

## National Bank of Ras Al Khaimah (RAKBANK)

Current Price (AED)	Market Cap (AED/mm)	Shares Outstanding (mm)	52 Week High (AED)
6.44 (▲ +1.42%)	12,954.02	2,011.00	7.00
Month to Date (MTD%)	Quarter to Date (QTD%)	Year to Date (YTD%)	52 Week Low (AED)
-3.88%	-3.88%	+6.45%	5.00
Price-to-Earnings Ratio(x)	Price-to-Book Ratio (x)	Dividend Yield (12month)	Book Value (AED)
6.25	1.10	7.76	5.85

### Key Highlights:

- RAKBANK's Net profit rose by 22.4% YoY to AED 702.2 Mn in 1Q25 which was higher than our estimate of AED 519, driven by Non-funded Income momentum and improvement in asset quality.
- RAKBANK's Net Interest Income and net income from Islamic financing declined slightly by 1.4% YoY to AED 867 Mn in 1Q25 which was lower than FABS estimates by 4.7% YoY, mainly due to impact of decline in interest rates by 100 bps in 4Q24 which was largely offset by continued growth in customer loans and deposits.
- Non-funded income sharply increased by 47% YoY to AED 433 Mn in 1Q25 due to episodic gains in Investment income as well as Bank's continued effort to diversify its fee income.
- Operating profit grew by 10.2% YoY to AED 865.8 Mn in 1Q25 on the back of strong growth in balance sheet and non-funded income.
- Operating expenses rose by 11.8% YoY to AED 434.3 Mn in 1Q25 driven by continued investments in technology, data, people and customer experience, which resulted in cost to income ratio of 33.4% compared to 33.1% in 1Q24.
- Net Impairment charge fell by 40% YoY to AED 94 Mn in 1Q25 with improvements in asset quality with declining impaired loan ratio.
- Total Assets increased by 2.8% QoQ to AED 90.8 Bn in 1Q25 for the first time in Bank's history, driven by higher gross loans & advances, investments and cash balances with Central Bank.
- Net loans marginally increased 0.8% YoY to AED 47.5 Bn in 1Q25 due to growth in wholesale banking by 2.2% QoQ and business banking segments by 1.9% QoQ arising through SME and commercial loans.
- Customer deposits rose by 10.2% YoY and 2.3% QoQ to AED 61 Bn in 1Q25, which resulted in one of the highest CASA ratios of 65% in the industry.
- RAKBANK reported Capex of AED 56.7 Mn in 1Q25 compared to AED 31.8 Mn in 1Q24, as the Bank continues to invest in technology and infrastructure.
- Annualized Net Interest Margins (NIMs) marginally declined by 70 bps to 4.0% in 1Q25 compared to 4.7% in 1Q24.
- The Impaired loan ratio improved to 2.1% in 1Q25 compared to 2.6% in 1Q24, while provisions to gross loans ratio was reported at 5.6% in 1Q25 compared to 6.0% in 1Q24 providing adequate coverage.
- Portfolio credit quality remains robust with cost of risk of 0.8% in 1Q25 compared to 1.5% in 1Q24, supported by a strategic shift in business mix towards secured and low risk assets.
- Shareholders Return ratios remained strong with Return on Equity (ROE) of 22.4% in 1Q25 and Return on Assets (ROA) of 3.2% in 1Q25.
- RAKBANK remained well capitalized with Capital adequacy ratio (CAR) of 18.6% and CET 1 ratio of 16.2% in 1Q25.
- The Bank maintained strong liquidity position with advances-to-stable resources ratio of 76.4% in 1Q25 compared to 78.7% in 1Q24.

## FAB Securities Contacts:

### Research Department:

Ahmad Banihani +971- -6161629 [ahmad.banihani@Bankfab.com](mailto:ahmad.banihani@Bankfab.com)  
[FAB Securities Research Portal](#)

### Sales & Execution

Trading Desk Abu Dhabi Head Office +971- -6161777  
+971- -5659593  
Institutional Desk +971- -5658395  
Sales and Marketing +971- -6161703  
Customer Service +971- -6161600 [Online Trading Link](#)

## DISCLAIMER:

This report has been prepared by FAB Securities (FABS), which is authorized by the UAE Securities and Commodities Authority, licensing registration number 604002, and is a member of the Abu Dhabi Securities Exchange, Dubai Financial Market and NASDAQ Dubai. The information, opinions and materials contained in this report are provided for information purposes only and are not to be used, construed, or considered as an offer or the solicitation of an offer or recommendation to sell or to buy or to subscribe for any investment security or other financial instrument. The information, opinions and material in this report have been obtained and derived from publicly available information and other sources considered reliable without being independently verified for their accuracy or completeness. FABS gives no representation or warranty, express or implied, as to the accuracy and completeness of information and opinions expressed in this report. Opinions expressed are current as of the original publication date appearing on the report only and the information, including the opinions contained herein, are subject to change without notice. FABS is under no obligation to update this report. The investments referred to in this report might not be suitable for all recipients. Recipients should not base their investment decisions on this report and should make their own investigations, and obtain independent advice, as appropriate. Any loss or other consequences arising from the uses of material contained in this report shall be the sole and exclusive responsibility of the recipient and FABS accepts no liability for any such loss or consequence. The value of any investment could fall as well as rise and the investor may receive less than the original amount invested. Some investments mentioned in this report might not be liquid investments, which could be difficult to realise in cash. Some investments discussed in this report could be characterised by high level of volatility, which might result in loss. FABS owns the intellectual property rights and any other material contained in this report. No part of this report may be reproduced, utilised or modified in any form either in whole or in part or by any electronic, mechanical or other means, now known or hereafter invented, including photocopying and recording, or stored in any retrieval system without the prior consent of FABS in writing. While utmost care has been taken to ensure that the information provided is accurate and correct, neither FABS, nor its employees shall, in any way, be responsible for the contents. By accepting this document, the recipient agrees he/she has read the above disclaimer and to be bound by the foregoing limitations/restrictions.