



RAKBANK

Investor Relations

Presentation

FY 2015

Establishment

- The National Bank of Ras Al Khaimah was founded in 1976. It underwent a major transformation in 2001 as it rebranded into RAKBANK and shifted its focus from Corporate Banking to Retail Banking.
- RAKBANK is a public joint stock company headquartered in the emirate of Ras Al Khaimah (RAK). It has 35 branches and over 250 ATMs in the UAE.
- In late January 2013, the Bank launched its Islamic Banking unit – AMAL.

Strategy

- Since 2001, the strategy focus has been on Retail and Small Business Banking in which the Bank enjoys a strong foothold. In late 2013, the Bank increased its lending in the traditional SME and Commercial Banking segment and more recently into Corporate Banking to diversify its portfolio further.
- During 2015, the Bank acquired a majority stake in RAK Insurance Company and launched a Remittance service as it moves ahead with its diversification strategy.
- Going forward, the Bank plans to become a broad-based financial services company by taking advantage of opportunities that enhance revenue and market share through acquisitions and new business.

Ownership

- RAKBANK is listed on the Abu Dhabi Securities Exchange (ADX) and 52.77% of the Bank's shares are owned directly and indirectly by the government of RAK. The market capitalization of RAKBANK is AED 10.476 billion (US\$ 2.85 billion) as of 31 December 2015.
- The Board of Directors consists of the RAK ruling family and businessmen and professionals from UAE and Australia.




Awards & Recognition

- 1st in the UAE by Return on Assets and 26th globally according to The Banker's Top 1000 Bank Rankings 2015
- Best Mobile Banking Initiative for MobileCash and Best SME Bank in the Middle East for RAKFinance at The Asian Banker Middle East Retail Product Awards 2015
- 2nd Best Performing Commercial Bank in the GCC according to the 2015 darien analytics survey
- 22nd most valuable brand in the GCC in 2015 according to BrandFinance Mena 50
- Best Segment Solution award for RAKBANK World MasterCard® Credit Card at the MasterCard Innovation Forum 2015
- Best Digital Bank in the Middle East among 100 banks in the MENA region during the Genesys Summit 2015.
- EMEA Customer Innovation Award, Genesys G-Force Awards 2015
- Best Service Innovation (Customer Web-Chat), Ethos UAE Service Olympian Awards 2015
- Best Mobile App, Ethos UAE Service Olympian Awards 2015

Subsidiaries

Subsidiary	Ownership	Country	Purpose
RAK Insurance	79.23%	UAE	To develop insurance products
RAK Islamic Finance Company	99.99%	UAE	To sell Sharia-compliant products
RAKFUNDING CAYMAN LTD	99.99%	Cayman Islands	To enable the issuance of bonds
Back Office Support Services (BOSS)	80%	UAE	To provide back office support services
RAK Technology	80%	UAE	To supply information technology support

Ratings

Rating Agency	Last Update	Deposits	Outlook	Support
	September 2015	Baa1 / P-2	Stable	2
	August 2015	BBB+ / F2	Stable	2
	August 2015	A- / A2	Stable	2

Regulatory Framework

The Central Bank of the UAE

- Regulations cover both Conduct of Business and prudential regulations.
- Acts as the clearing house for all AED payments.
- Conducts a detailed inspection of the bank on annual basis.
- Anti Money laundering and Suspicious Cases Unit of the CB-UAE acts as the FIU of the UAE.

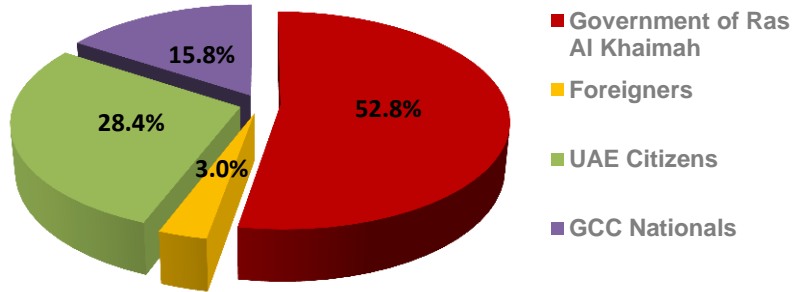
Securities & Commodities Authority (SCA) & Abu Dhabi Securities Exchange (ADX)

- 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.

