

RAKBANK | **50** years
with you



Q1'26

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

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

Record Profit of ₪ 1B in Q1 2026.
RAKBANK is well positioned for growth
with strong profitability, provision coverage, and capital

Ras Al Khaimah, United Arab Emirates, April 20, 2026 - The National Bank of Ras Al Khaimah (RAKBANK) today reported its financial results for the first quarter of 2026



Profit After Tax

₪ 1B

+43%



Total Assets

₪ 107.3B

+18%



Deposits

₪ 74.3B

+22%



Return on Common Equity

29.9%

+749 bps



Return on Assets

3.9%

+63 bps

All variances are YoY

Open for Business, delivering with consistency

Across all products and services for our Corporate, SME, and Retail Clients. We remain open for business, supporting customers through short-term disruption while continuing to support their long-term ambitions.

All-time high quarterly profit after tax

Supported by industry leading net interest margin of 4.0% & CASA ratio of 65.6% and boosted by the gain on sale of the merchant acquiring business of ₪ 473M.

Robust balance sheet growth with ample liquidity

Business momentum in Q1'26 was supported by double-digit YoY growth in assets and deposits. Total assets reached ₪ 107.3B, up 18% YoY, while customer deposits increased to ₪ 74.3B, up 22% YoY, with ELAR at 17.7% reinforcing the Bank's strong liquidity position.

Resilient asset quality, prudent risk management and strong capital

Impaired loans ratio improved to 1.9% from 2.4% year-on-year, reflecting disciplined underwriting and supported by one of the highest provision coverage ratios sector-wide, at 277% as of Mar'26. Capital adequacy at 18.7%, well above regulatory requirement.

Outstanding returns

In Q1'26 shareholder returns improved further with return on common equity at 29.9%, up from 22.4% in Q1'25 and return on assets at 3.9%, up from 3.2% in Q1'25 - lifted by the strategic divestiture of the merchant acquiring business.



Raheel Ahmed, Group CEO said:

The first quarter of 2026 unfolded against a backdrop of heightened regional uncertainty, reminding us of the importance of proactive preparedness, execution discipline and steadfast leadership.

The UAE entered this period from a position of strength. Its economy is well diversified, its sovereign and financial buffers remain substantial, and its policy framework has repeatedly demonstrated an ability to respond quickly and decisively. The underlying pillars of the UAE economy remain intact. The UAE has consistently shown its ability not only to withstand external shocks, but to come back stronger. We are deeply grateful to the leadership of the UAE for fostering a nation that continues to provide security, confidence and a sense of home for all.

In line with the country, RAKBANK was equally well prepared and well positioned. We stayed focused on what mattered most: our customers, our colleagues and the country we serve. We remained true to our strategy, combining the strength and agility of a digital bank with a human touch at the core of every interaction. As we mark 50 years side by side with our customers, we remain open for business across all products and services, with resilience, continuity and customer service at the core of how we operate.

We are grateful to our customers for their continued trust and confidence. I would like to thank our colleagues across the Bank for their commitment, professionalism and composure throughout this period.

Against this backdrop, RAKBANK delivered a standout and resilient financial performance in Q1 2026, generating a record quarterly profit before tax of $\text{AED } 1.1\text{B}$. Performance was supported by exceptionally strong momentum in the first two months of the year, continued balance sheet growth, and disciplined execution of our strategy.

Results also reflect the strength of a diversified and high-quality franchise, underpinned by a fortress balance sheet, resilient asset quality and one of the strongest capital and liquidity positions in the sector. This strength is further supported by one of the highest provision coverage ratios in the sector.

This was also reflected in Moody's latest periodic review, which maintained RAKBANK's Baa1 long-term deposit rating and Positive outlook, citing the Bank's strong capitalization, solid funding and liquidity profile, improving earnings quality and increasingly diversified franchise.

Our digital platforms continue to scale, with over 16.7M digital logins during the quarter, while our AI-powered assistant Rai supported more than 147,000 customers.

In Personal Banking, we processed over $\text{AED } 23.6\text{B}$ in payments, reflecting the scale and reliability of our platforms along with launching WeChat Wallet and Alipay to strengthen our China cross-border proposition.

