

**For Immediate release**  
**Press Release**  
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**RAKBANK Group Reports a 10.8% increase in Net Profit to AED 671.8 million for the nine months ended September 30, 2018**

The National Bank of Ras Al Khaimah (RAKBANK) Group announced a consolidated net profit of AED 671.8 million for the nine months ended 30 September 2018. The third quarter of 2018 generated a profit of AED 240.1 million, which is an increase of 6.8% year on year and a 6.0% increase compared with the second quarter of 2018.

Commenting on the results, Peter England, RAKBANK CEO, said: "The ample liquidity and rise in customer deposits have reflected in the Bank's solid progress in the Wholesale Banking, Business Banking, Personal Banking, and Treasury. The trends for the nine months of 2018 are showing positive signs, and the Impairments are on a downward trend. The Bank remains very committed to its diversification strategy which is now delivering growth in net interest income whilst lowering the Bank's risk profile."

Total Assets have grown 12.4% to AED 51.8 billion compared to the end of the 3<sup>rd</sup> quarter 2017. Gross Loans & Advances and investments increased by AED 2.5 billion and AED 2.4 billion respectively compared to 30 September 2017. The healthy growth of corporate loans from Wholesale Banking segment contributed to the increase of the Gross loans & Advances by 7.7% year-on-year. Likewise, Customer deposits grew by AED 3.2 billion to AED 34.6 billion, a 10.1% growth compared to September 2017.

"Besides the financial performance, I'd like to highlight the Bank's recent partnership that occurred in the third quarter of the year with the Finance Department (Government of Ras Al Khaimah) to facilitate their requirements on cash management and payment gateway solutions. Additionally, on the remittance front, we signed an agreement with Sri Lanka's Cargills Bank, which has further leveraged the Bank's partnership with Ripple, our RAKMoneyTransfer (RMT) services enables customers to make instant, frictionless, and secure money transfer services to Sri Lanka's Cargills Bank via blockchain using the Ripple platform," added England.

Operating Income was AED 2.8 billion for the nine months ended 30 September 2018. Operating income increased by 1.2% for third quarter of 2018 compared to same period last year. The Group's Net Interest Income for 9 months increased by 1.5% to AED 2.1 billion whilst the non-Interest Income declined by 8.2% due to lower investment income due to decreases in volume of sale of investments during the nine months period as a result of the challenges in the Bond market. Operating expenses increased 2.9% year-on-year and the cost to income ratio for 9 months closed at 39.3%. Impairments were lower by AED 135.1 million for the nine months ended September 2018 compared to the same period of 2017.

The Bank's Basel III capital adequacy ratio stood at 18.5% at the end of September 2018. This level of capital provides the Bank with ample room for growth in 2018. The regulatory eligible liquid asset ratio at the end of September 2018 was 13.7% compared to 15.0% at the end of 2017. The advances to stable resources ratio stood comfortably at 87.7% compared to 87.8% at the end of 2017.

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