Ownership Structure



CEO's Profile

Peter England

Peter England became the CEO of RAKBANK on 1st November 2013. Before joining RAKBANK, Peter spent seven years as the Head of Retail Banking at CIMB Bank Berhad – a subsidiary of CIMB Group and one of the largest banks in ASEAN – where he managed CIMB Bank Malaysia's business lines for individual and small enterprise customers and worked on developing a wide range of conventional and Islamic products and services.

Peter was elected member of RAK Insurance Board of Directors on 30 August 2015.

Board of Directors

H.E. Mohamed Omran Alshamsi	Chairman
H.E. Sheikh Salem Al Qasimi	Director
Mr. Ahmed Essa Al Naeem	Director
Mr. Yousef Obaid Al Nuaimi	Director
Mr. Salem Ali Al Sharhan	Director
Mr. Rajan Khetarpal	Director
Mr. Allan Griffiths	Director

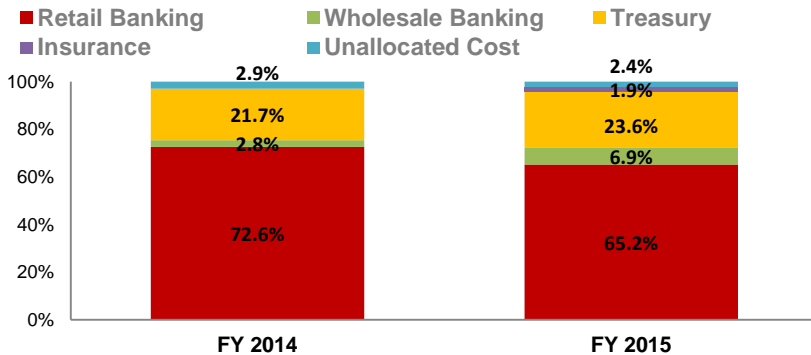
Management

Deepak Majithia	Chief Financial Officer
Geoffrey Stecyk	Chief Operating Officer
K.S. Ramakrishnan	Chief Risk Officer
Vikas Suri	MD, Treasury
Ian Hodges	MD, Retail Banking
Raghuveer Mehra	MD of Credit & Assets, Retail Banking
Abdul Karim Juma	Director, Islamic Banking
Rahul Oberoi	MD, Wholesale Banking
Mahadevan Radhakanthan	Director of Credit, Wholesale Banking
Saleh Ali Saleh	Director, RAK Business

