

**Q1 2025**

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

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

## Record growth continues, RAKBANK delivers **AED 772M** profit before tax despite increased global uncertainty

Ras Al Khaimah, United Arab Emirates, April 21, 2025 - The National Bank of Ras Al Khaimah (RAKBANK) today reported its financial results for first Quarter of 2025

### Highlights - Q1 2025



Total Income

AED **1.3B**  
**+10.7%**



Total Assets

AED **90.8B**  
**+15.5%**



Deposits

AED **61B**  
**+10.2%**



Return on Equity

**22.4%**  
**+93 bps**



Return on Assets

**3.2%**  
**+16 bps**

+ All percentage variances are YoY

### Key Financial Highlights - Q1 2025

- ★ Profit after tax of AED 704M for Q1'25 up 22.7% over Q1'24
- ★ Operating Profit of AED 866M up 10.2% YoY on the back of strong growth in balance sheet and non-interest income
- ★ Operating Expenses grew by 11.8% vs last year driven by continued investments in technology, data, people and customer experience. Cost to income ratio (CIR) at 33.4% vs. 33.1% for Q1'24
- ★ Total Assets have crossed AED 90B for the first time in Bank's history
- ★ Gross loans & advances surpassed AED 50B mark, reflecting a 16.7% YoY increase. Growth driven by all segments, with Wholesale Banking loans growing by 30.1% YoY, aligning with the bank's diversification strategy
- ★ Customer deposits reached AED 61.0B, up 18.2% YoY, with a CASA<sup>1</sup> ratio of 65%, up 10.2% YoY, one of the

highest in the industry

- ✦ Portfolio credit quality remains robust with cost of risk at 0.8% as against 1.5% during the same period last year, supported by a strategic shift in business mix towards secured, low risk assets
- ✦ The impaired loan ratio as at Q1'25 improved to 2.1% against 2.6% as at Q1'24 while 'Provisions to Gross Loans' ratio of 5.6% compared to 6.0% as of Q1'24, providing adequate coverage
- ✦ Shareholder returns remained strong with Return on Equity (ROE) of 22.4% against 21.4% in Q1'24 and Return on Assets (ROA) of 3.2% against 3.1% in Q1'24
- ✦ The Bank remains well capitalized with capital adequacy ratio (CAR) at 18.6% for Q1'25 against 17.2% as at Q1'24
- ✦ Strong liquidity position is reflected by an Eligible Liquid Asset Ratio of 17.1% vs. 13.5% at Q1'24 and Advances to Stable Resources Ratio at 76.4% vs. 78.7% at Q1'24

<sup>1</sup>- Current Accounts and Savings Accounts  
to total Customer Deposits



## Raheel Ahmed, Group Chief Executive Officer, RAKBANK said:

We've kicked off 2025 with a record-breaking performance, marking the strongest quarter in RAKBANK's history - a profit before tax of AED 772 million.

We also crossed AED 90 billion in total assets for the first time in our history – a major milestone that reflects our strong momentum, the quality of our products and services, and the deep trust our customers continue to place in us.

Our Q1 2025 performance highlights the sustainability of our strategy, driven by strong growth across all business lines. We continue to invest heavily in our technology, data and experience capabilities whilst maintaining cost discipline. The Bank's strong capitalization, solid funding and liquidity, and sound profitability remain well-regarded by credit rating agencies, with improvements in asset quality reflected in favorable credit opinions from Moody's and Fitch.

Our strategic ambition to become the 'digital bank with a human touch' is gaining real traction. Whether it's in how we

serve our customers or how we simplify and scale operations, the shift is well underway. Our digital banking platforms were accessed over 53 million times in last 12 months, and digital transactions rose by 17% YoY. At the same time, we continue to deepen relationships with our customers, with deposits growing by 10.2% YoY and CASA balances now approaching AED 40 billion. In line with our ongoing commitment to delivering a premium experience to our customers, we have opened two world class Elite Centres for our customers - one in Dubai and one in Abu Dhabi.

