



RAKBANK

Investor Relations Presentation

Q1 / 3M 2019

Establishment

- The National Bank of Ras Al Khaimah was founded in 1976. It underwent a major transformation in 2001 as it rebranded as RAKBANK and shifted its focus from Corporate Banking to Retail Banking (re-branded to Personal Banking) and small businesses.
- RAKBANK is a public joint stock company headquartered in the emirate of Ras Al Khaimah (RAK). It has 36 branches and over 349 ATMs in the UAE.
- In late January 2013, the Bank launched its Islamic Banking unit – RAK Islamic.
- RAKBANK is listed on the Abu Dhabi Securities Exchange (ADX) and 52.8% of the Bank's shares are owned directly and indirectly by the government of RAK. The market capitalization of RAKBANK is AED6.87Bn (USD1.9Bn) as of March 31, 2019.

* These represent legal ownership of the Bank. However, beneficial ownership is 100% as the remaining interest is held by a related party
 ** On 19 April 2017, the shareholders at the annual general meeting resolved to liquidate RAK Islamic Finance Company Pvt. J.S.C. ("the Company") and transfer its net assets and obligations to the Bank at book value. On 21 June 2017, the shareholders at the General Assembly meeting approved to liquidate the Company and resolved to dissolve it in accordance with the provisions of the Federal Law No. (2) of 2015.

Regulatory Framework

The UAE Central Bank (CBUAE)

- Regulations cover both conduct of business and prudential regulations.
- Acts as the clearing house for all AED payments.
- Conducts a detailed inspection of the banks on an annual basis.
- Anti Money Laundering and Suspicious Cases Unit of the CB-UAE acts as the Fraud Investigation Unit (FIU) of the UAE.

Securities & Commodities Authority (SCA) & Abu Dhabi Securities Exchange (ADX)

- SCA is the main regulator of funds houses, custodians, capital market operations, stock exchanges and financial brokerage business in the UAE.
- RAKBANK complies with all listing requirements stipulated by ADX.




Insurance Authority (IA)

- IA is concerned with regulating and supervising the UAE insurance sector to promote the role of the insurance industry and ensure fair and effective competition.

Subsidiaries

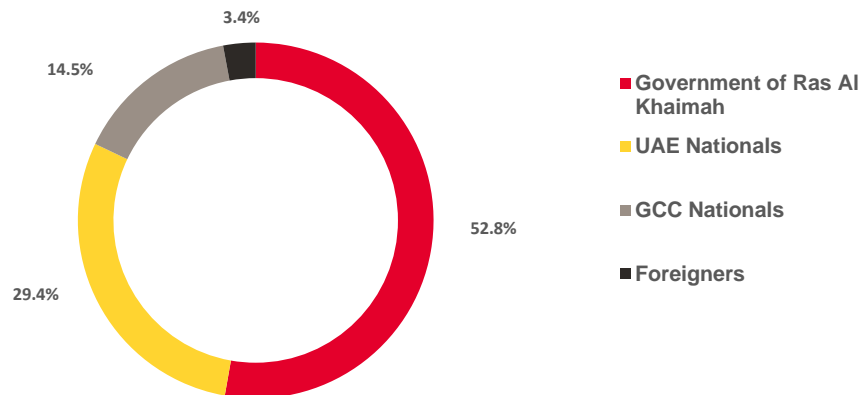
Subsidiary	Ownership	Country	Purpose
RAK Insurance	79.23%	UAE	develop insurance products
RAK Islamic Finance Company**	99.99%*	UAE	sell Sharia-compliant products
Back Office Support Services (BOSS)	80.00%*	UAE	provide back office support services
RAK Technology	80.00%*	UAE	supply information technology support
RAKFUNDING CAYMAN LTD	100.00%	Cayman Islands	enable the issuance of bonds
RAK Global Markets Cayman Limited	100.00%	Cayman Islands	facilitate treasury transactions

Ratings

Rating Agency	Last Update	Deposits	Outlook
	January 2019	Baa1 / P-2	Stable
	December 2018	BBB+ / F2	Stable
	August 2018	A- / A2	Stable

Shareholders, Directors & Management

Ownership Structure



Source: ADX

CEO's Profile

Peter England was appointed as RAKBANK's CEO on 1st November 2013. In the past five years, Peter has implemented a strategy to diversify the Bank's balance sheet and income base. The strategy included rebuilding Wholesale Banking, strengthening the Business Banking Unit, and enhancing the Personal Banking product suite. These changes and others have broadened the Bank's fee income base by growing capability in areas such as Treasury, Foreign Exchange, Insurance, and proprietary Asset Management. Additionally, Peter played a pivotal role in the Bank's acquisition of a major stake in RAK Insurance. Peter has almost 40 years of experience in Banking and has worked extensively in the UAE, Australia, and in Asia in Malaysia, Singapore and Cambodia. He has a wealth of experience in both Conventional Banking and Islamic Finance, and has a particular interest in the areas of payments and Wealth Management. Peter holds a Master of Business Administration from the University of Southern Queensland and is a Board member of RAK Insurance.