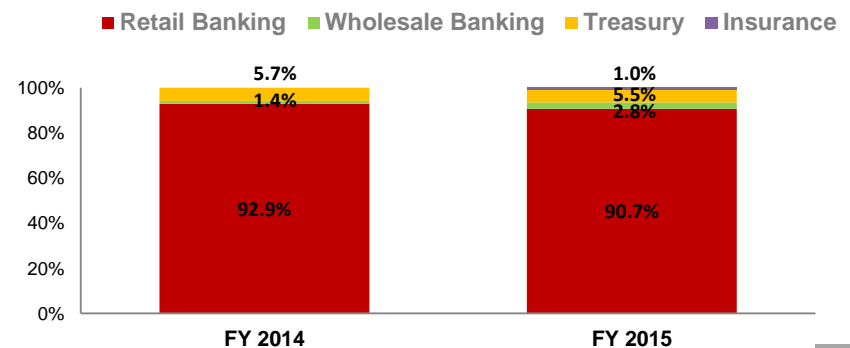
Business Segments

Retail Banking	Retail Banking customers are serviced through a network of 35 branches, over 250 ATMs, as well as Online, Phone, and Mobile Banking solutions. Sales takes place across all channels and through 2000+ mobile staff. This segment has a strong fee-based income from the sale of Bancassurance and investment products, foreign exchange, trade services, Debit Cards and Prepaid Cards.
Wholesale Banking	RAKBANK re-established its presence in the SME and Commercial sector in late 2013 and selectively re-entered the Corporate lending sector in 2015. It also shifted the SME unit to the Retail segment and renamed the Business Banking segment to Wholesale Banking in line with its effort to increase penetration into larger businesses and to focus on growing Corporate and Commercial Banking, Trade Sales, Financial Institutions Lending, and Asset Based Finance.
Treasury	The main activities of the Treasury business include money market activities, investments in debt and equity securities, foreign exchange transactions with other banks, and financial institutions including the UAE Central Bank. In addition, the segment is the custodian of liquidity and primarily supports the growth of Retail and Wholesale Banking.
Insurance	The Bank sees an opportunity for growth in its business by diversifying into the local insurance market. With a controlling stake in RAK Insurance, the Group are collaborating on manufacturing and selling insurance products to enhance revenue and market share and ensure that customers enjoy a more wholesome experience.

Contribution to Assets



Contribution to Operating Income



Financial Snapshot

AED millions	FY 2015	FY 2014	Growth %
Net Interest Income	3,048	2,757	10.6%
Non-Interest Income	891	798	11.7%
Total Income	3,939	3,555	10.8%
Operating Expenditures	-1,479	-1,505	(1.8%)
Operating Profit Before Provisions for Impairment	2,461	2,050	20.0%
Provisions for Impairment	-1,055	-595	77.3%
Net Profit	1,405	1,455	3.4%

Balance Sheet Highlights

AED billions	FY2015	FY2014	Y-o-Y Growth	Growth % Y-o-Y
Total Assets	40.5	34.8	5.7	16.4%
Gross Loans and Advances	28.5	25.8	2.7	10.6%
Deposits	27.8	24.6	3.2	12.9%

Notes

- Total Operating Income grew by AED 384 million year-on-year.
- Operating Expenses decreased by AED 26.7 million year-on-year.
- As the Group continues to focus on cost optimization, Cost-to-Income ratio dropped to 37.5% compared to 42.3% by the end of the previous year.
- Consolidated Operating Profit Before Provisions for Impairment grew by AED 411 million year-on-year.

Notes

- Gross Loans and Advances saw an increase of AED 2.7 billion year-on-year across most of the Bank's Retail and Wholesale Banking portfolios.
- Commercial, Corporate Lending, and Asset Based Finance (under the Wholesale Banking segment) recorded a growth of 138.1% year-on-year.

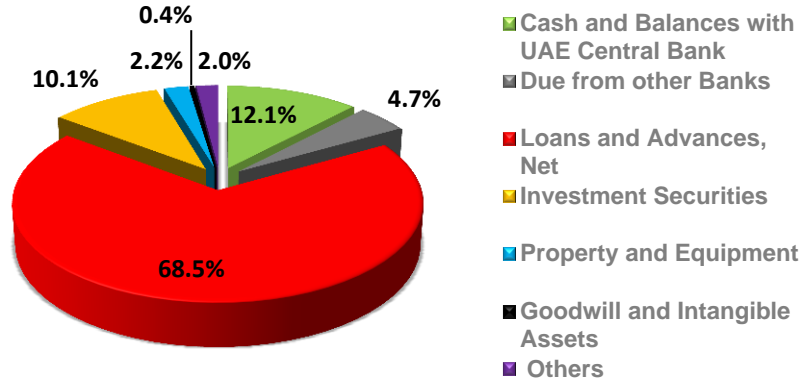
Key Ratios

	Ratios	FY 2015	FY 2014	Y-o-Y
Efficiency	Return On Equity	19.3%	22.2%	- 2.9%
	Net Interest Margin	8.0%	8.3%	- 0.3%
	Cost to Revenue	37.5%	42.3%	- 4.8%
	Return On Assets	3.7%	4.4%	- 0.7%
Asset Quality	Coverage Ratio	81.4%	87.1%	- 5.7%
	Gross Impaired Loans Ratio	3.2%	2.4%	0.8%
Liquidity	Lending to Stable Resources Ratio	83.3%	88.2%	- 4.9%
	Liquid Asset Ratio	19.1%	20.0%	- 0.9%
Solvency	Capital Adequacy Ratio*	24.4%	26.5%	- 2.1%
	Tier One*	24.4%	26.5%	- 2.1%

