



# Earnings Presentation

## Q3 | September 24' YTD

---

November 2024

# Disclaimer



*The information in this document has been prepared by The National Bank of Ras Al Khaimah (P.S.C) a public joint stock company, United Arab Emirates (“RAKBANK”) and is general background information about RAKBANK’s activities and is not intended to be current as on the date of the document. This information is given in summary form and does not purport to be complete.*

*The information is intended to be read by investors having knowledge in investment matters. Information in this document, including forecast or financial information, should not be considered as an advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial and legal advice. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk.*

*This document may contain published financial information, or information obtained from sources believed to be reliable, forward looking statements based on numbers or estimates or assumption that are subject to change including statements regarding our intent, belief or current expectations with respect to RAKBANK’s businesses and operations, market conditions, results of operation and financial condition, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward-looking statements. RAKBANK does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside RAKBANK’s control. Past performance is not a reliable indication of future performance.*

*RAKBANK disclaims any responsibility for the accuracy, fairness, completeness and correctness of information contained in this document including forward looking statements and to update or revise any information or forward-looking statement to reflect any change in RAKBANK’s financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based. Neither RAKBANK nor its related bodies, corporate, directors, employees, agents, nor any other person, accepts any liability, including, without limitation, any liability arising from fault or negligence, for any direct, indirect or consequential loss arising from the use/reference of this document or its contents or otherwise arising in connection with it for the quality, accuracy, timeliness, continued availability or completeness of any data or calculations contained and/or referred to in this document.*

# Table of Contents

---

1. Key Highlights
2. RAKBANK Strategy
3. Financial Performance
4. Appendix



# 1. Key Highlights

---





**RAKBANK achieves a record profit before tax of AED 1.9B for Sep'24 YTD, up 37% YoY.**

**Delivered through execution of the Bank's strategy, continued business momentum, and strong credit quality**

### Sep'24 YTD Key Highlights

Profit before Tax

**1,854 M**

+37% YoY

Total Assets

**83.9 B**

+17% YoY

CIR

**33.6%**

-265 bps YoY

Operating  
Income

**3,552 M**

+8% YoY

Gross Loans

**48.9 B**

+19% YoY

ROA

**2.9%**

+23 bps YoY

Operating  
Expenses

**1,193 M**

+0.2% YoY

Deposits

**57.3 B**

+18% YoY

ROE

**20.6%**

+164 bps YoY

*Numbers may not add up due to rounding.*

*P&L and Balance Sheet items stated in AED.*

*Definitions: CIR – Cost to Income Ratio; ROA – Return on Assets; ROE – Return on Equity*

## 2. RAKBANK Strategy

---



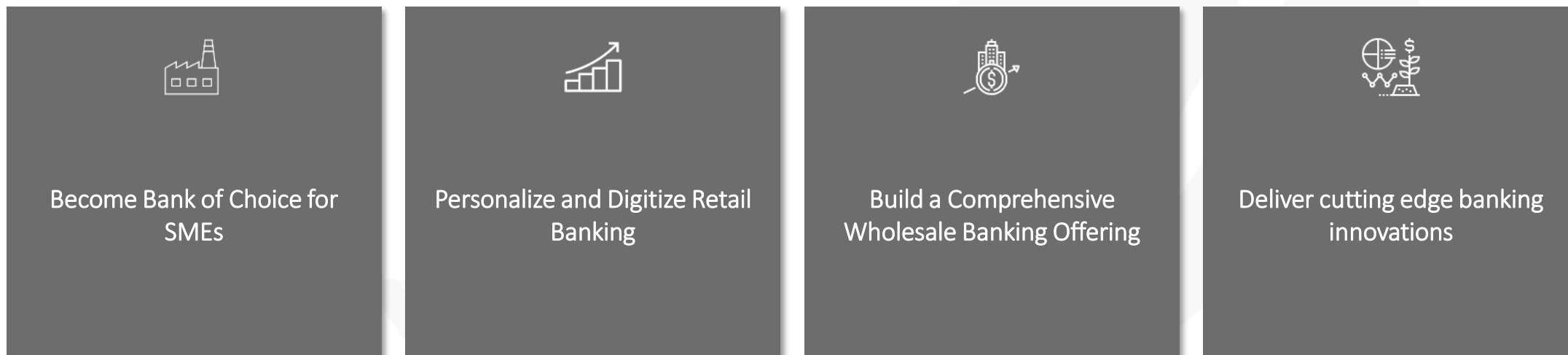


# Our 2026 Vision, Strategy and Objectives

## 2026 Vision

***“Become the digital bank with a human touch, with you in key moments of truth”***

### Key Strategic Pillars



### Key Strategic Objectives

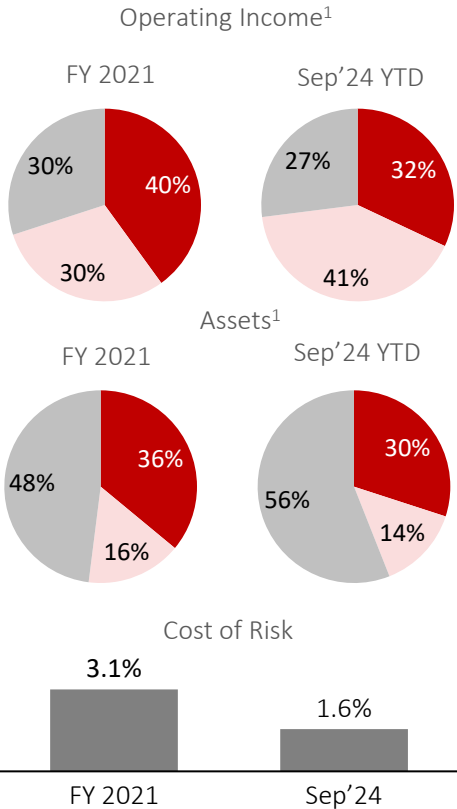


# Delivering On Our Strategic Objectives



Continued Diversification of our Business for Sustainable Growth

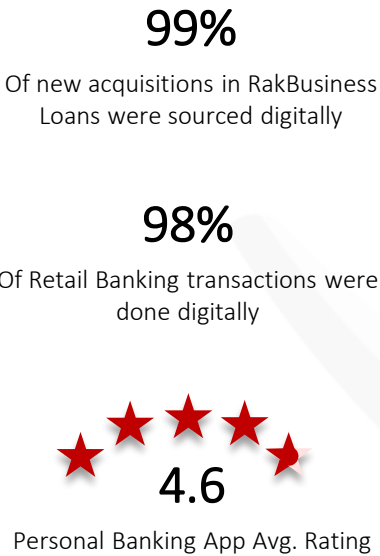
We are maintaining a diversified asset mix...



Personal Banking   Wholesale Banking   Business Banking

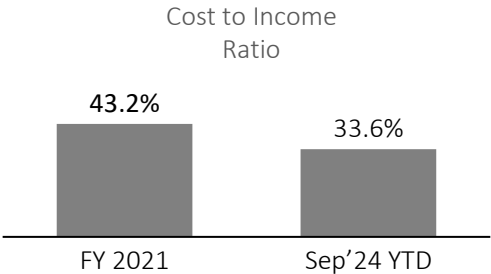
Become the most Personalized Bank in UAE with a Brilliant Customer Experience

...enhancing our customer journeys...

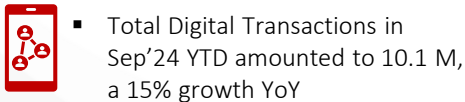


Deliver Scalable Growth through Personalization & Digitization

...becoming more scalable...



...and driving digitization



Invest in Our People

...developing our workforce...