Board of Directors

H.E. Mohamed Omran Alshamsi	Chairman
H.H. Shaikha Amneh Alqasimi	Director
H.E. Sheikh Salem Al Qasimi	Director
Mr. Salem Ali Al Sharhan	Director
Mr. Ahmed Essa Al Naeem	Director
Mr. Rajan Khetarpal	Director
Mr. Kantic Dasgupta	Director

Management

Deepak Majithia Chief Financial Officer	Dhiraj Kunwar MD, Business Banking
Geoff Stecyk Chief Operating Officer	Rahul Oberoi MD, Wholesale Banking
K.S. Ramakrishnan Chief Risk Officer	Jean Pierre Le Roux MD, Financial Institutions Group & International
Mahadevan Radhakanthan Chief Credit Officer	Vikas Suri MD, Treasury
Alberto Diez Alvarez Chief Innovation Officer	Saleh Ali Saleh Director, RAK Business
Nicola Thompson Chief Internal Auditor	Abdul Karim Juma Director, Islamic Banking
Ahmed Yousef Chief Human Resources Officer	Venkat Raghavan Director Compliance & Operational Risk
Frederic De Melker MD, Personal Banking	Nabil Azar Director, General Counsel

Personal Banking

- Incorporating individual customer financing, credit and debit cards and deposit facilities.
- Includes lending products such as personal loans, auto loans, credit cards, and mortgages. As well as fee based services from Bancassurance. investment products, foreign exchange, trade services, and remittance.

Business Banking

- Incorporating non-individual financing and deposit services for SME customers.
- Includes Term & Working Capital (TWC), RAK Business Loan, Secured Finance, Asset Backed Finance (ABF), Financing against Income Generating Property (FIGP), and Deposit facilities.
- RAK Business Loan for business turnovers up to AED75Mn and Working Capital financing for turnovers up to AED150Mn.

Wholesale Banking

- Incorporating financing and deposit services for larger corporates bodies, including government and public institutions.
- Includes Corporate and Commercial Banking, Trade Finance, Financing against Income Generating Property (FIGP), Financial Institution (FI) Lending, and Asset Backed Finance (ABF).
- Targeting customers with turnovers above AED150Mn.

Treasury

- Incorporating money market activities, investments in debt and equity securities, foreign exchange and derivatives transactions with other banks, and financial institutions.
- Treasury is the custodian of liquidity and supports the growth of other segments.

Insurance

- Incorporating all insurance related transactions of subsidiary, RAK Insurance.
- The Bank and RAK Insurance collaborate on manufacturing and selling insurance products.

Full fledged financial services institution, offering Conventional and Islamic Banking services, with diversified presence in Retail Banking, Business and Wholesale Banking segments.

Awards and Recognition

**Best SME Customer
Service Provider
UAE 2019**

*International Business
Magazine Award*

(2019)

**Most Innovative
Outward Remittance
Services (RMT) - UAE**

*Global Banking
and Finance Review
Awards*

(2018)

**Best Customer
Happiness Centre**

*Customer Happiness
Summit and Awards*

(2018)

**Best Marketing, Social
Media, and Brand**

*International Business
Excellence Awards*

(2018)

**Best SME Bank in the
UAE**

*Banker Middle East
Industry Awards*

(2018)

Best Blockchain

*Asian Banker
Technology Innovation
Awards*

(2018)

**Best API Platform
Initiative**

*Asian Banker
Technology Innovation
Awards*

(2018)

**Best Deposit Product
in the Middle East
(Fawrun Product)**

*Asian Banker's Middle
East & Africa Awards*

(2018)

**Marketing, Social
Media and Brand
Award (Auntie Penny
Campaign)**

*International Business
Excellence Awards*

(2018)

**Dubai Quality
Appreciation Award**

*Business Excellence
Award – Department of
Economic
Development
(2018)*

**Dubai Service
Excellence Scheme
Award**

*Business Excellence
Award – Department of
Economic Development*

(2018)

**Best SME Customer
Service Award**

Banker Middle East

(2018)

**Best Omnichannel
Experience Award**

Genesys

(2018)

**Best Technological
Innovation in Payment
- B2C**

Seamless Awards

(2018)

**Home Loan Provider of
the Year - by
yallacompare**

*Banking and
Insurance Awards*

(2018)