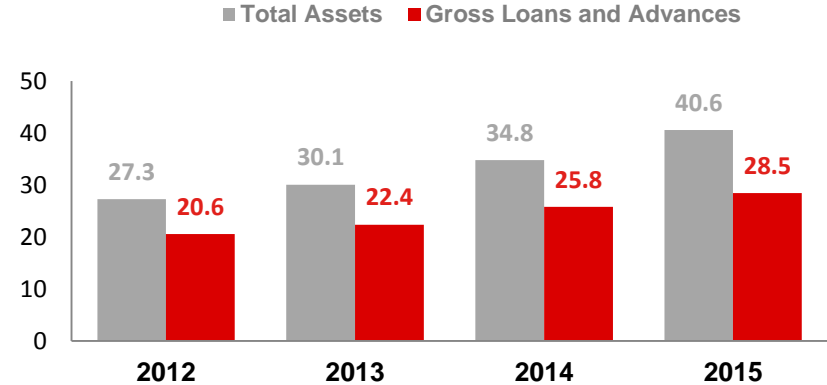
*Including current year profit and proposed dividend (subject to approval from shareholders and final approval from the UAE Central Bank)

Balance Sheet Overview

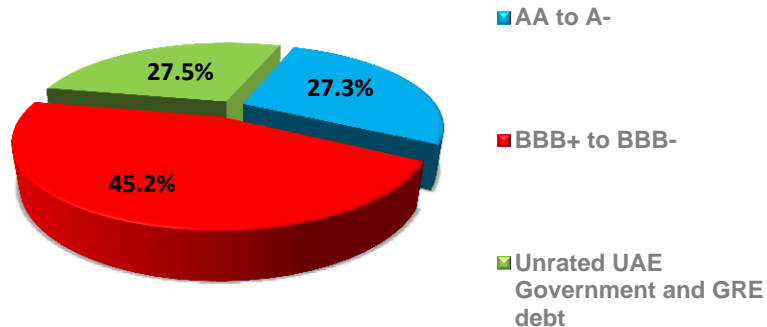
Breakdown of Assets by Type (as at 31.12.15)



Assets and Gross Loans & Advances (AED billions)



Analysis of Debt Securities (as at 31.12.15)