- “Build Healthy Habits” program – complimentary health check-ups for all employees with further guidance on balancing health markers
- “Hope and Healing” - Breast Cancer awareness and Mental Health event attended by over 300 staff members

...and modern workplace solutions

- 
- RAKBANK announced its partnership with Oracle to implement the Oracle fusion Cloud Application Suite, streamlining Finance, HR and supply chain processes

Ongoing Commitment to our Community and ESG

...supporting our community...

- Financial Literacy sessions at North American school, ~300 students attending a 1-hour session on financial literacy
- Indimaj Program for children of determination from RAK Autism Centre, Dubai Special Needs Centre and Jad’s Inclusion, aimed at providing hands-on workplace experience at RAKBANK

...and leading in ESG adoption

- RAKBANK achieved another milestone by becoming the first bank in GCC to issue a publicly-traded Social Bond..
- This reinforces our commitment to supporting SMEs and the UAE’s Economy at large and moves us closer to the “We the UAE 2031” vision

Numbers may not add up due to rounding.  
1 – Business Segment % Split ex. Head Office  
2021 figures have been restated in line with IAS 32



### 3. Financial Performance

---





# RAKBANK Delivers Record Profit After Tax of AED 1.7B, Growth of 25% YoY

Income Statement Q3 | Sep'24 YTD

Income Statement – Summary (AED M)	Sep'24 YTD	YoY %	Q3'24	YoY %
Net Interest Income	2,663	8.3%	902	7.0%
Non-Interest Income	889	7.7%	302	6.9%
<b>Operating Income</b>	<b>3,552</b>	<b>8.1%</b>	<b>1,204</b>	<b>7.0%</b>
Operating Expenses	(1,193)	0.2%	(404)	(4.4)%
<b>Operating Profit</b>	<b>2,360</b>	<b>13%</b>	<b>800</b>	<b>14%</b>
Net Impairment Charge	(506)	(32)%	(141)	(44)%
<b>Profit Before Tax</b>	<b>1,854</b>	<b>37%</b>	<b>659</b>	<b>46%</b>
Tax	(165)	n/a	(59)	n/a
<b>Profit After Tax</b>	<b>1,689</b>	<b>25%</b>	<b>600</b>	<b>33%</b>

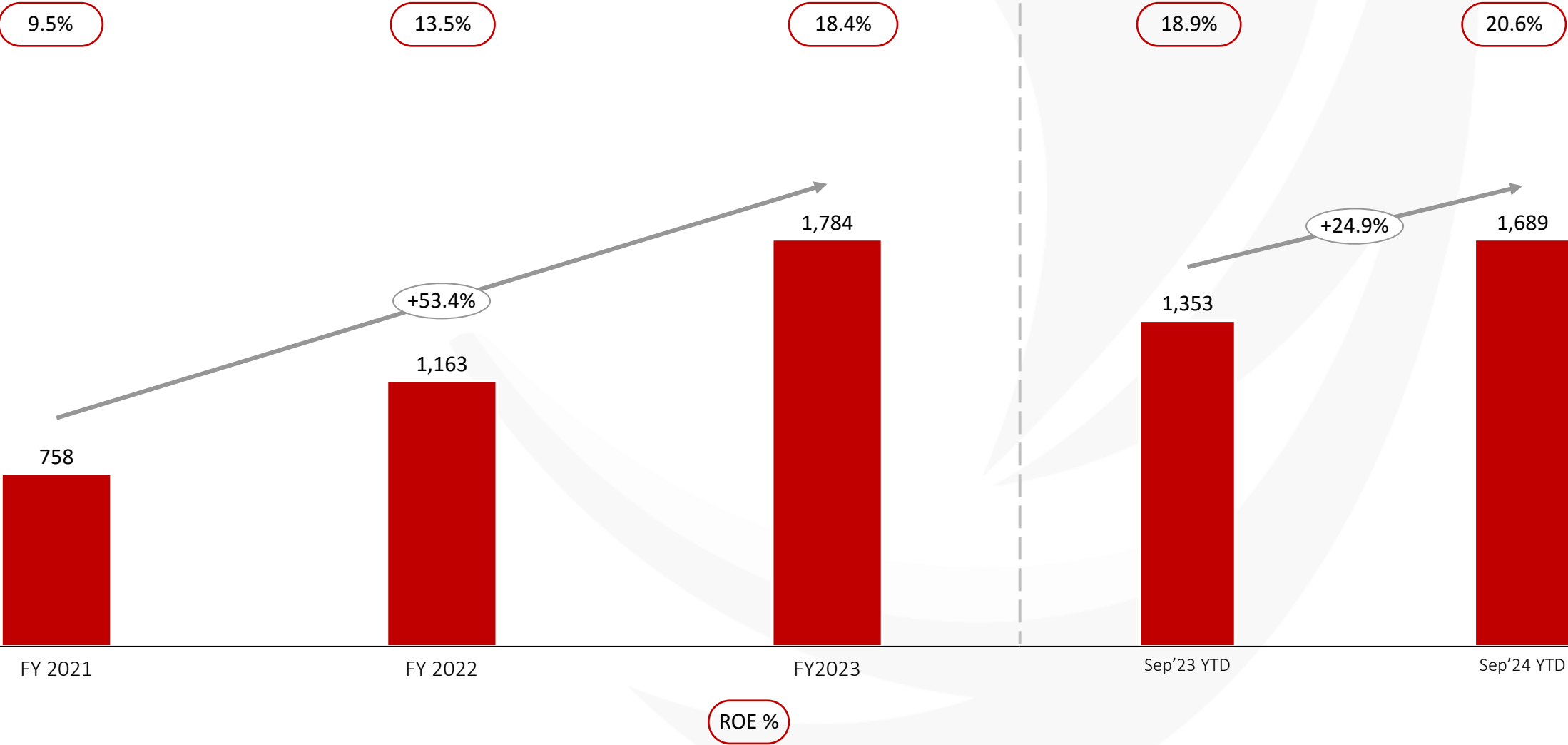
Key Ratios	Sep'24 YTD	YoY bps	Q3'24	YoY bps
Cost to Income Ratio	33.6%	(265)	33.5%	(400)
Return on Assets	2.9%	23	3.2%	65
Return on Equity	20.6%	164	22.9%	463

- NII supported by well-diversified balance sheet growth across all segments (+17% YoY), especially in Wholesale banking with Corporate loans at AED 11.9B (+22% YoY)
- Net interest margin remains strong for YTD'24 at 4.6% against 4.8% for YTD'23, augmented by sustained increase in low-cost CASA deposits (+8%) across all business segments
- Cost to income ratio (CIR) for YTD September'24 is at 33.6% as against 36.2% for YTD'23. Continued improvement in CIR due to momentum in growth of our income, aided by scaling up business through digitization, as well as operational efficiencies delivered through Strategic Cost Management (SCM) initiatives
- Provisions reflected favorable variance of 32% YoY, supported by a benign credit environment along with shift in our business mix towards secured low risk assets



# Consistent Double-Digit Growth in Profit Resulting in Strong Shareholder Returns

Profit After Tax (AED M)