**Best Customer Loyalty
program for
RAKrewards**

*Service Olympian
Awards*

(2018)

**Best Smart Service
Transformation
Initiative for Digital
Banking App**

*Service Olympian
Awards*

(2018)

**Overall Best Live Chat
Performance**

*Service Olympian
Awards*

(2018)

Q1 / 3M 2019 Highlights

Financial Snapshot

(AED Mn)	Quarterly Results			Variance	
	Q1 '19	Q4 '18	Q1 '18	Q1 '19 v/s Q4 '18	Q1 '19 v/s Q1 '18
Net Interest Income	683.8	702.8	670.9	(2.7%)	1.9%
Non-Interest Income	317.2	289.5	251.7	9.6%	26.0%
Total Income	1,001.0	992.3	922.6	0.9%	8.5%
Operating Expenditures	(384.5)	(375.3)	(353.3)	(2.5%)	(8.9%)
Operating Profit Before Provisions for Impairment	616.5	617.0	569.3	(0.1%)	8.3%
Provisions for Impairment	(346.3)	(371.3)	(364.2)	6.7%	4.9%
Net Profit	270.2	245.7	205.1	10.0%	31.7%

Key Ratios

Ratios	Results as at			Variance	
	Mar '19	Dec '18	Mar '18	YTD	Y-o-Y
Return On Equity*	15.1%	13.5%	12.0%	1.6%	3.1%
Return On Assets*	2.1%	1.8%	1.7%	0.3%	0.4%
Net Interest Margin*	5.3%	5.5%	5.7%	(0.2%)	(0.4%)
Cost-to-Income	38.4%	38.9%	38.3%	0.5%	(0.1%)
Provision Coverage Ratio	132.4%	133.1%	139.2%	(0.7%)	(6.8%)
Gross Impaired Loans Ratio	4.0%	4.2%	4.1%	0.2%	0.1%
LSRR	89.3%	94.5%	88.1%	5.2%	(1.3%)
Liquid Asset Ratio	14.5%	14.5%	13.6%	0.0%	1.0%
Total CAR Basel III	17.4%	17.2%	18.6%	0.2%	(1.2%)

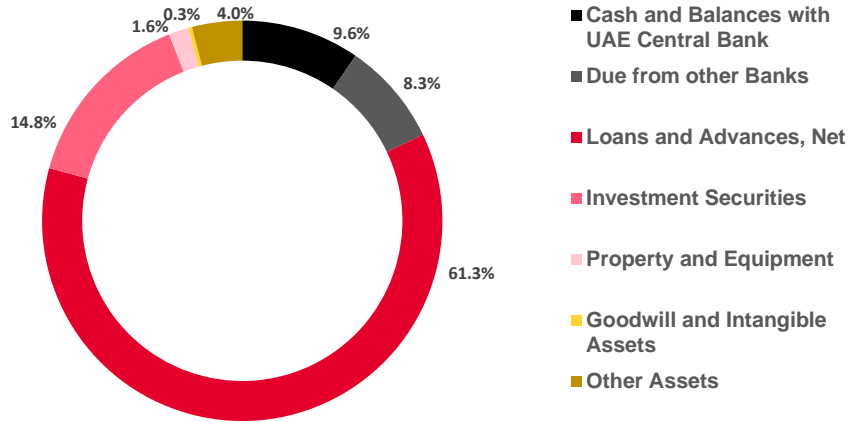
Balance Sheet Highlights

(AED Bn)	Results as at			Variance	
	Mar '19	Dec '18	Mar '18	YTD	Y-o-Y
Total Assets	53.5	52.7	49.1	1.6%	9.0%
Gross Loans & Advances	34.6	34.8	33.6	(0.5%)	3.3%
Deposits	35.4	34.1	33.3	3.8%	6.4%
Gross Customers Assets	38.3	38.3	36.5	0.1%	5.2%

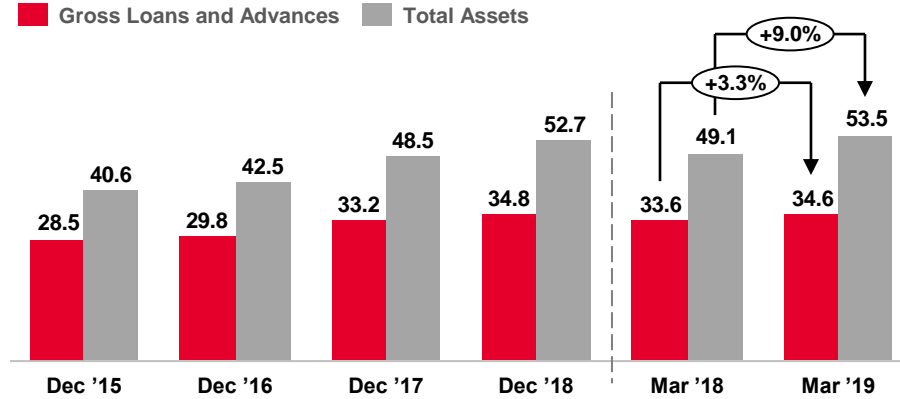
*Annualized
Numbers may not add up due to rounding