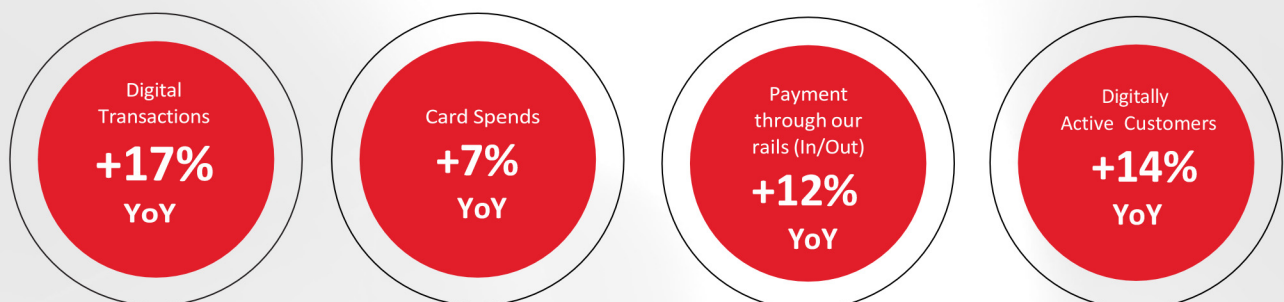
In our Business Banking Group (BBG), we continue to make strong progress in diversifying our income streams. Digital and straight-through-processing initiatives continue to enhance our Customer Experience and improve scalability, while our banking value propositions help drive growth in non-lending and fee-based revenues. Staying true to our role as the go-to SME bank in the UAE, we opened over 5,000 accounts for entrepreneurs and small businesses and disbursed over AED 1.2 billion in loans during Q1.

Meanwhile, our Wholesale Banking Group continues to build strong momentum. We are expanding our Corporate Banking customer base, deepening relationships, and driving profitability through a well-diversified income mix. This quarter, we enhanced our Transaction Banking proposition and continued to strengthen our CASA base through innovative digital solutions. We also signed a strategic partnership with FaturaLab to accelerate our Supply Chain Finance offering and launched Commercial Escrow services, further broadening our capabilities, and reinforcing RAKBANK's position as a trusted partner for businesses across sectors.

These achievements are made possible by our people. Their passion, agility, and relentless customer focus continue to shape our success. At RAKBANK, we're building a culture grounded in ownership, collaboration, and continuous improvement. I'm proud of the energy and ambition across our teams.

The global outlook remains uncertain as newly introduced U.S. tariffs raise concerns around trade flows and economic stability. Despite this, the UAE continues to demonstrate resilience, supported by strong economic measures such as the introduction of Corporate Tax to strengthen long-term sustainability & consistent inflow of FDI, tourists, talent, and new companies. At RAKBANK, we remain confident in the UAE's solid foundation and are committed to supporting our customers through these uncertain times.


As we look ahead, we will continue to push forward, driving innovation, simplifying banking, and delivering long-term value for our customers, our people, and our shareholders.




## **RAKBANK Awards & Accolades for Q1 2025**




Best Digital CX – Account  
Opening and Customer  
Onboarding  
**The Digital Banker**




Most Innovative real-time  
payment solutions  
**MENA Banking Excellence  
Awards 2024 - MEED**




MENA Islamic SME Bank of  
the Year  
**MENA Banking Excellence  
Awards 2024 - MEED**




Digital Experience Strategy  
of the Year (Website)  
**CX Strategy Summit &  
Awards**





Top Innovations in Finance  
in the Middle East 2025 for  
RAKBANK Telemetry  
**Global Finance and  
Euromoney Awards**



Innovative SME Finance  
Award  
**MEA Finance SME Business  
and Finance Summit**



Best Overall Bank for SMEs  
**MEA Finance SME  
Business and Finance  
Summit**



Excellence in Intelligent  
Document Processing  
using LLM  
**Middle East Banking AI &  
Analytics Summit Awards**





# Financial Highlights for Q1 2025

**RAKBANK**

## Income Statement Highlights

(AED M)	Q1'25	Q1'24	YoY (%)	Q4'24	QoQ (%)
Net Interest Income	867	879	(1.4)%	899	(3.5)%
Non-Interest Income	433	295	47.0%	262	65.7%
<b>Operating Income</b>	<b>1,300</b>	<b>1,174</b>	<b>10.7%</b>	<b>1,160</b>	<b>12.1%</b>
Operating Expenses	(434)	(388)	11.8%	(466)	(6.7)%
<b>Operating Profit</b>	<b>866</b>	<b>786</b>	<b>10.2%</b>	<b>694</b>	<b>24.7%</b>
Net Impairment Charge	(94)	(157)	(40.1)%	(270)	(65.3)%
<b>Profit Before Tax</b>	<b>772</b>	<b>629</b>	<b>22.7%</b>	<b>424</b>	<b>82.1%</b>
Tax	(68)	(55)	22.8%	(38)	78.9%
<b>Profit After Tax</b>	<b>704</b>	<b>574</b>	<b>22.7%</b>	<b>386</b>	<b>82.4%</b>

## Balance Sheet Highlights

(AED Bn)	Mar'25	Mar'24	YoY (%)	Dec'24	QoQ (%)
<b>Total Assets</b>	90.8	78.6	15.5%	88.3	2.8%
<b>Gross Loans &amp; Advances</b>	50.4	43.2	16.7%	50.1	0.7%
<b>Deposits</b>	61.0	55.4	10.2%	59.6	2.3%