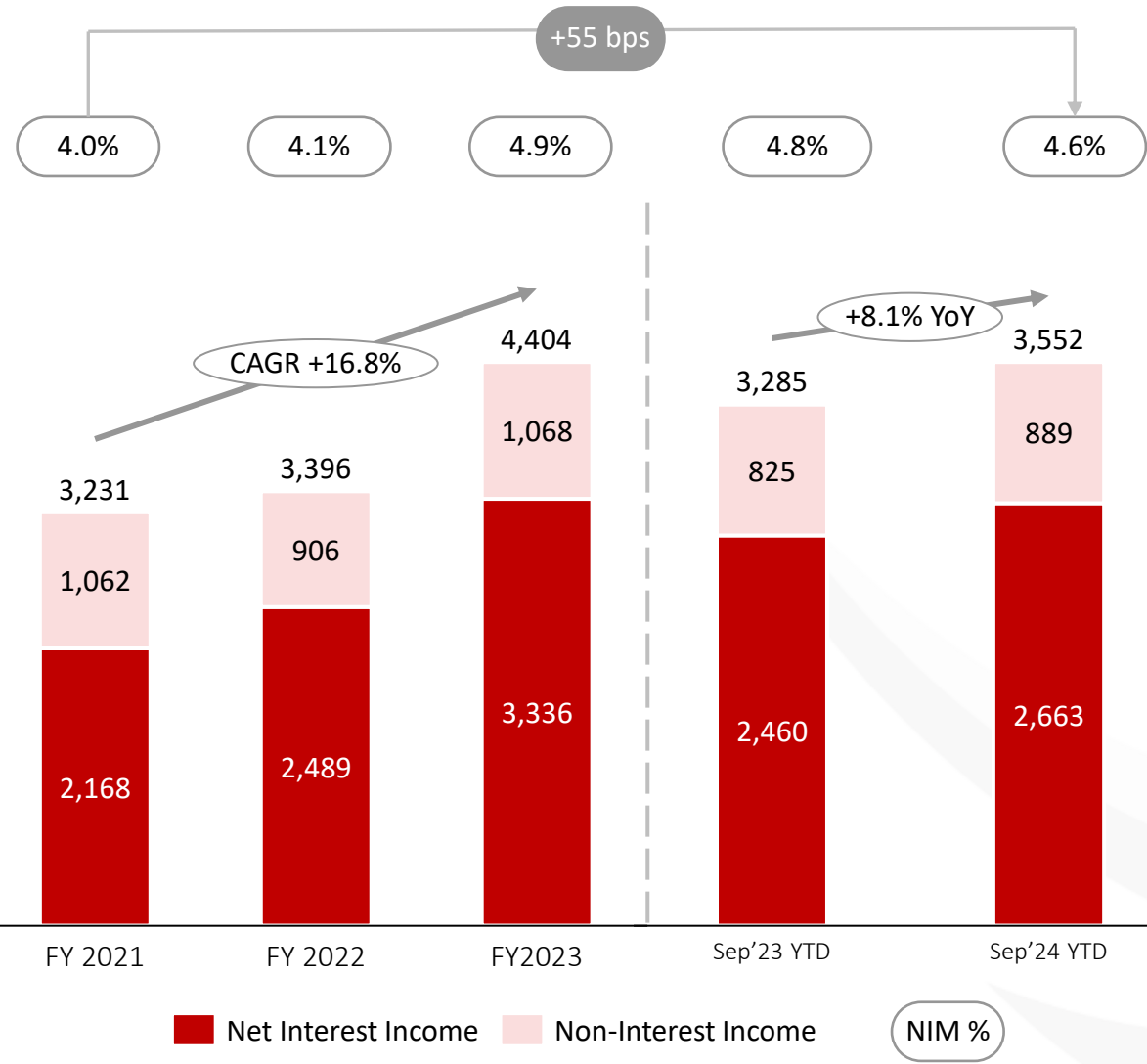
Numbers may not add up due to rounding  
Note: Profit figures prior to 2024 are before tax, taxation came into effect in 2024



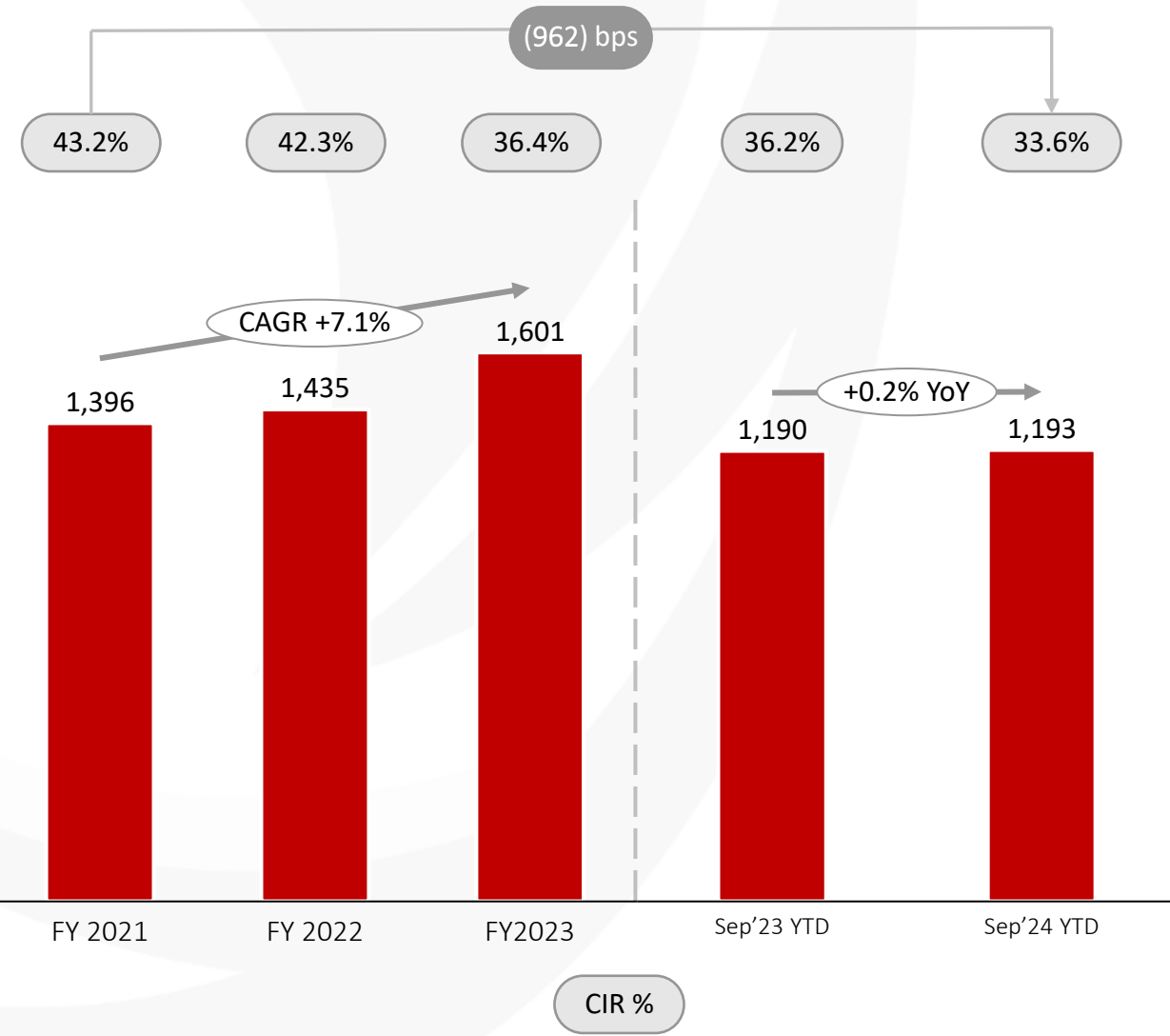
# Due to positive Jaws with Total Income Growth Significantly Ahead of Increase in Costs

Strong Growth in Net Interest Income and Improving Cost/Income Ratio

Operating Income (AED M)



Operating Expenses (AED M)