Balance Sheet Overview

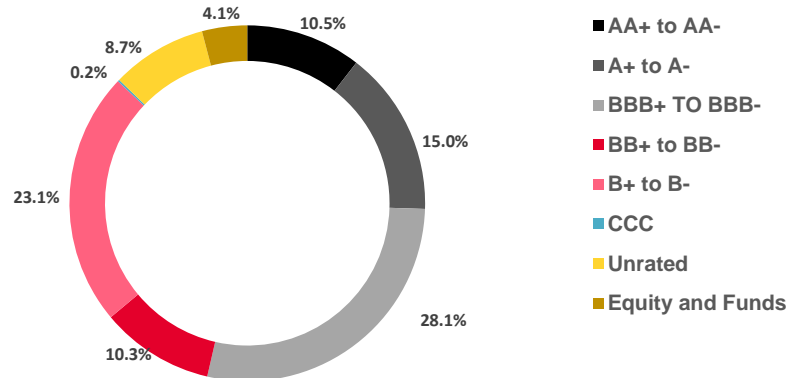
Breakdown of Assets by Type



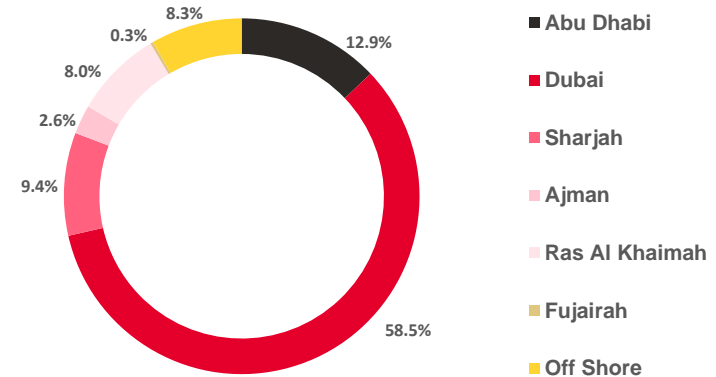
Assets and Gross Loans & Advances (AED Bn)



