the UAE economy forward, ensuring the country's ambitions are realised for years to come.

With a strong and resilient balance sheet, RAKBANK will continue to invest in talent and technology to deliver a market-leading offering, distinguished by exceptional customer experiences. On behalf of the Board, I would like to express my heartfelt gratitude to our colleagues, customers, partners, and shareholders. Your unwavering trust and dedication inspire us to reach new heights as we work together to contribute to the UAE's remarkable journey of progress and prosperity.



## Raheel Ahmed, Group CEO

2024 has been significant for RAKBANK, marked by record profitability and substantial growth across all business lines. Profit before tax of AED 2.3 billion, a 27% year-on-year increase, demonstrates the strength of our balance sheet, prudence of our risk management approach, and the effectiveness of the strategy to establish a well-diversified franchise.

Our strategic transformation is delivering sustainable business growth while pivoting us to become a “Digital bank with a human touch.” This vision emphasizes creating a culture of ownership in delivering awesome Customer experiences, modernizing technology and data capabilities, and strengthening risk and compliance frameworks to ensure scalable growth. This enhanced operational leverage, coupled with the ongoing diversification of the portfolio, has led to continued value creation for our stakeholders.

We continue to support our customers across our three business segments. In Retail Banking we saw strong growth in our mortgage portfolio as we supported over 2.3K customers to buy new homes in the UAE. We launched a number of new propositions throughout the year as well as driving continued enhancement to our Digital Banking app to provide our customers with a seamless experience.

RAKBANK remains the UAE’s leading SME bank, supporting 91.7K businesses across the country including supporting ~13K new entrepreneurs to launch their company during 2024. We also continued to grow in the Commercial segment, supporting larger businesses with their growth aspirations with 40% growth in the Commercial lending trade book. Our enhanced onboarding journey has made it easier than ever for business owners to open their accounts with RAKBANK and we saw 25% growth in new accounts opened in SME. The launch of Season 2 of our SMESouk Podcast was a significant milestone, garnering over 3.8M impressions on our social media channels, further strengthening our position as thought leaders in the SME space.

The Wholesale Banking Group also made solid strides, growing its active client base by 2% and expanding its offerings to include escrow services and enhanced trade finance solutions. We continue to support our home emirate of Ras Al-Khaimah with its ambitious transformation plans while also growing our relationships with Abu Dhabi and Dubai based institutions. Additionally, the launch of the FX platform in 2024 enhanced FX capabilities, providing clients with real-time rates and streamlined transaction execution.

We continue to grow our ‘beyond banking’ business lines and have seen strong growth in adoption for our family super app, Skiply, with 176K users, 296K Students and 315 Educational institutions now on the platform. Protego, our disruptive digital insurance aggregator was launched while we saw remarkable growth in our new microfinance proposition, disbursing over 500K micro-loans to blue collar workers and aligning to our commitment to support the society we operate in.

Reinforcing this commitment, RAKBANK became the first bank in the GCC to issue a Social Finance Bond, with proceeds directed toward supporting SMEs and the healthcare sector, aligning with the “We the UAE 2031” vision. Our colleague-led councils have also continued to play an active role in supporting the communities we serve with over 800 hours dedicated to financial literacy and other volunteering throughout 2024.

In Personal banking, the digital-first strategy has resulted in over 87% of new accounts being opened digitally and 98% of financial transactions conducted digitally, while we also crossed 50M app logins. Additionally, 72% of service requests are now fully digitized. ‘Equal Payment Plans’ for credit cards were introduced via the mobile app, achieving 60% digitization within one month. These milestones reflect leveraging innovation to deliver seamless and efficient experiences. As we continue to drive digitization, we launched the AI Lab to drive advancements in productivity and customer experience, helping us achieve “Mission Zero” —zero errors, zero delays, and zero complaints.

Looking ahead the UAE economy continues to perform strongly, supported by thriving tourism and non-oil activity along with population growth across the Emirates. However, we remain vigilant to increasing global economic uncertainty and remain cautiously optimistic for the year ahead.