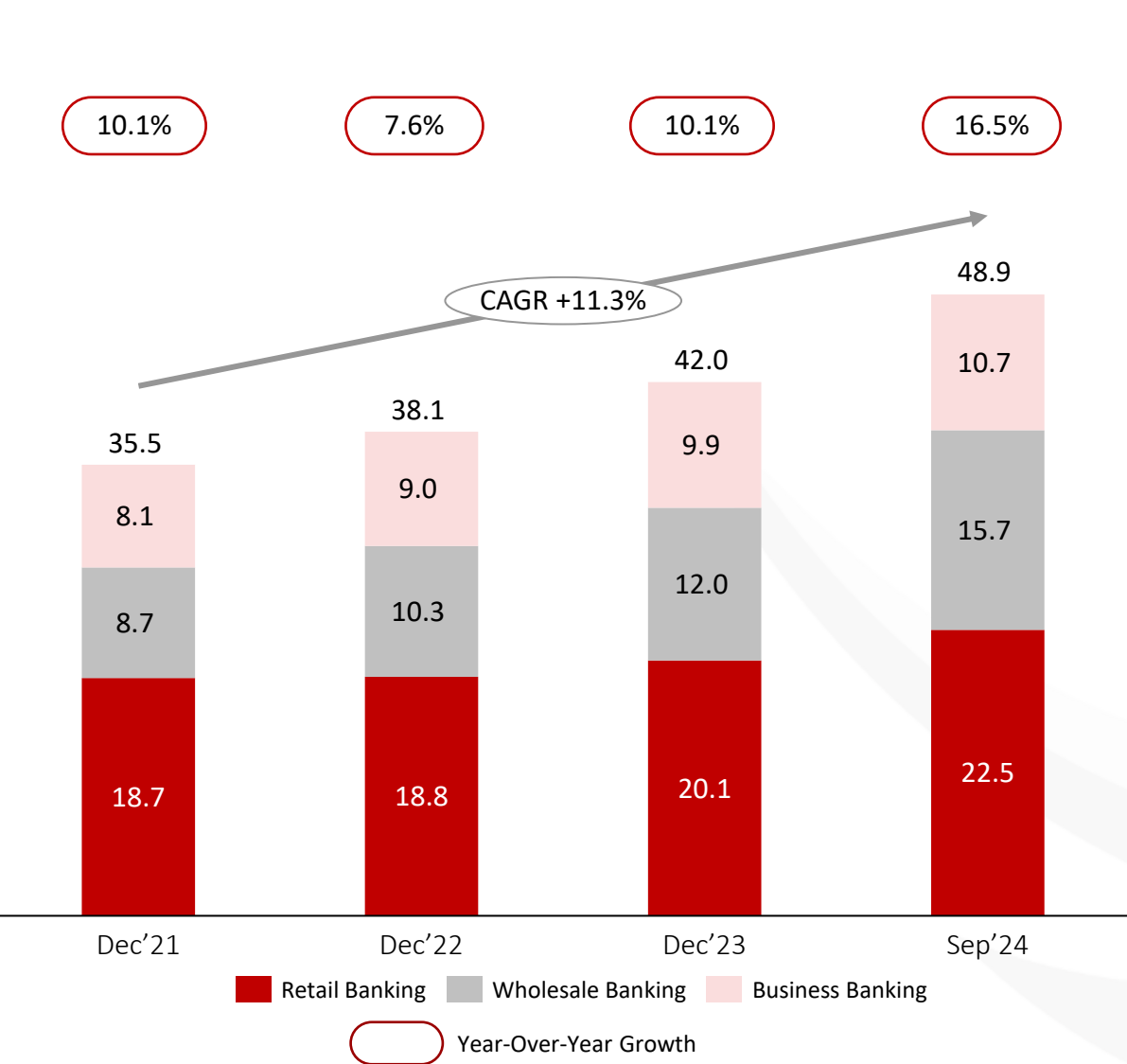
Numbers may not add up due to rounding



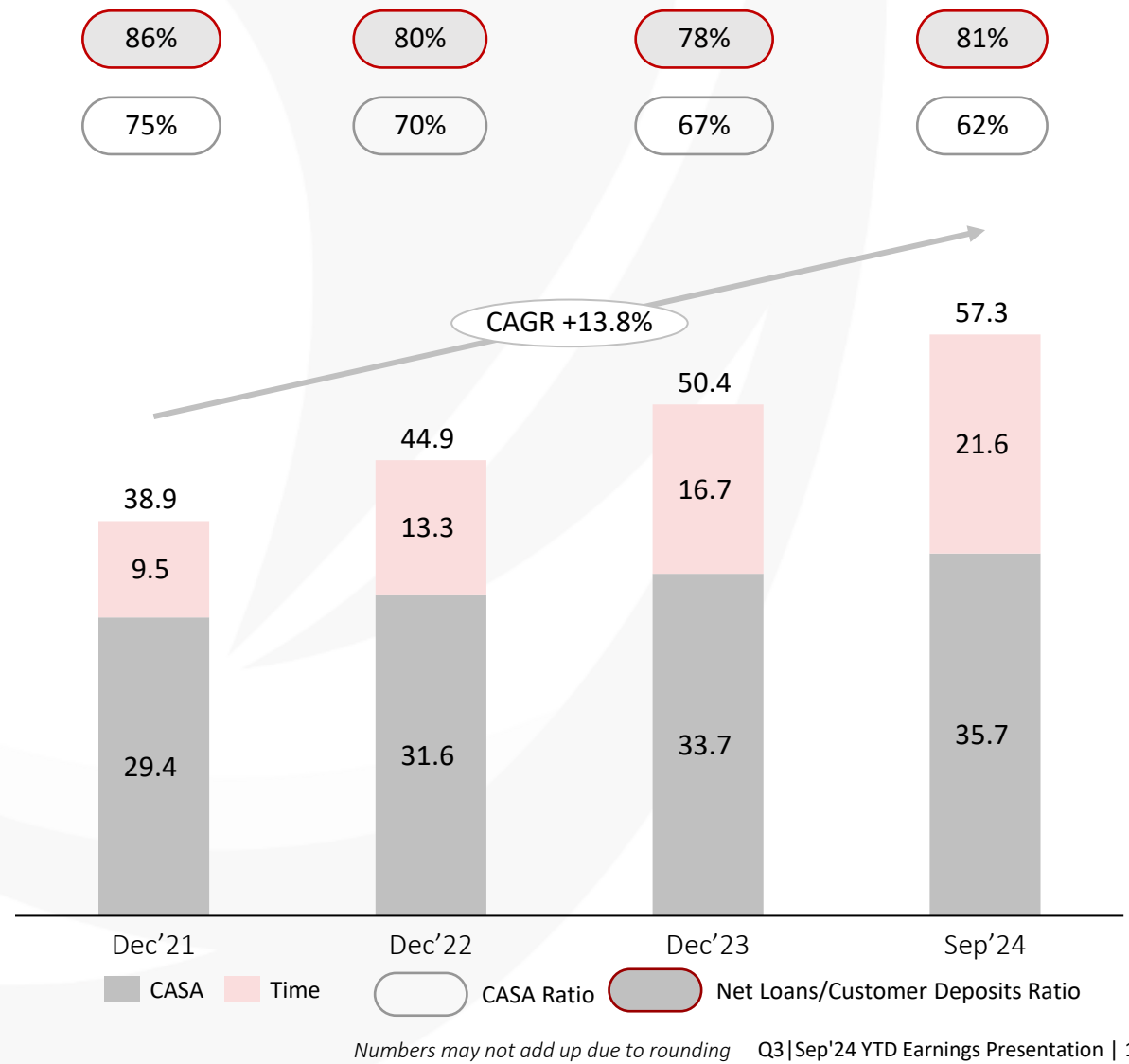
# Supported by Growth of the Balance Sheet

Strong Loan Book Across Segment and Deposit Growth Underpinned by CASA Deposits

Evolution of Gross Loans (AED B)



Evolution of Customer Deposits (AED B)