Analysis of Investment Securities



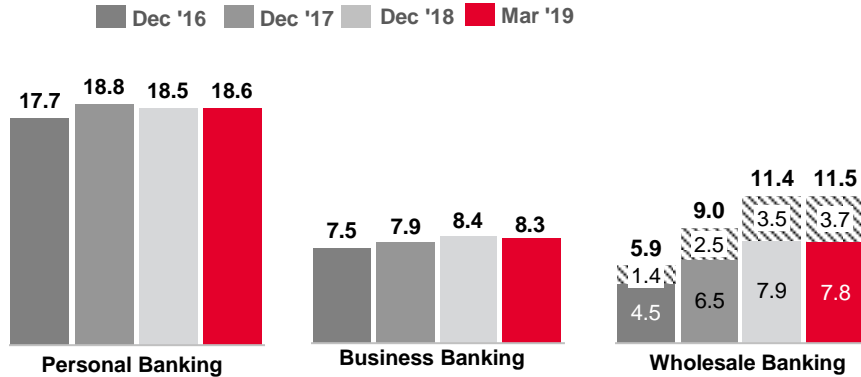
Loans by Geography, by Value



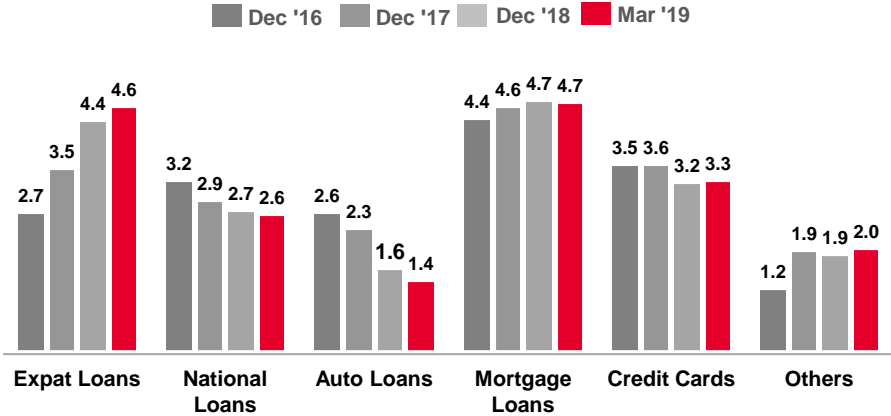
Numbers may not add up due to rounding

Customer Assets Mix

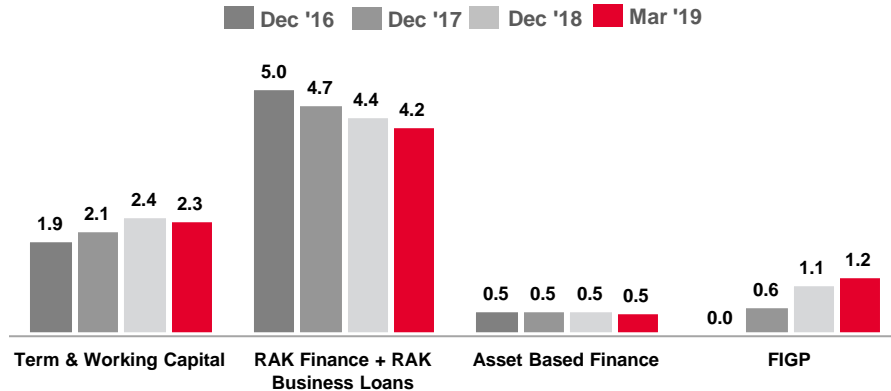
Total Customer Assets by Segment (AED Bn)



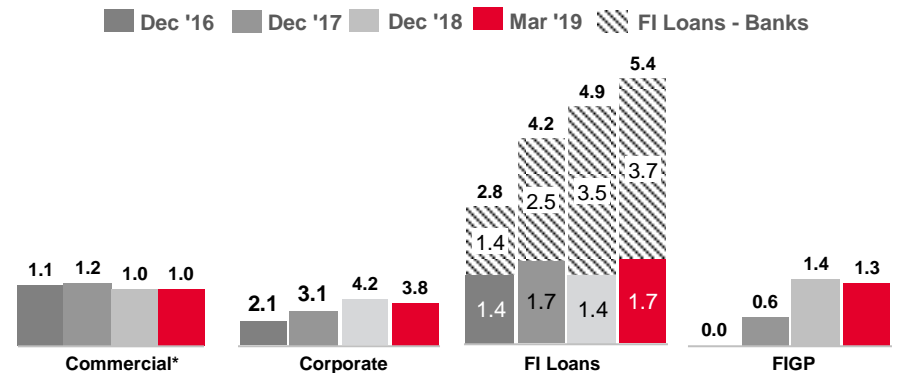
Total Customer Assets – Personal Banking (AED Bn)



Total Customer Assets Business Banking (AED Bn)



Total Customer Assets – Wholesale Banking (AED Bn)

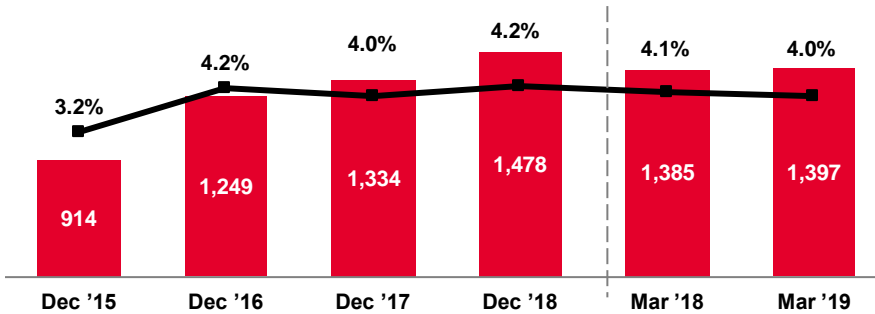


Numbers may not add up due to rounding

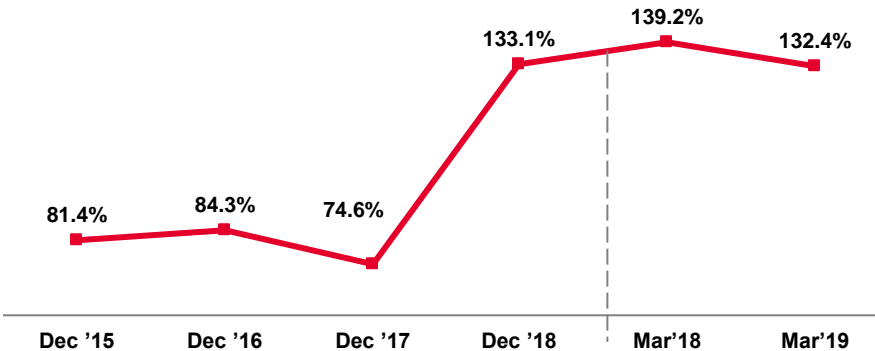
*Commercial includes Asset Based Finance & Gold Loan