I would like to thank RAKBANK’s employees, partners, shareholders and customers for their ongoing trust and support in delivering a record year in 2024.

|                      |             |   |                            |
|----------------------|-------------|---|----------------------------|
| Digital Transactions | Card Spends | Payment Volume through our rails (In/Out) | Digitally Active Customers |
| +14% YoY             | +10% YoY    | +14% YoY                                  | +13% YoY                   |

# RAKBANK Awards & Accolades for Q4/FY 2024



## Financial Highlights for FY'24 /Q4'24

| Income Statement<br>(AED M) | FY'24        | FY'23        | YoY (%)      | Q4'24        | Q3'24        | QoQ (%)        | YoY (%)        |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| Net Interest Income         | 3,562        | 3,336        | 6.8%         | 899          | 902          | (0.3)%         | 2.5%           |
| Non-Interest Income         | 1,150        | 1,068        | 7.7%         | 262          | 302          | (13.5)%        | 7.8%           |
| <b>Operating Income</b>     | <b>4,713</b> | <b>4,404</b> | <b>7.0%</b>  | <b>1,160</b> | <b>1,204</b> | <b>(3.6)%</b>  | <b>3.7%</b>    |
| Operating Expenses          | (1,658)      | (1,601)      | 3.6%         | (466)        | (404)        | 15.3%          | 13.3%          |
| <b>Operating Profit</b>     | <b>3,054</b> | <b>2,803</b> | <b>9.0%</b>  | <b>694</b>   | <b>800</b>   | <b>(13.2)%</b> | <b>(1.9)%</b>  |
| Net Impairment Charge       | (776)        | (1,005)      | (22.8)%      | (270)        | (141)        | 91.3%          | 2.7%           |
| <b>Profit Before Tax</b>    | <b>2,278</b> | <b>1,797</b> | <b>26.7%</b> | <b>424</b>   | <b>659</b>   | <b>(35.6)%</b> | <b>(4.6)%</b>  |
| Tax                         | (202)        | (14)         | >100%        | (38)         | (59)         | (35.9)%        | >100%          |
| <b>Profit After Tax</b>     | <b>2,076</b> | <b>1,784</b> | <b>16.4%</b> | <b>386</b>   | <b>600</b>   | <b>(35.6)%</b> | <b>(10.4)%</b> |

| Balance Sheet<br>(AED B) | FY'24 | FY'23 | YoY (%) | Sep-24 | QoQ (%) |
|--------------------------|-------|-------|---------|--------|---------|
| Total Assets             | 88.3  | 74.0  | 19.4%   | 83.9   | 5.3%    |
| Gross Loans & Advances   | 50.1  | 42.0  | 19.3%   | 48.9   | 2.3%    |
| Deposits                 | 59.6  | 50.4  | 18.4%   | 57.3   | 4.2%    |

| Key Ratios                          | FY'24 | FY'23 | YoY    | Q4'24 | Q3'24 | QoQ     | YoY    |
|-------------------------------------|-------|-------|--------|-------|-------|---------|--------|
| Return on Equity <sup>1</sup>       | 18.4% | 18.4% | 0.1%   | 12.7% | 22.9% | (10.2)% | (4.1)% |
| Return on Assets <sup>1</sup>       | 2.6%  | 2.6%  | 0.0%   | 1.9%  | 3.2%  | (1.3)%  | (0.5)% |
| Net Interest Margin <sup>1</sup>    | 4.5%  | 4.9%  | (0.4)% | 4.4%  | 4.4%  | (0.0)%  | (0.5)% |
| Cost to Income                      | 35.2% | 36.4% | 1.2%   | 40.1% | 33.5% | (6.6)%  | (3.4)% |
| Impaired Loan Ratio                 | 2.1%  | 2.6%  | 0.5%   | 2.1%  | 2.2%  | 0.1%    | 0.5%   |
| Capital Adequacy Ratio <sup>2</sup> | 18.1% | 17.8% | 0.2%   | 18.1% | 19.6% | (1.6)%  | 0.2%   |

Figures in brackets represent unfavorable movements

1-Annualized

2-After application of Prudential Filter



### Profitability growth supported by income momentum

- The increase in Profit before tax by AED 480.6 million was mainly due to increase in Net interest income and net income from Islamic financing by AED 225.7 million, Non-interest income by AED 82.6 million, decrease in net impairment charge by AED 229.5 million partly offset by increase in operating expenses by AED 57.2 million.
- Gross interest income and income from Islamic financing increased by AED 664.9 million which was offset by increase in Interest expense and distributions to depositors by AED 439.2 million that resulted in total increase in Net interest income and net income from Islamic financing of AED 225.7 million.
- Non-Interest Income increased by AED 82.6 million to AED 1,150.5 million. This was mainly due to an increase of AED 25.5 million in foreign exchange and derivative income due to increase in customer volumes and increase in investment income by AED 39.4 million.
- Operating Expenses increased by AED 57.2 million compared to the previous year. Increase in expenses was mainly due to staff and outsourcing costs, technology costs, marketing expenses partially offset by a decrease in credit card expenses. The Group's Cost to income ratio improved to 35.2% compared to 36.4% for the previous year.
- Operating Profit before net impairment charge and tax increased by AED 251.2 million from 2023. Net impairment charge for the year decreased by AED 229.5 million compared to the previous year. Decrease in net impairment charge is driven by a shift in the business mix towards secured low risk assets with better portfolio performance, coupled with benign credit environment.
- Tax expense increased by AED 188.7 million in current year compared to previous year. This increase is attributable to taxation on income generated in current year while in previous year deferred tax was accounted in line with newly enacted tax laws in UAE.