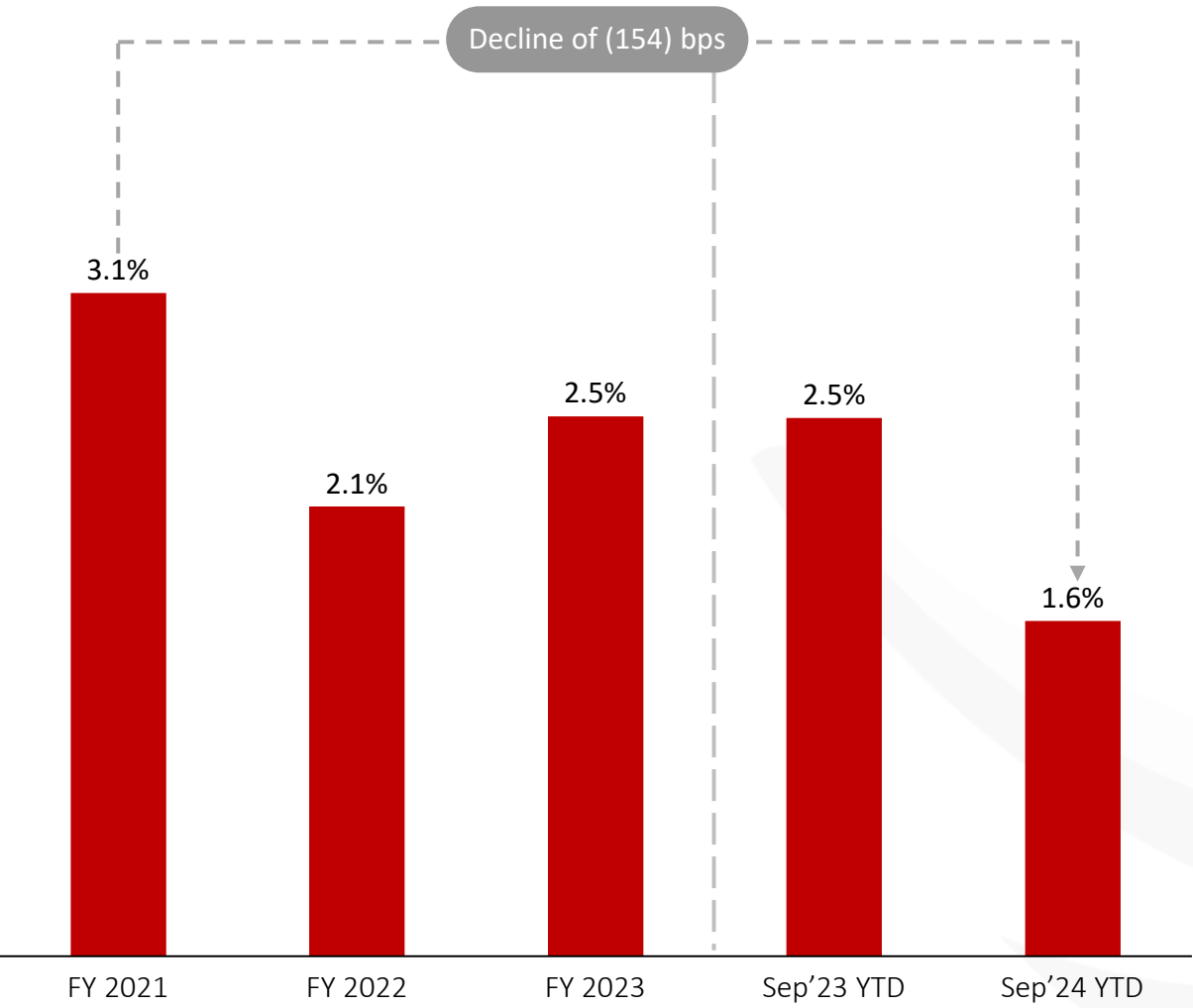




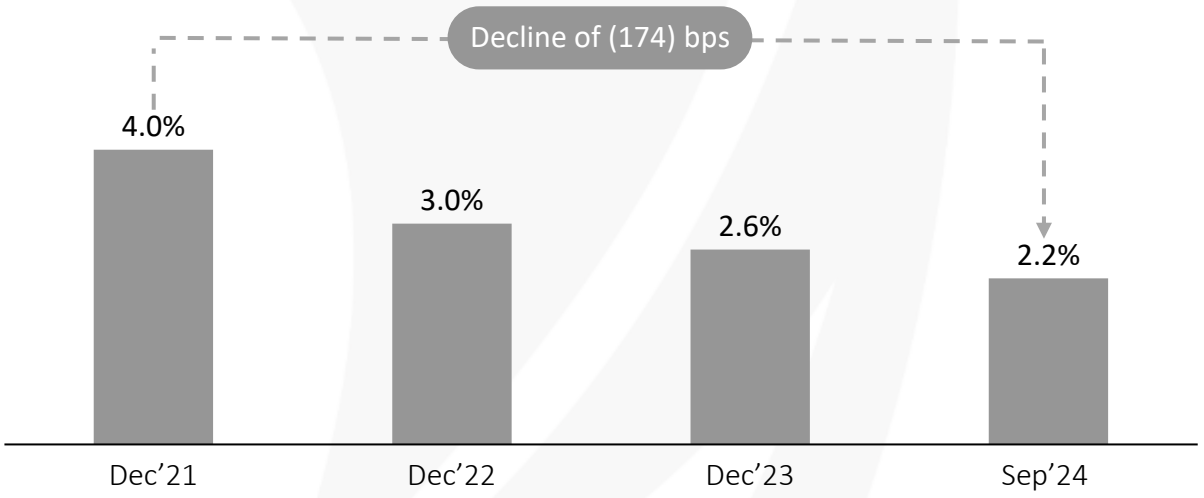
# Underpinned by Prudent Risk Management

High Quality Balance Sheet As a Testament to Strong Underwriting Criteria

## Cost of Risk



## Non-Performing Loan Ratio



## Loan Provisioning

Sep'24

	Gross Book Value (AED M)	Gross Book Value (%)	Loss Allowance (AED M)	Coverage Ratio
Stage 1	46,673	95.4%	1,374	2.9%
Stage 2	1,087	2.2%	588	54.1%
Stage 3	1,168	2.4%	769	65.9%
Total	48,929	100.0%	2,731	5.6%