Our Wealth & Investment proposition was further enhanced through the launch of Fractional Bonds, Dual Currency Investments, Structured Notes, and a fully digitized Mutual Funds subscription journey. RAKBANK was awarded Middle East's Best for Premier Banking and UAE's Best for Premier Banking at the Euromoney Private Banking Awards 2026, reinforcing the strength of our proposition and the trust our customers place in us.

During the quarter, we completed the transfer of our merchant acquiring business to Network International, marking a key strategic milestone and establishing a long-term partnership to deliver 'best in class' payment solutions. We are proud to partner with a UAE-based global provider, reinforcing our commitment to supporting local champions while bringing scale and innovation to our customers. Beyond these strategic benefits, the transaction has resulted in a timely strengthening of both capital and liquidity, further enhancing balance sheet flexibility and increasing the Bank's capacity to support customers, invest in priority initiatives, and pursue attractive growth opportunities despite the developments in the operating environment.

SME banking remains at the core of our identity and a critical pillar of the UAE economy. Today, more than ever, the role of a dependable banking partner is essential. We continue to stand alongside our customers, building on our legacy of supporting more than 250,000 businesses over the past 50 years. In Q1 2026, we onboarded more than 4,100 entrepreneurs and disbursed $\text{AED } 1.4\text{B}$ in loans. Through enhanced digital solutions, including QR-based payments powered by AANI, we are making it easier for businesses to manage cash flow, operate efficiently and scale with confidence, reinforcing our position as a leading SME bank in the UAE. We were also recognised as SME Growth Partner of the Year by The Digital Banker.

Wholesale Banking delivered a solid performance in Q1 2026, supported by healthy deal flow across key sectors and continued progress in building a well-diversified and durable business. Lending activity remained strong, with successful execution of transactions across real estate, aviation, manufacturing and energy. Transaction Banking continued to provide stable balance sheet support, with our escrow proposition remaining a core strength. This strength was further recognised with awards from The Digital Banker for Outstanding Supply Chain Finance Solution and Best Supply Chain Finance Platform Initiative.

Looking ahead we acknowledge that some of our customers and businesses have seen impact to their financial situation. However, we are equally confident that the UAE will come back stronger. We stand firm to assist our customers in the short term and support them in their longer-term ambitions and plans.



Outstanding Quarterly result despite volatile backdrop

Operating income for Q1'26 amounted to ₪ 1.8B, up 40% YoY. Net interest income increased by 9% YoY to ₪ 947M for Q1'26, supported by growth in total assets and a resilient NIM of 4.0%, underpinned by an industry-leading CASA mix (Mar'26 CASA ratio: 65.6%). The Bank's risk-adjusted NIM decreased to 3.0% compared to prior year at 3.9%, as the impact of interest rate cuts becomes more pronounced and additional provisions were prudently built to absorb potential effects of ongoing regional volatility.

Non-interest income reached ₪ 873M, increasing by 102% YoY, driven by the Bank's diversified income streams, particularly in fees and commission, FX, investment income and proceeds from the sale of merchant acquiring business. Fee to total income ratio increased to 48% compared to 33.3% in Q1'25. Operating expenses for Q1'26 were ₪ 476M (+10% YoY), reflecting an increase in volume related expenses and ongoing investments while maintaining cost discipline, with cost-to income ratio at 26.2% against 33.4% last year. Net impairment charges for the period amounted to ₪ 238 million, reflecting a prudent provisioning approach, despite continued improvement in asset quality, with the impaired loans ratio declining to 1.9% from 2.4%. As a result, the cost of risk increased to 1.7%, compared with 0.8% in the prior year.

Balance sheet strength anchors continued growth

Total assets increased by 18% YoY and reached ₪ 107B as at Mar'26. Gross loans and advances grew by 15% YoY to ₪ 58.2B, with growth delivered across segments: Personal Banking loans and advances increased by ₪ 2.3B to ₪ 25B, supported by mortgage and expat lending; Business Banking loans and advances rose by ₪ 739M to ₪ 11.5B, driven primarily by SME and commercial loans; and Wholesale Banking loans and advances increased by ₪ 4.7B to ₪ 21B, reflecting growth across corporate and financial institutions. Due from other banks at ₪ 15.7B and investment securities at ₪ 20.8B at Mar'26, increased by 26.3% and 18.7% YoY, respectively. On the funding side, customer deposits increased by 22% YoY and reached ₪ 74.3B. CASA deposits grew by 23% to ₪ 48.8B. Deposit growth was led by Wholesale Banking and Personal Banking, where deposits grew mainly through low-cost funding with CASA ratios of 35.8% and 69.5%, respectively. Business Banking deposits were also driven mainly by CASA, with ratio of 88.5%.

