

H1 2025

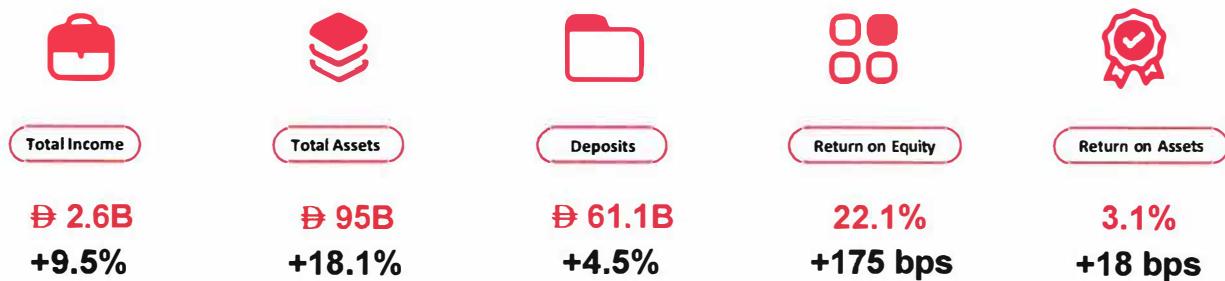
The National Bank of Ras Al Khaimah (P.S.C.)

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

RAKBANK delivers record Profit Before Tax of **迪拉姆 1.5B**, up 26%, driven by Non-Interest Income growth and robust asset quality

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

Highlights H1 2025



* All percentage variances are YoY

Key Financial Highlights - H1 2025

- Profit after tax of **迪拉姆 1,374M** for H1'25 up 26.1% over H1'24. Profit after tax for Q2'25 was **迪拉姆 669M**, reflecting an increase of 22% YoY
- Operating Profit of **迪拉姆 1,680M** up 7.7% YoY on the back of strong growth in balance sheet and continued non-interest income momentum
- Operating Expenses grew by 12.9% vs last year driven by continued investments in technology, data, people and customer experience. Cost to income ratio (CIR) at 34.6% vs. 33.6% for H1'24
- Total Assets grew by 18.1% YoY to **迪拉姆 95B**, with Gross loans & advances increased to **迪拉姆 51.3B** mark, an increase of 17.4% YoY. Growth in loans driven by all segments, with Wholesale Banking loans growing by 33.0% YoY, aligning with the Bank's diversification strategy
- CASA deposit base grew to **迪拉姆 40.4B**, up 12.2% YoY, with CASA¹ ratio of 66%, one of the highest in the industry
- Portfolio credit quality remains robust with Net Impairment charge to average loans and advances ratio at 0.7% against 1.7% during the same period last year, resulting from a strategic shift in business mix towards secured, low risk assets as well as favorable economic and credit environment
- The impaired loan ratio for H1'25 improved to 1.9% against 2.4% for H1'24 while 'Provisions to Gross Loans' ratio was 5.2% compared to 6.2% as of H1'24, providing adequate coverage
- Shareholder returns improved with Return on Equity (ROE) of 22.1% against 20.4% in H1'24 and Return on Assets (ROA) of 3.1% against 2.9% in H1'24
- The Bank remains well capitalized with capital adequacy ratio (CAR) of 18.8% as at H1'25 against 18.0% as at H1'24
- Strong liquidity position is reflected by an Eligible Liquid Asset Ratio of 15.1% vs. 15.5% at H1'24 and Lending to Stable Resources Ratio at 80.7% vs. 79.4% at H1'24

¹- Current Accounts and Savings Accounts to total Customer Deposits



Raheel Ahmed, Group Chief Executive Officer, RAKBANK said:

Our 'digital bank with a *human touch*' strategy continues to deliver strong, record-breaking results across all fronts. We remain well capitalized with strong liquidity and excellent returns. We have, once again, achieved strong balance sheet growth and fee income. This growth reflects the strength of our diversified business model and continued balance sheet momentum. Portfolio credit quality remains robust with cost of risk improving to 0.7% in H1 2025 from 1.7% in H1 2024.