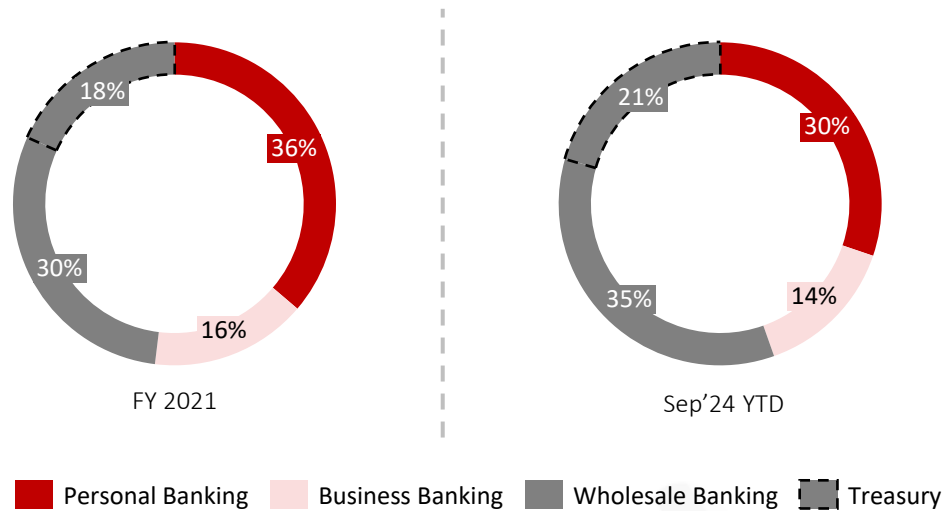
Numbers may not add up due to rounding



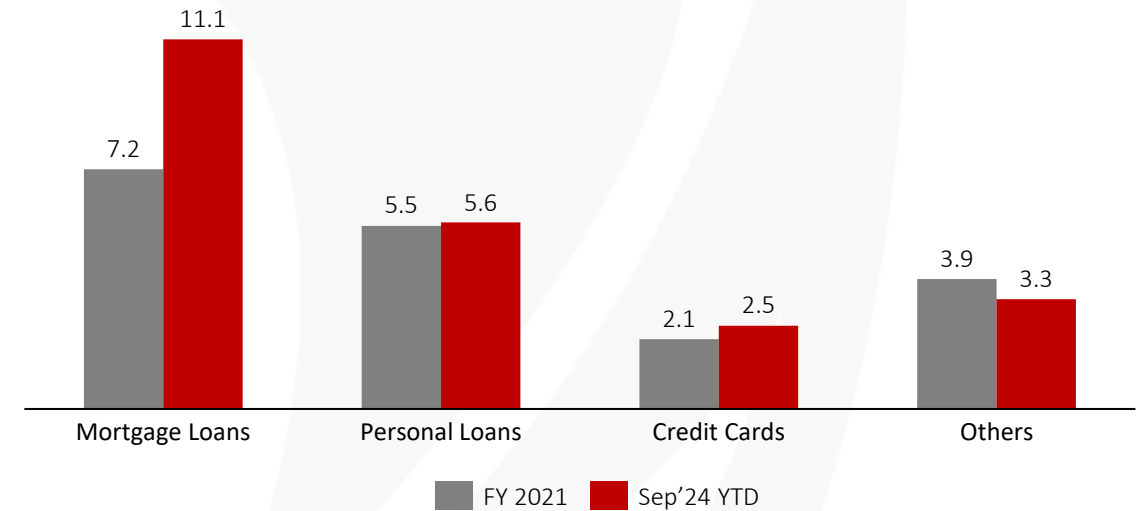
# Transforming Our Asset Mix

Strategic Diversification and Risk Reduction in Asset Portfolio

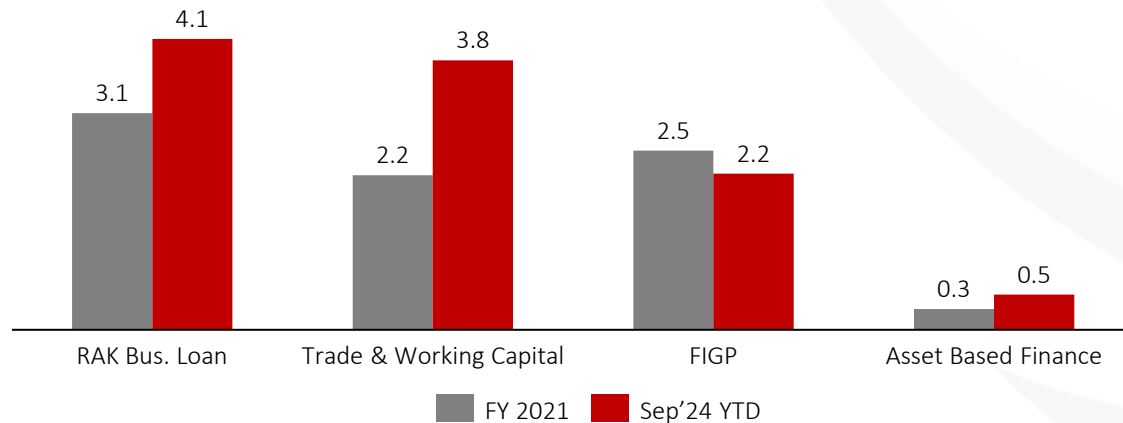
Total Business Assets by Segment (AED B)



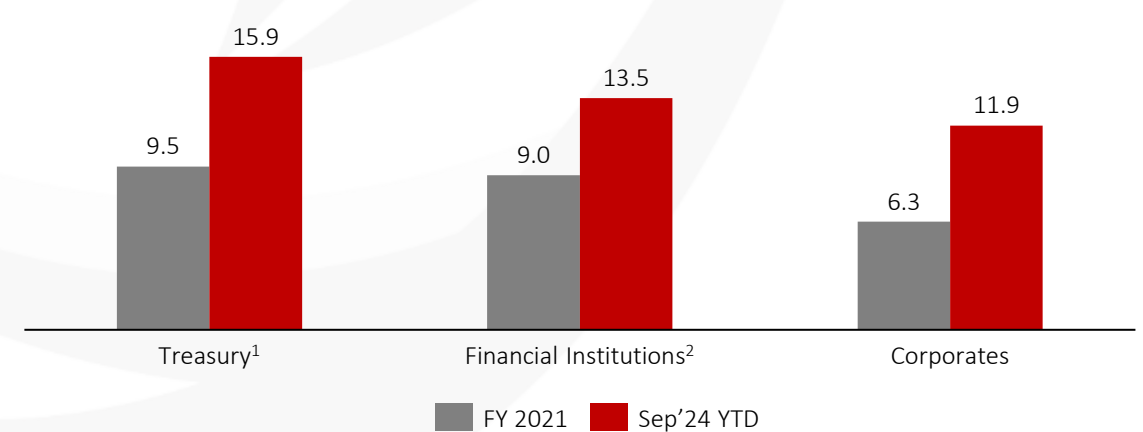
Total Business Assets – Personal Banking (AED B)



Total Business Assets – Business Banking (AED B)



Total Business Assets – Wholesale Banking (AED B)



1- Treasury includes Investments and Treasury Advances

2- Financial Institutions includes Banks and Non-Banking Financial Institutions

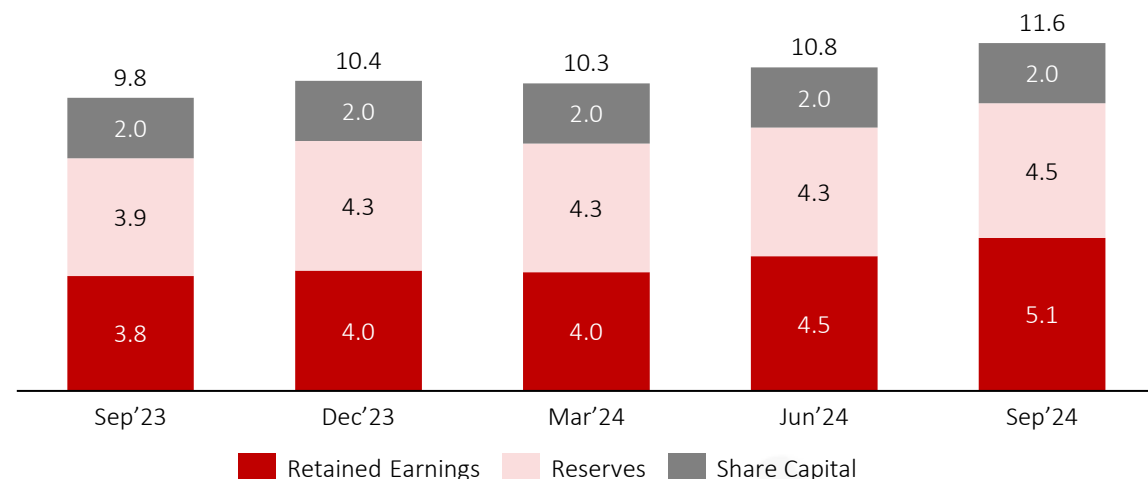
Numbers may not add up due to rounding. 2021 numbers have been restated in line with IAS 32