## Key Ratios

	Q1'25	Q1'24	YoY
<b>Return on Equity<sup>1</sup></b>	22.4%	21.4%	0.9%
<b>Return on Assets<sup>1</sup></b>	3.2%	3.1%	0.2%
<b>Net Interest Margin<sup>1</sup></b>	4.0%	4.7%	(0.7)%
<b>Cost to Income</b>	33.4%	33.1%	(0.3)%
<b>Impaired Loan Ratio</b>	2.1%	2.6%	(0.4)%
<b>Capital Adequacy Ratio<sup>2</sup></b>	18.6%	17.2%	1.4%

<sup>1</sup> - Annualized

<sup>2</sup> - After application of Prudential Filter

## **Profitability growth driven by Non-Interest Income momentum and improvement in asset quality**

- ✦ Profit after tax of AED 704M for Q1'25 up 22.7% over Q1'24
- ✦ Operating Income for Q1'25 amounted to AED 1.3B, a 10.7% increase vs Q1'24, on account of continued growth momentum in balance sheet as well as strong growth in Non-interest income
- ✦ Net Interest Income decreasing slightly by 1.4% compared to Q1'24, mainly due to impact of decline in interest rates by 100bps in Q4'24, largely offset by continued growth in our customer loans and deposits
- ✦ Non-Interest income at AED 433M, increased by 47% from last year, driven by episodic gains in Investment Income, as well as Bank's continued effort to diversify its Fee Income
- ✦ Operating expenses were at AED 434M for Q1'25, an increase of 11.8% compared to Q1'24, with Cost to Income ratio for the Bank slightly up at 33.4% in Q1'25 compared to 33.1% for Q1'24
- ✦ Net Impairment charge of AED 94M decreased by 40% compared to the same period last year, as the Bank's portfolio quality improves with Impaired Loan ratio decreasing to 2.1% from 2.6% as at Q1'24.
- ✦ Net Impairment charge to average loans and advances ratio was at 0.8% for Q1'25 compared to 1.5% during the same period last year

## **Total Balance Sheet reached AED 90.8 billion, as strong business momentum continues**

- ✦ Total Assets increased by AED 12.2B reflecting a growth of 15.5% compared to Q1'24, with an increase in Gross Loans and Advances of AED 7.2B, Investments by AED 1.9B and Cash and Balance with CBUAE by AED 4.1B
- ✦ Wholesale Banking significantly contributed to the growth of the Balance Sheet, with segmental assets growing by AED 4.8B a 12.3% increase compared to Q1'24
- ✦ Business Banking assets grew by AED 589M, a 5.8% increase compared to Q1 of last year delivered primarily through growth in SME and Commercial loans
- ✦ Personal Banking Loans and Advances rose by AED 2.8B to AED 23.1B compared to last year with Mortgage and Leverage Loans driving growth, bringing in AED 2.0B and AED 728M year-over-year respectively
- ✦ Customer deposits increased by 10.2% to reach AED 61B, while maintaining one of the industry's highest CASA ratios at 65%, serving as a testament to the trust our customers place in the RAKBANK franchise and our services

## **Cash Flows**

- ✦ Cash and cash equivalents as at Mar'25 stood at AED 10.7B increasing by AED 2.6B compared to Mar'24
- ✦ Net cash generated from operating activities for Q1'25 was AED 757M, AED 847M was used in investing activities and AED 764M was received from financing activities

## **Impact of Capital Expenditure and developments**

- ✦ Capital Expenditure for Q1'25 amounted to AED 56.7M compared to AED 31.8M for the same period last year, as the Bank continues to invest in technology and infrastructure



## 0 Ratings

- ✦ RAKBANK is rated by leading rating agencies. These ratings reflect the institutional strength of the Bank that is backed by trust and transparency in financial reporting and disclosures
- ✦ During the reporting period both Fitch and Moody's have reaffirmed their credit ratings while Moody's has also upgraded Bank's credit Outlook from 'Stable' to 'Positive' underscoring the Bank's strong track record of executing its transformation

Rating Agency	Last Update	Deposits	Outlook
Moody's	March 2024	Baa1 / P-2	Positive
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.

For more information, please visit [www.rakbank.ae](http://www.rakbank.ae) or contact the Call Centre on +9714 213 0000.

Alternatively, you can connect with us on our social media platforms:

- [twitter.com/rakbanklive](https://twitter.com/rakbanklive)
- [Instagram.com/rakbank](https://www.instagram.com/rakbank)
- [tiktok.com/@rakbank](https://www.tiktok.com/@rakbank)
- [linkedin.com/rakbank](https://www.linkedin.com/company/rakbank)

**For enquiries, please contact:**

Svyatoslav Shlyakhtin

[ir@rakbank.ae](mailto:ir@rakbank.ae)

Michelle Saddi

[michelle.saddi@rakbank.ae](mailto:michelle.saddi@rakbank.ae)

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