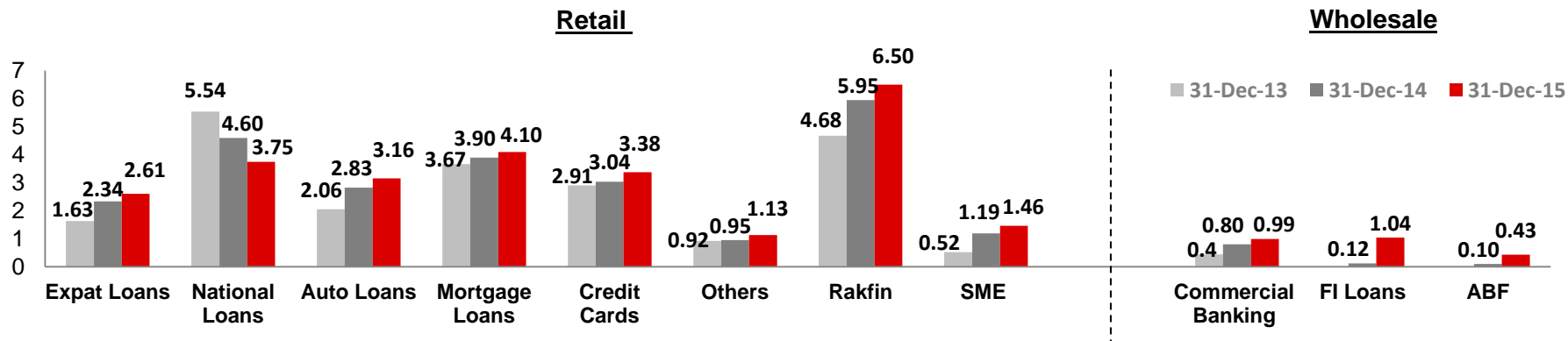


Notes

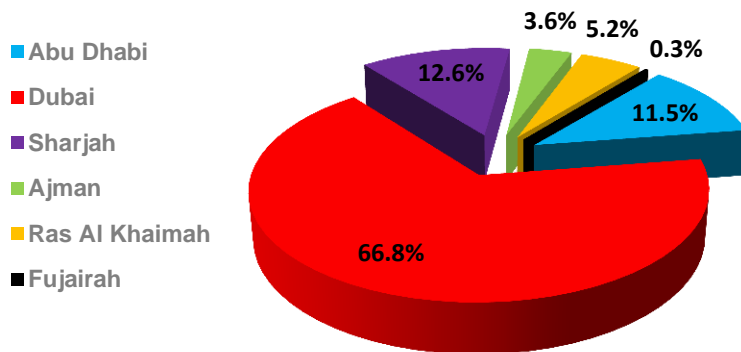
- Gross Loans and Advances increased by 10.6% year-on-year to AED 28.5 billion by the end of the year.
- Total Assets grew by AED 5.7 billion through the year compared to 31 December 2014.

Asset Breakdown

Breakdown by Product (AED billions)



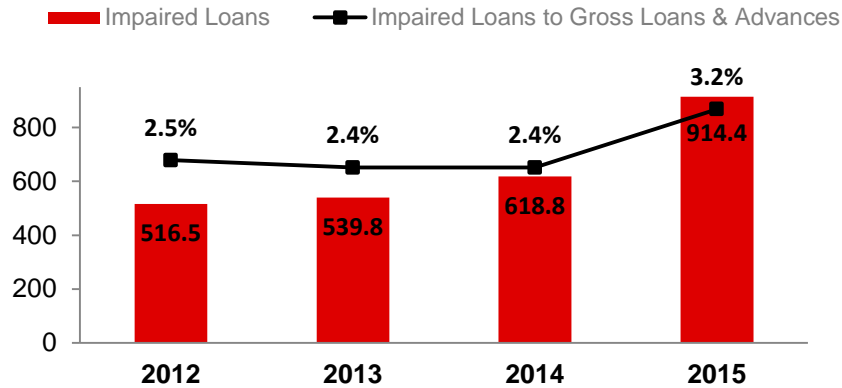
Loans by Geography, by Value (31.12.2015)



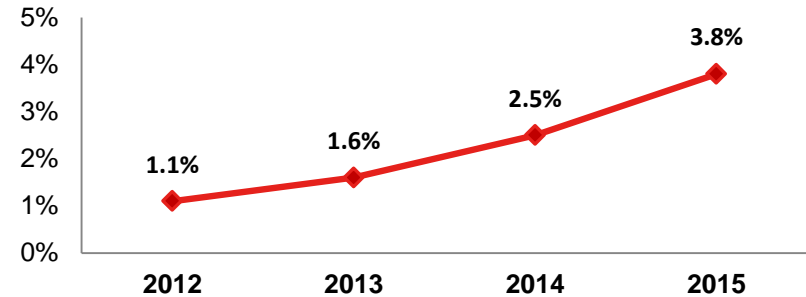
Notes

- Year-on-year total loans from Retail Banking grew by 5.4% and total loans from Wholesale Banking grew by 138.1%.
- Healthy growth in all the Retail lending portfolios with the exception of the National loans portfolio where new lending has been limited.