We recently launched our most premium Credit Card - Elevate - that reimagines and re-defines rewards and benefits for our Elite Customers. To provide a 'human touch', we have launched our exclusive Elite centers in Dubai, Abu Dhabi and Ras Al Khaimah - for the

convenience of our Elite customers.

As the go-to bank for small businesses and entrepreneurs, RAKBANK was named 'Best Bank for SMEs' in the UAE by Euromoney. We also partnered with Emirates Development Bank (EDB) to announce a landmark AED 1 billion co-financing initiative, unveiled at 'Make it in the Emirates', to empower UAE-based micro, small, and medium enterprises (mSMEs) and drive growth in national priority sectors. In H1 2025, we opened over 11,000 new accounts for entrepreneurs and small businesses and disbursed AED 2.54 billion in business loans to support their growth. Additionally, we launched the second edition of the RAKBANK SME Confidence Index, providing valuable market intelligence to support and empower the SME community. We remain very grateful to our customers for their confidence and loyalty.

Our active retail customer base grew 6.8% YTD driven by enhanced engagement and a sharper focus on delivering value. Card spending surged by 10% YoY. The Bank recorded over 28 million digital logins over the last 6 months and a 15% YoY increase in digital transactions, reflecting strong customer engagement across its platforms.

We continue to broaden our Corporate Banking offering in trade finance, escrow services and Debt Capital Markets (DCM), achieving landmark transactions as bookrunner and coordinator. This has resulted in higher fee and non-funded income growth. Our Financial Institutions Group expanded into new markets with a focus on trade.

In line with the UAE's Year of Community, RAKBANK actively supports society. This includes volunteering at the RAK Autism Center and running financial literacy sessions for children. We continue to organize community events for blue-collar workers and offer microfinance solutions for underserved segments.

On the back of the UAE's strong economic fundamentals, we remain confident in delivering a solid performance in the second half of 2025, supported by our strategic execution and sustained business momentum. However, we remain cautious about the geopolitical and global economic uncertainties, including the loosening of monetary policy across key economies and its impact on margins.



RAKBANK Awards & Accolades for H1 2025



The UAE's Best Bank for
SMEs
**Euromoney - Awards for
Excellence**



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



Social Bond of the year
**Asian Banking &
Finance Corporate &
Investment Banking
Awards**



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



Top Innovations in Finance
in the Middle East for
**RAKBANK Telemetry
Global Finance**



Call Centre Initiative of the
Year
**Asian Banking & Finance
Retail Banking Awards**



Analytics Initiative of the
Year (Telemetry)
**Asian Banking & Finance
Retail Banking Awards**



Service Innovation of the
Year (Website)
**Asian Banking & Finance
Retail Banking Awards**



Top 10 BFSI leaders in the
Middle East
**Annual Future Bank
Summit**



CX Excellence Skiplly
**MEA Business
Achievement Awards**



Financial Highlights for H1 2025

RAKBANK

(B M)	H1'25	H1'24	YoY (%)	Q2'25	Q2'24	YoY (%)
Net Interest Income	1,776	1,762	0.8%	909	882	3.1%
<i>Non-Interest Income</i>	795	587	35.6%	362	292	16.2%
Operating Income	2,571	2,348	9.5%	1,271	1,174	7.4%
Operating Expenses	(891)	(789)	12.9%	(456)	(400)	12.9%
Operating Profit	1,680	1,559	7.7%	814	774	4.7%
Net Impairment Charge	(173)	(364)	(52.5)%	(79)	(208)	(136.8)%
Profit Before Tax	1,507	1,195	26.1%	735	566	21.9%
Tax	(133)	(106)	26.3%	(66)	(50)	22.4%
Profit After Tax	1,374	1,090	26.1%	669	515	21.8%

Balance Sheet Highlights

(B Bn)	Jun'25	Jun'24	YoY (%)
Total Assets	95.0	80.4	18.1%
Gross Loans & Advances	51.3	43.7	17.4%
Deposits	61.1	58.5	4.5%