Non-Performing Loans (AED Mn)

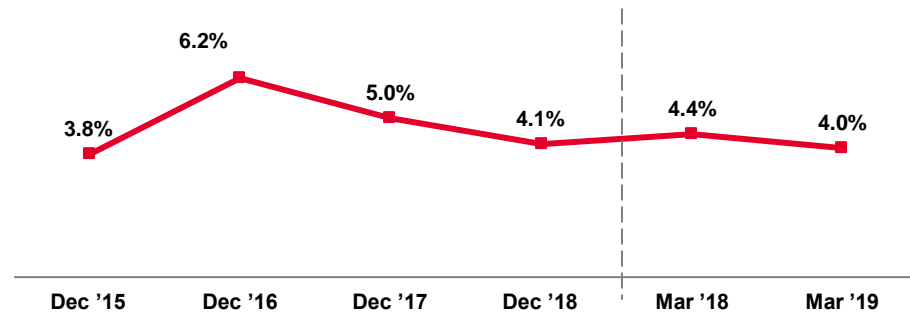
■ Impaired Loans to Gross Loans and Advances
 ■ Impaired Loans



Provision Coverage Ratio



Cost of Risk

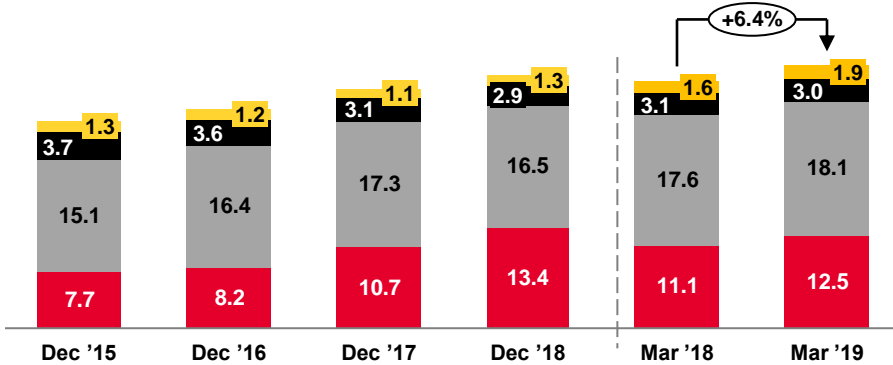


Notes

- The Bank has been diversifying the product mix into lower risk business by growing its traditional TWC lending, Property Backed Loans and ABF under Business Banking segment and its Corporate, Commercial, Property Backed Loans, and FI portfolios under its Wholesale Banking segment.
- The Bank is well provisioned against loan losses with a conservative loan loss coverage ratio of 132.4%, which does not take into consideration mortgaged properties and other realizable asset collateral available against the loans.
- Increase in provision coverage ratio starting 2018 is due to additional provisions taken as a result of the implementation of IFRS9 as of 1 January 2018.

Customer Deposits (AED Bn)

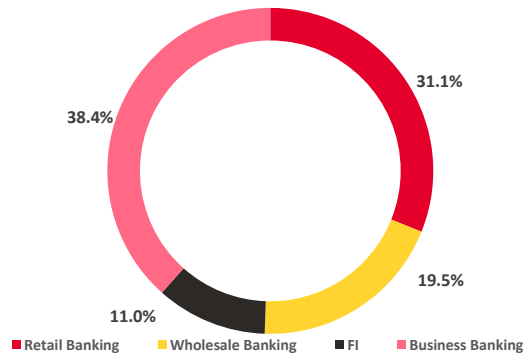
Call Savings Current Time



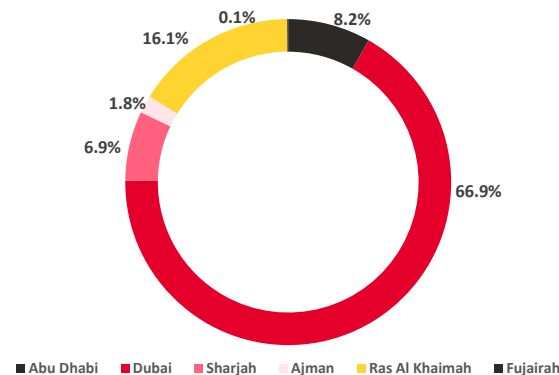
Notes

- Customer Deposits grew by AED 1.3 billion to AED 35.4 billion compared to 31 December 2018. Customer Deposits grew by AED 2.1 billion compared to 31 March 2018. The growth came from an increase of AED 1.5 billion in Time Deposits and AED 665 million in CASA deposits.