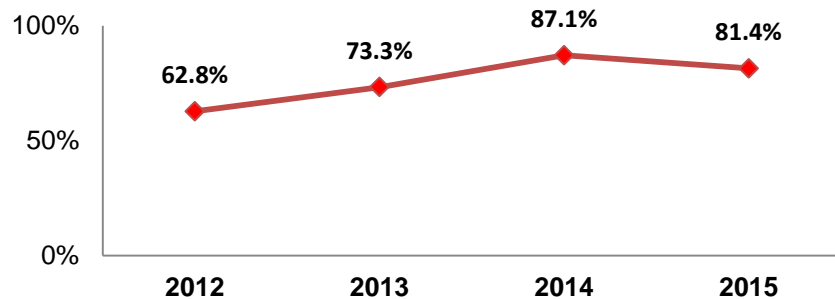
Non-Performing Loans (AED millions)



Net Credit Loss



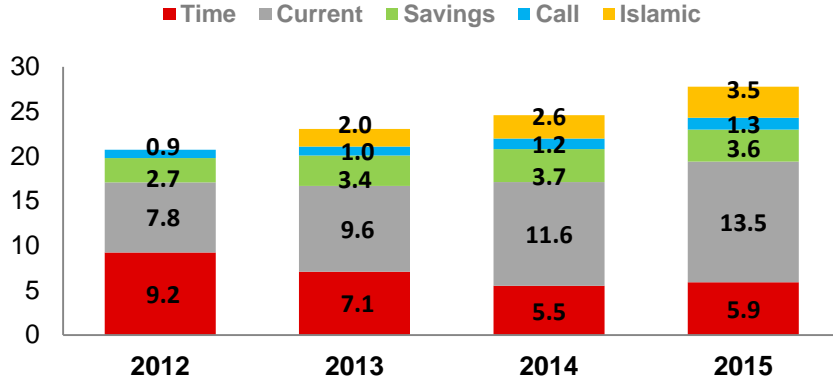
Coverage Ratio



Notes

- The Bank has been diversifying the product mix into lower risk business by growing the traditional Commercial, FI, and Asset Based Finance portfolio under its Wholesale Banking segment.
- Coverage Ratio is lower due to the increase in the non-performing loans of SME and Wholesale Banking.
- Rising NCL because of Personal Loans, RAKFinance, and SME Loans.

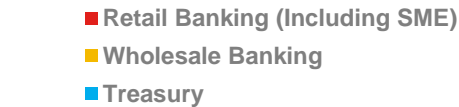
Customer Deposits (AED billions)



Notes

- Customer deposits were up by AED 3.2 billion year-on-year.
- The deposits from the Retail and Wholesale Banking segment amounts to 88.8% and 9.1% of the total deposits respectively.
- During the year, the Bank successfully raised an additional USD 300 million funding as an add-on to its existing USD 500 million 3.250% bond due 24 June 2019 (additional info in the appendix).

Deposit Value by Segment (31.12.2015)



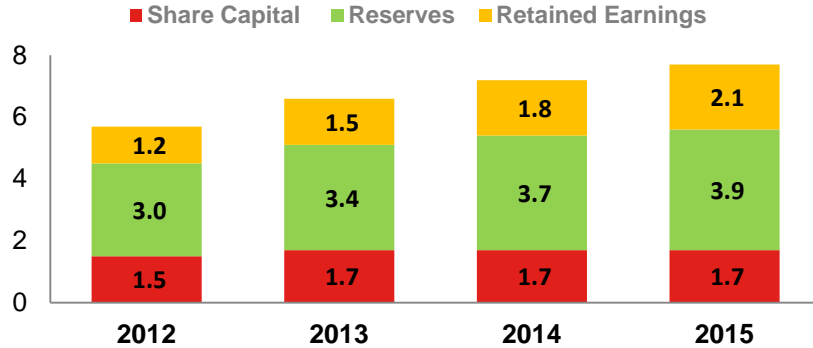
Customer Deposits by Value (31.12.2015)



Liabilities Mix (31.12.2015)