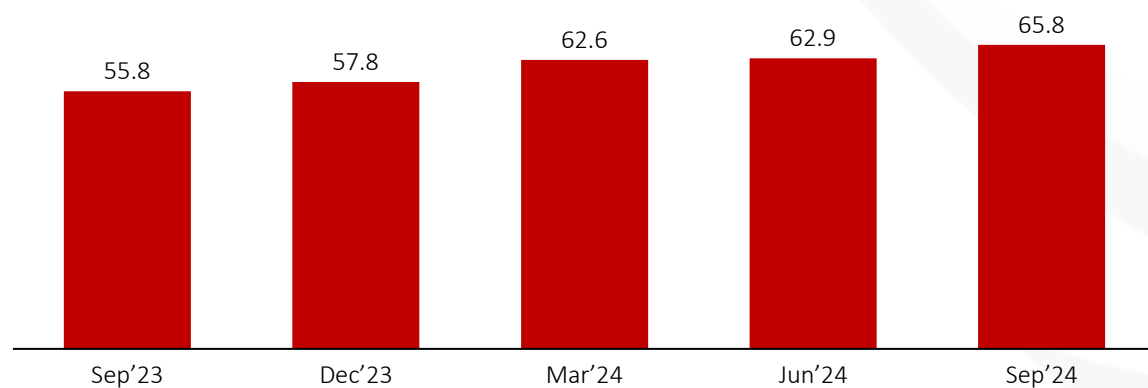
# Strong financial Base Supporting Sustainable Growth

The Bank remains liquid and well capitalized

### Breakdown of Equity (AED B)



### Risk Weighted Assets (AED B)

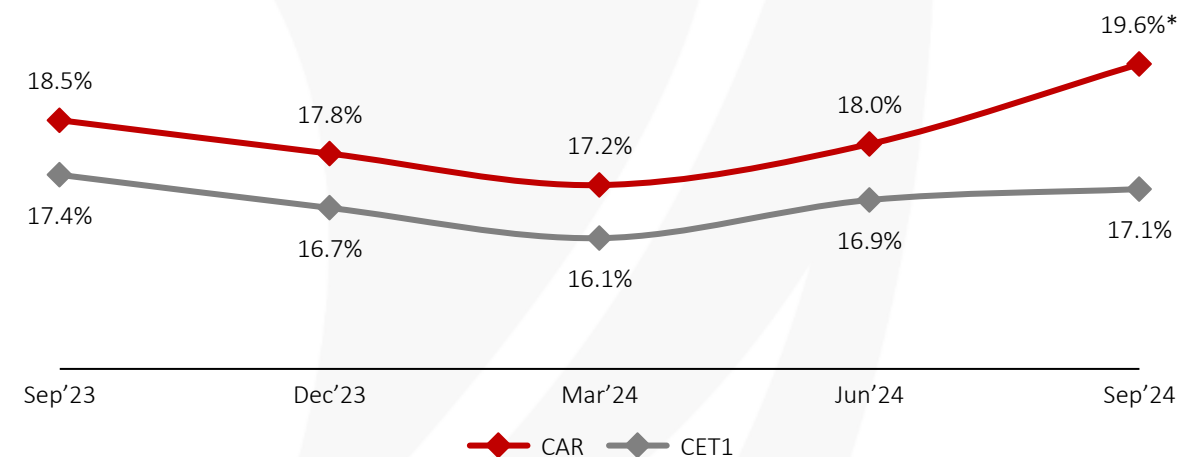


Numbers may not add up due to rounding

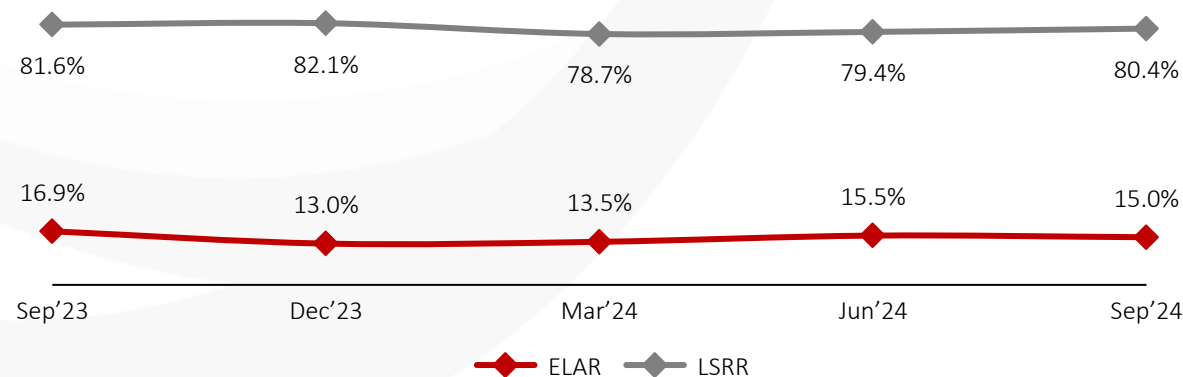
\*Includes issuance of subordinated debt (Tier 2), AED 915 Mn in Q3'24

Definitions: CAR – Capital Adequacy Ratio; CET 1 – Common Equity Tier 1; ELAR – Eligible Liquid Assets Ratio; LSRR – Liquid to Stable Resources Ratio

### Capitalization Ratios



### Liquidity Ratios





## 4. Appendix

---



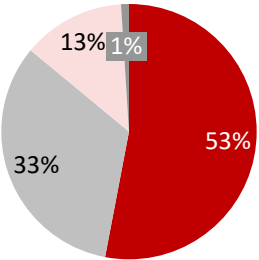
# RAKBANK - Leading Bank in The UAE



## Our Proud History

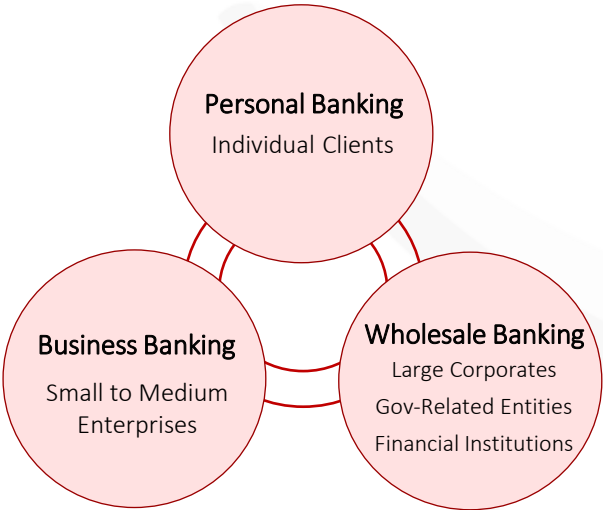
- Founded in 1976 and headquartered in the emirate of Ras Al Khaimah ('RAK')
- Major transformation in 2001, rebranding to **RAKBANK**
- Listed on Abu Dhabi Securities Exchange (ADX) in 2005
- Launched Islamic Banking window – **RAKislamic** – in 2013
- In August 2022 RAKBANK introduced **2026 Vision** to become  
“ *The Digital Bank with a human touch, with you in key moments of truth*”
- RAKBANK today spans across 19 traditional branches and 1 fully electronic branch and 272 ATMs in the UAE located across the Emirates