Cash Flows

Cash and cash equivalents as at Mar'26 stood at ₪ 13.6B increasing by ₪ 2.9B compared to Mar'25. Net cash generated from operating activities for Mar'26 was ₪ 111M, ₪ 792M was used in investing activities and ₪ 763M was used in financing activities

Impact of Capital Expenditure and developments

Capital Expenditure for Mar'26 amounted to ₪ 64.3M compared to ₪ 56.7M 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, Fitch reaffirmed the Bank's credit ratings, while Moody's maintained its Baa1 long-term deposit rating with a Positive outlook following its periodic review, underscoring the Bank's strong capitalization, solid funding and liquidity profile, and a more diversified business mix

Rating Agency	Last Update	Deposits	Outlook
Moody's	March 2026	Baa1/ P-2	Positive
Fitch	January 2026	BBB+/F2	Stable
Capital Intelligence	August 2025	A/A1	Stable



Raheel Ahmed

Group Chief Executive Officer

Financial Highlights

(AED M)	Q1'26	Q1'25	YoY (%)	Q4'25	QoQ (%)
Net Interest Income	947	867	9.2%	961	(1.5)%
Non-Interest Income ³	873	433	102%	313	179.4%
Operating Income	1,820	1,300	40.0%	1,273	42.9%
Operating Expenses	(476)	(434)	9.6%	(513)	(7.1)%
Operating Profit	1,344	866	55.2%	761	76.6%
Net Impairment Charge	(238)	(94)	154.0%	(180)	32.4%
Profit Before Tax	1,106	772	43.2%	581	90.3%
Tax	(98)	(68)	45.0%	(52)	87.5%
Profit After Tax	1,008	704	43.0%	529	90.6%

(AED B)	Mar'26	Mar'25	YoY (%)	QoQ (%)
Total Assets	107.3	90.8	18.2%	2.2%
Gross Loans & Advances	58.2	50.4	15.4%	4.0%
Deposits	74.3	61.0	21.7%	5.5%

	Q1'26	Q1'25	YoY
Return on Common Equity	29.9%	22.4%	7.5%
Return on Assets	3.9%	3.2%	0.6%
Net Interest Margin¹	4.0%	4.3%	(0.3)%
Cost to Income	26.2%	33.4%	(7.2)%
Impaired Loan Ratio²	1.9%	2.4%	(0.5)%
Capital Adequacy Ratio	18.7%	18.6%	0.1%

1- Net Interest Margin is calculated based on average interest earning assets

2- Stage 3 Loans and Advances to Gross Loans and Advances

3- Non-interest Income for Q1'26 including AED 473M sale of acquiring business

RAKBANK Awards & Accolades for Q1'26



About RAKBANK

We're RAKBANK.

Banking should feel simple. Human. Helpful. So that's the kind we build.

Since 1976, we've been helping people and businesses across the UAE grow with confidence, giving them the tools, the support, and the trust to make things happen. We started as a community bank and grew into one of the country's most dynamic financial institutions. What's never changed is our belief that banking should work for people, not the other way around.

Today, we're leading a new chapter, one that combines smart digital innovation with genuine human connection. We call it digital with a human touch.

We serve customers across every segment through our Personal Banking Group (PBG), Business Banking Group (BBG), and Wholesale Banking Group (WBG). As the UAE's go-to SME bank, we're helping thousands of businesses grow and thrive with seamless, digital-first banking.

Our group also includes Skiply, the region's leading school payments app; Protego, our next-generation insurance aggregator; and RAK Insurance, one of the UAE's most trusted insurers, together creating an ecosystem that makes life simpler and safer for our customers.

From empowering entrepreneurs and SMEs to launching the UAE's first crypto brokerage for retail customers and our own AI-powered digital assistant, we're shaping the future of banking while keeping the heart of it the same: people.

RAKBANK – Digital with a human touch.

For more information, please visit www.rakbank.ae.

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

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

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