

National Bank of Ras Al Khaimah (RAKBANK)

Current Price (AED)	Market Cap (AED/mm)	Shares Outstanding (mm)	52 Week High (AED)
7.55 (▼-4.4%)	15,890.81	2,011.49	8.00
Month to Date (MTD%)	Quarter to Date (QTD%)	Year to Date (YTD%)	52 Week Low (AED)
12.86%	12.86%	30.58%	5.11
Price-to-Earnings Ratio(x)	Price-to-Book Ratio (x)	Dividend Yield (12month)	Book Value (AED)
5.87	1.03	6.6	5.85

Key Highlights:

Net profit growth was supported by higher non-interest income and lower impairment charges.

- Net profit rose 29.0% YOY to AED 666.6 Mn in 2Q25 which was **(higher than FABS estimates by 14.1% YOY)**, driven by growth in Non-Interest Income arising from higher net fees and commission income and lower net impairment charges.
- RAKBANK's Net Interest Income and net income from Islamic financing rose by 3.0% YOY to AED 908.9 Mn in 2Q25 which was **(in line with FABS estimates)**, driven by strong financing growth amid interest income impact of 100 bps rate cut in the 2H24. Net Interest Margin (NIMs) improved to 4.0% in 2Q25 compared to 4.6% in 2Q24 amid external pressures, as RAKBANK shifted towards secured low-risk assets.
- Non-Interest income increased significantly by 24% YOY to AED 361.8 Mn in 2Q25 driven by continuous effort of fee income diversification, episodic gains in investment income and forex income.
- Operating profit rose by 18.2% YOY to AED 814.4 Mn in 2Q25 on the back of growth in interest and non-interest income despite 14% YOY growth in G&A expenses to AED 456.3 Mn in 2Q25 with continued spending on data, people, technology and customer experience. Meanwhile, this led to rise in cost to income ratio of 35.9% in 2Q25 compared to 33.6% in 2Q24.
- Net advances stood at to AED 48.6 Bn in 2Q25, which was up compared to AED 47.2 Bn in 4Q24. This growth was majorly driven by wholesale banking with segmental assets growing and personal banking advances with higher mortgage and leverage loans.
- Total Assets rose to AED 94.9 Bn in 2Q25, higher than AED 88.3 Bn in 4Q24, driven by higher gross loans & advances aligning with Bank's diversification strategy, investments, due form other banks and cash balances with CBUAE.
- Customer deposits increased by 4.5% YOY to AED 61.1 Bn in 2Q25, which resulted in industry's highest CASA ratios of 66%, demonstrating the confidence that clients have in the Bank's franchise and offerings.
- RAKBANK reported Capex of AED 125 Mn in 1H25 compared to AED 65.9 Mn in 1H24, with its continuous focus to invest in infrastructure and technology.
- Net Impairment charge plunged by 62% YOY to AED 79.4 Mn in 2Q25 with improvement in portfolio quality. The Bank's Impaired loan ratio improved to 1.8% in 2Q25 compared to 2.4% in 2Q24, while provisions to gross loans also improved providing adequate coverage.
- Cost of risk improved to 0.7% in 2Q25 compared to 1.7% in 2Q24 driven by robust Portfolio credit quality well supported by a strategic shift in business mix towards secured, low riskier assets as well as positive credit and economic environment conditions.
- Profitability ratios remained strong with Return on Equity (ROE) of 21.9% in 2Q25 compared to 20.4% in 2Q24 and Return on Assets (ROA) of 2.9% in 2Q25 which was stable compared to 2Q24.
- RAKBANK remained well capitalized with Capital adequacy ratio (CAR) of 18.8% in 2Q25 higher than 18.0% in 2Q24 and maintained strong liquidity position with advances to stable resources ratio of 80.7% in 1H25 compared to 79.4% in 1H24.

- RAKBANK has a positive and stable outlook from different credit agencies. Fitch has re-affirmed credit ratings of 'BBB+' with a 'Stable outlook', and Moody's has re-affirmed a rating of 'Baa1' with upgrading the outlook from 'Stable' to 'positive'. This reflects RAKABANK's institutional strength which is well supported by transparency of its financial disclosures and trust along with solid track record of transformation execution.
- The Bank achieved strong growth in Balance sheet and fee-based income with diversified business model and maintained strong liquidity and capital position along with improvement in its credit quality due to shift in low riskier assets. The Bank also recorded 15% YOY growth in digital transactions and 10% YOY growth in card spendings.

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