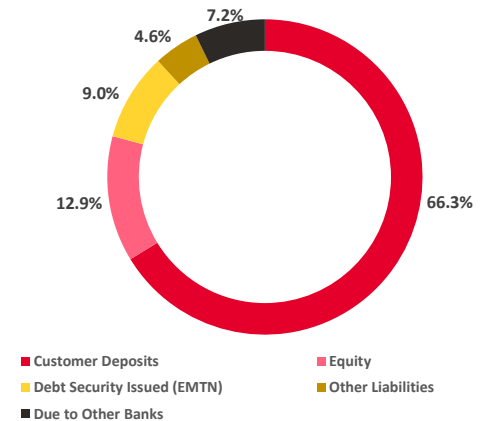
Deposits Value by Segment



Customers Deposits by Geography by Value



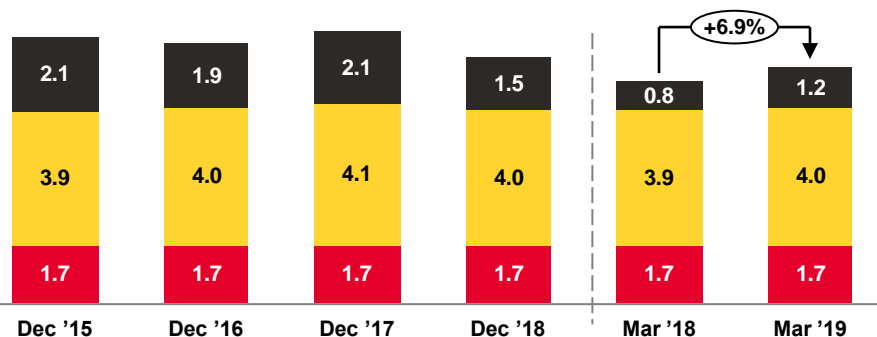
Liabilities Mix



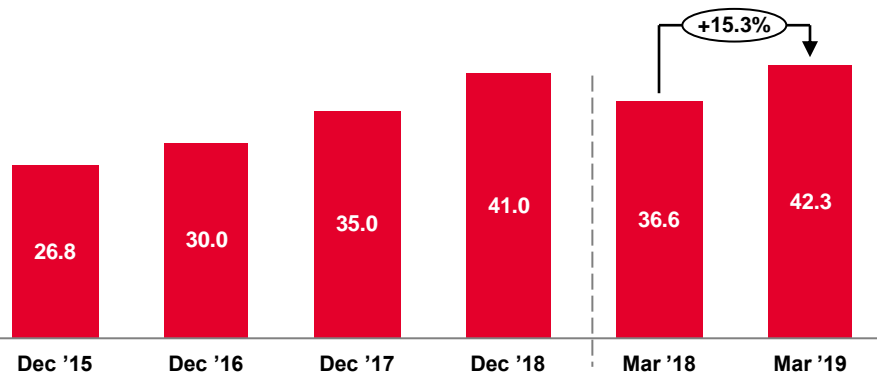
Numbers may not add up due to rounding

Equity Breakdown (AED Bn)

■ Retained Earnings ■ Reserves* ■ Share Capital



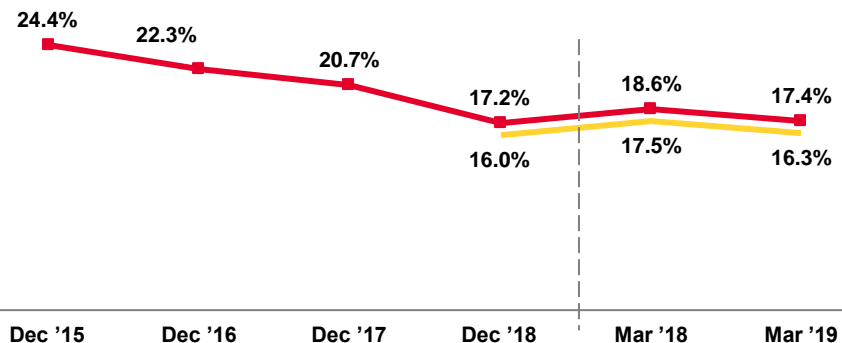
Risk Weighted Assets (AED Bn)



Numbers may not add up due to rounding

Total Capital Adequacy Ratio (CAR)