### Total Balance Sheet at AED 88.3 billion, with a strong growth across customer segments

- Total Assets increased by 19.4% to AED 88.3 billion compared to 2023. This was mainly due to an increase in Gross Loans and Advances by AED 8.1 billion, Investments by AED 3.4 billion, Cash and Balance with CBUAE by AED 3.0 billion. Wholesale Banking and Financial Institutions lending increased by AED 4.2 billion, Retail banking lending by AED 3.2 billion and Business Banking lending by AED 0.7 billion respectively compared to prior year.
- Wholesale Banking segment reflects a strong growth of 35%, mainly driven by lending to corporate and financial institutions, as we strategically diversify our portfolio mix.
- Growth in Retail banking is supported by strong sales momentum across products with mortgage loan portfolio increasing by 28.6% and Credit cards by 7.1%.
- Business banking segment recorded growth of 7.5% backed by 9% growth in SME loans, and Rakbusiness loans growing by 3%.
- The Non-Performing Loans and Advances to Gross Loans and Advances ratio improved to 2.1% from 2.6 % as of last year. Total provisions to gross loans and advances is at 5.7% compared to 6.0% as of Dec'23.
- Customer deposits grew by AED 9.3 billion to AED 59.6 billion. The growth came from both CASA (+AED 3.6 billion) and Time Deposits (+AED 5.6 billion). CASA Deposits were up 10% YoY and growth was broad based across segments.

### Capital and Liquidity

- Capital adequacy ratio for the Bank is at 18.1% at Dec'24 against 17.8% as at Dec'23.
- Eligible Liquid Assets Ratio for the Bank is at 16.4% at Dec'24 against 13.0% as at Dec'23 while Advances to Stable Resources Ratio is 80.2% at Dec'24 against 82.1% as at Dec'23.

### Cash Flows

- Cash and cash equivalents as of Dec'24 are at AED 10B increasing by AED 2.1B against FY'23.
- Net cash generated from operating activities for FY'24 is AED 3.6B, AED 3.2B was used in investing activities and AED 1.7B was received from financing activities.

### Impact of Capital Expenditure and developments

- The capital expenditure for FY'24 amounted to AED 233M compared to AED 165M in the same period last year, as the bank continues to grow the business and invest in technology on a sustainable basis.

### Ratings

RAKBANK is rated by leading rating agencies. The current ratings are summarized below. These ratings reflect the institutional strength of the Bank that is backed by trust and transparency in financial reporting and disclosures.

| Rating Agency        | Last Update | Deposits   | Outlook |
|----------------------|-------------|------------|---------|
| Moody's              | April 2024  | Baa1 / P-2 | Stable  |
| Fitch                | March 2024  | BBB+ / F2  | Stable  |
| Capital Intelligence | August 2024 | A / A1     | Stable  |



Raheel Ahmed

Group Chief Executive Officer

-End-



## About RAKBANK

RAKBANK, also known as the National Bank of Ras Al Khaimah (P.S.C), is one of the UAE's oldest yet most dynamic banks. Since 1976, RAKBANK has been a market leader, offering a wide range of banking services across the UAE.

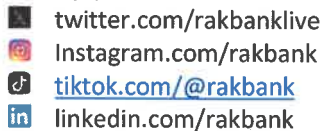
We're a public joint stock company based in Ras Al Khaimah, UAE, with our head office located in the RAKBANK Building on Sheikh Mohammed Bin Zayed Road. The Government of Ras Al Khaimah holds the majority of our shares, which are publicly traded on the Abu Dhabi Securities Exchange (ADX).

RAKBANK stands out for its innovation and unwavering commitment to delivering awesome customer experiences. Our transformative digital journey aims to be a 'digital bank with a human touch,' accompanying you during key moments.

With 21 branches and advanced Digital Banking solutions, we offer a wide range of Personal, Wholesale, and Business Banking services. Through our Islamic Banking unit, RAKIslamic, we provide Sharia-compliant services to make your banking experience seamless, whether you visit us in person or online.

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