Key Ratios	H1'25	H1'24	YoY	Q2'25	Q2'24	YoY
Return on Equity¹	22.1%	20.4%	1.7%	21.9%	20.4%	1.7%
Return on Assets¹	3.1%	2.9%	0.2%	2.9%	2.9%	0.2%
Net Interest Margin¹	4.0%	4.6%	(0.6)%	4.0%	4.6%	(0.6)%
Cost to Income	34.6%	33.6%	(1.0)%	35.9%	33.6%	(1.0)%
Impaired Loan Ratio	1.9%	2.4%	(0.5)%	1.8%	2.4%	(0.5)%
Capital Adequacy Ratio²	18.8%	18.0%	1.4%	18.8%	18.0%	1.4%

¹ - Annualized

² - After application of Prudential Filter

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

- ◆ Operating Income for H1'25 amounted to ₦ 2.6B, a 9.5% increase vs H1'24. Operating Income for Q2'25 was ₦ 1.3B, reflecting an increase of 7.4% YoY
- ◆ Net Interest Income increased by 0.8% compared to H1'24 due to growth in total assets by 18% YoY, despite interest income being impacted by 100 bps rate cut in 2nd half of last year,
- ◆ Despite external pressures on the net interest margin, on a risk adjusted basis - Bank's NIM has improved by 37 bps to 3.3% in H1'25 compared to 2.9% in H1'24, as the Bank's shifts toward secured, low-risk assets
- ◆ Non-Interest income at ₦ 795M, increased by 35.6% from last year, driven by Bank's continued effort to diversify its Fee Income, Forex income and episodic gains in Investment Income
- ◆ Net Impairment charge of ₦ 173M decreased by 52.5% compared to the same period last year, as the Bank's portfolio quality improves with Impaired Loan ratio decreasing to 1.9% from 2.4% as at H1'24
- ◆ Net Impairment charge to average loans and advances ratio was at 0.7% for H1'25 compared to 1.7% during the same period last year

Total Balance Sheet reached **迪95.0B**, as the Bank expands its offering

- ◆ Total Assets increased by **迪14.6B** reflecting a growth of 18.1% compared to H1'24, with an increase in Gross Loans and Advances of **迪7.6B**, Investments by **迪4.1B** and Due from Banks by **迪3.0B**
- ◆ Wholesale Banking significantly contributed to the growth of the Balance Sheet, with segmental assets growing by **迪7.3B** a 19.1% increase compared to H1'24
- ◆ Business Banking assets grew by **迪402M**, a 3.9% increase compared to H1 of last year delivered primarily through growth in SME and Commercial loans
- ◆ Personal Banking Loans and Advances rose by **迪3.0B** to **迪23.5B**, a 14.6% increase compared to last year with Mortgage and Leverage Loans driving growth, bringing in **迪1.8B** and **迪800M** year-over-year respectively
- ◆ Customer deposits increased by 4.5% to reach **迪61B**, while maintaining one of the industry's highest CASA ratios at 66%, 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 Jun'25 stood at **迪10.9B** increasing by **迪1.4B** compared to Jun'24
- ◆ Net cash generated from operating activities for H1'25 was **迪1.6B**, **迪1B** was used in investing activities and **迪302M** was received from financing activities

Impact of Capital Expenditure and developments

- ◆ Capital Expenditure for H1'25 amounted to **迪125M** compared to **迪65.9M** for the same period last year, as the Bank continues to invest in technology and infrastructure

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 2025	Baa1 / P-2	Positive
Fitch	March 2025	BBB+ / F2	Stable
Capital Intelligence	August 2024	A / A1	Stable



Raheel Ahmed

Group Chief Executive Officer

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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 19 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.

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

- twitter.com/rakbanklive
- Instagram.com/rakbank
- tiktok.com/@rakbank
- linkedin.com/rakbank

For enquiries, please contact:

Svyatoslav Shlyakhtin

ir@rakbank.ae

Michelle Saddi

michelle.saddi@rakbank.ae

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