■ Total Capital Adequacy Ratio ■ CET 1



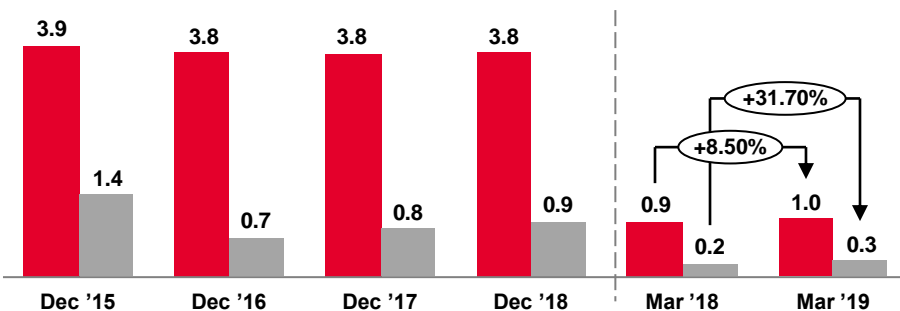
Notes

- * Reserves include minority interest.
- Total Capital Adequacy Ratio (CAR) as at 31 March 2019 is at 17.4%; Common Equity Tier 1 is at 16.3%; and Tier 2 is at 1.1%.
- Risk Weighted Assets figures are all as per Basel III from Dec'17 onwards.
- The impact on regulatory capital for the Group due to the transition to IFRS 9 amounted to AED 977.5 million. This reduced the Common Equity Tier 1 capital adequacy ratio. The Bank created a General Provision with effect from January 1, 2018 which now qualifies as Tier II capital.

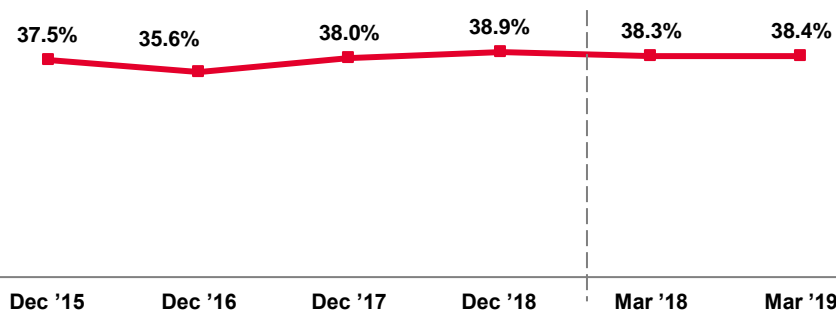
Profitability

Profitability (AED Bn)

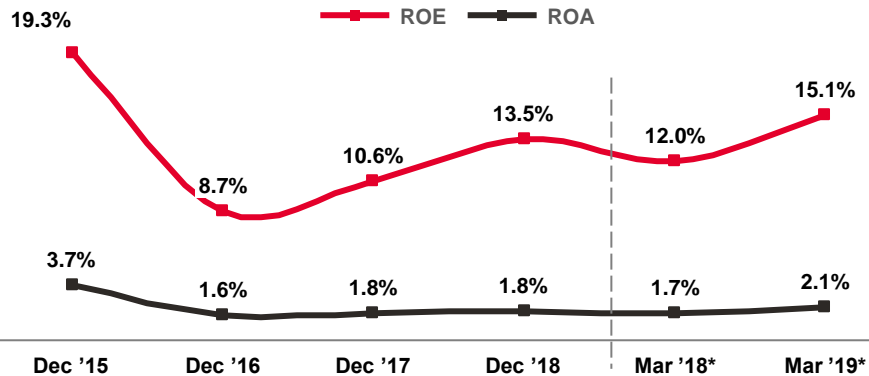
■ Total Income ■ Net Profit



Cost-to-Income Ratio

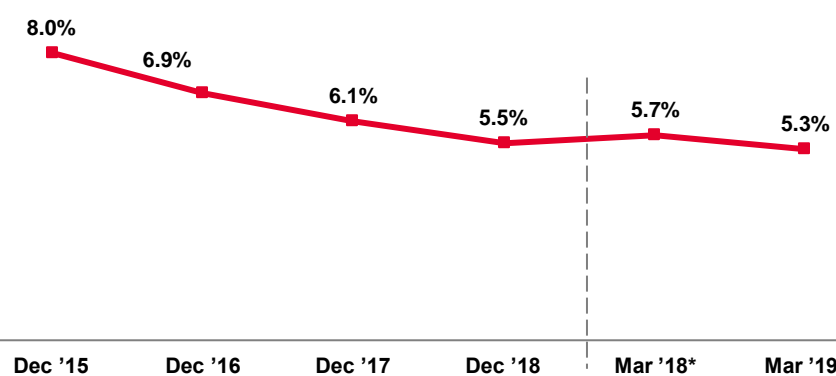


Annualized Returns



* annualized

Net Interest Margin



The information in this presentation 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 presentation. 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 presentation, 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 presentation 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 presentation 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 of this presentation 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 presentation.