## Ownership Structure



- Govt. of Ras Al Khaimah
- Other UAE Nationals
- GCC Nationals
- Others

## Key Business Segments



## RAKBANK Awards & Accolades



## Strong and Stable Credit Ratings

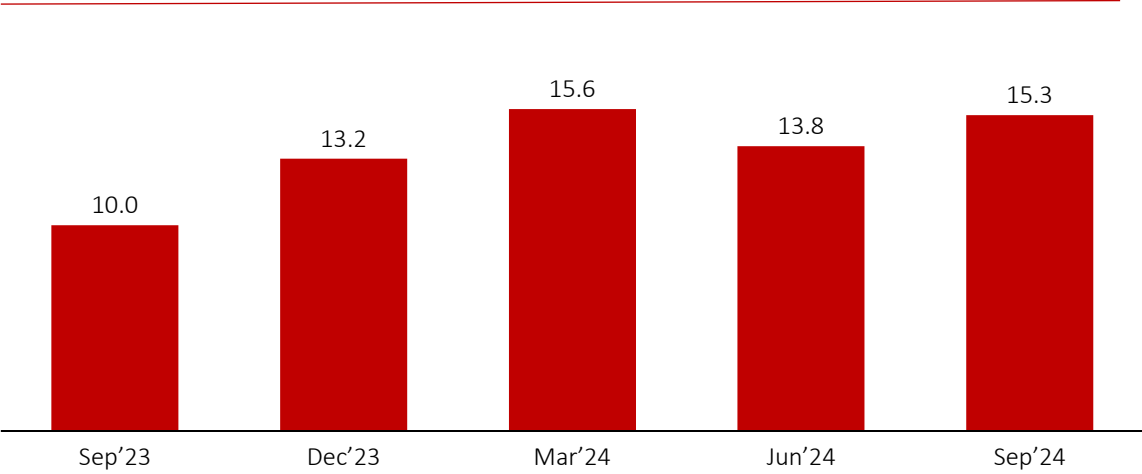
RAKBANK			
Rating Agency	Last Update	Ratings	Outlook
Fitch	March 2024	BBB+ / F2	Stable
Moody's	April 2024	Baa1 / P-2	Stable
Capital Intelligence	August 2024	A / A1	Stable

Emirate of Ras Al Khaimah			
Rating Agency	Last Update	Ratings	Outlook
Fitch	May 2024	A+	Stable
S&P	October 2023	A-	Positive

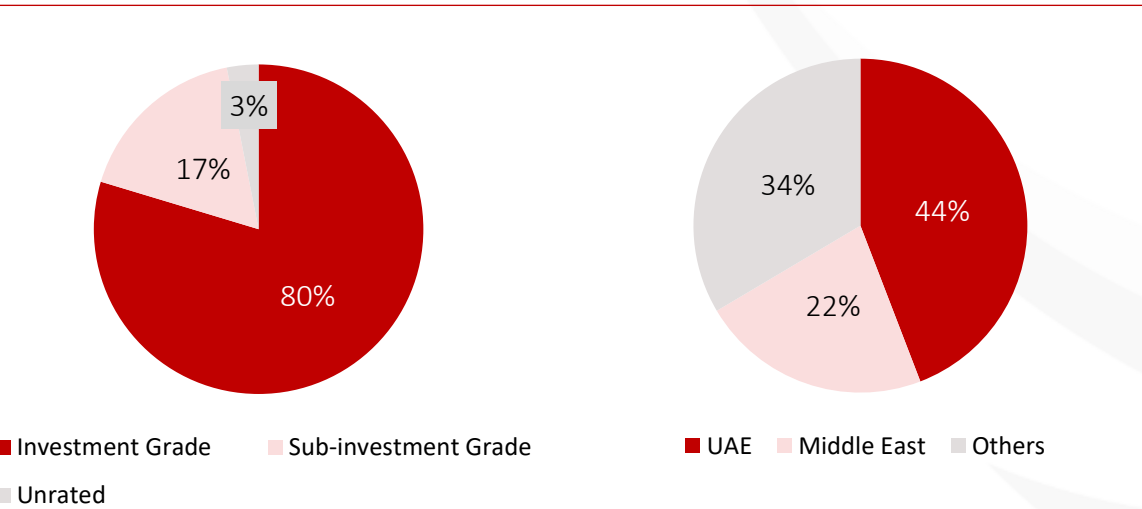
# Balance Sheet: Sep'24 Highlights



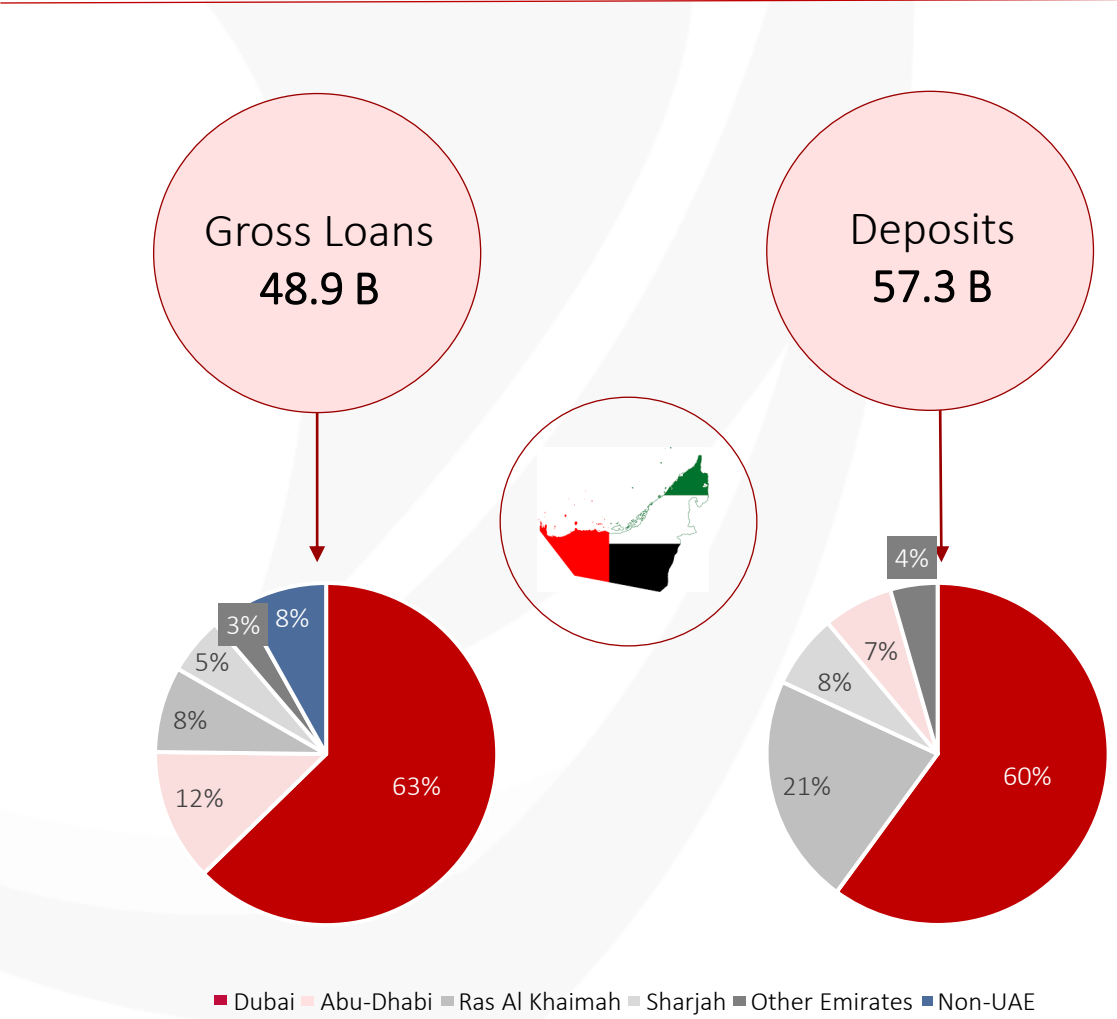
Investments (AED B)



Investment Quality and Geography



Gross Loans and Deposits by Geography



Numbers may not add up due to rounding



## Contact

---

E-mail: [ir@rakbank.ae](mailto:ir@rakbank.ae)

## Useful Information

---

Download links for:

[Investor Relations Website](#)