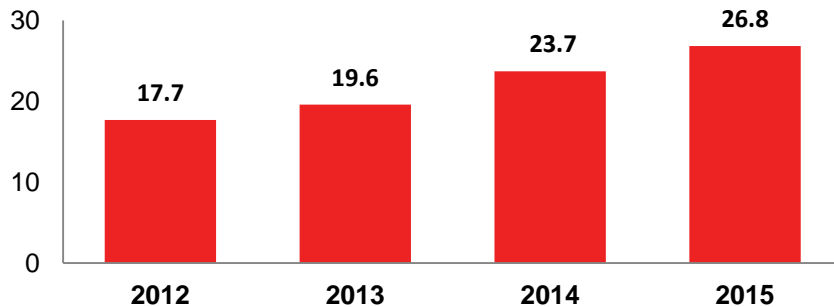


Equity Breakdown* (AED billions)

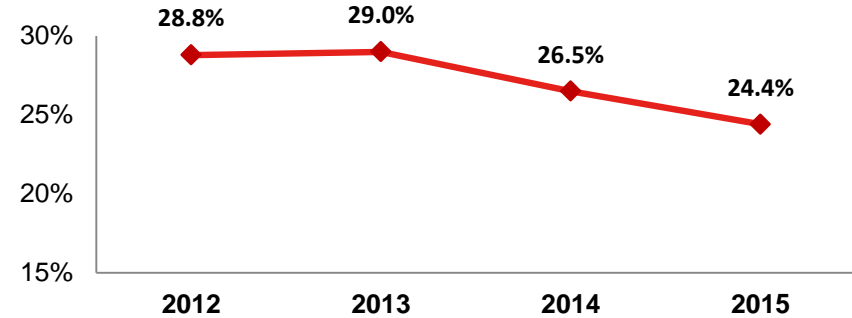


*2015 - Includes a non-controlling interest of AED 38.2 million

Risk Weighted Assets (AED billions)



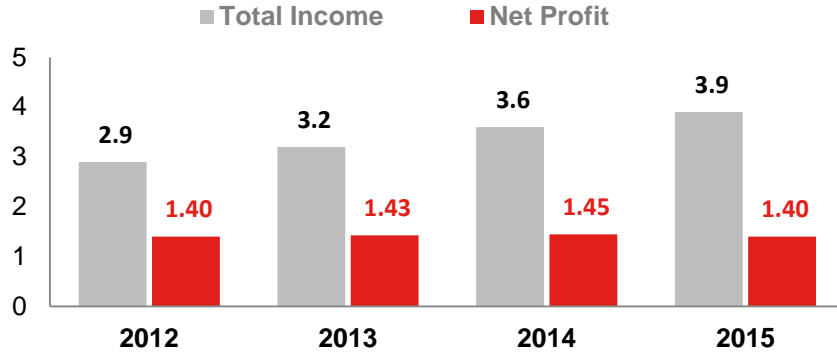
Capital Adequacy Ratio (CAR)



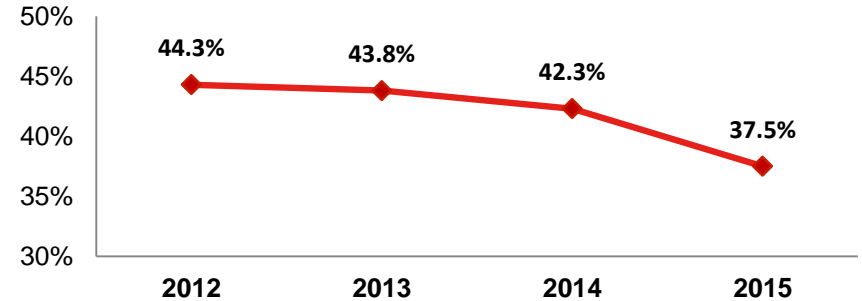
Notes

- CAR dropped in 2015 due to higher loan growth and the acquisition of RAK Insurance.
- The Bank continues to have one of the highest CARs among banks in the UAE.

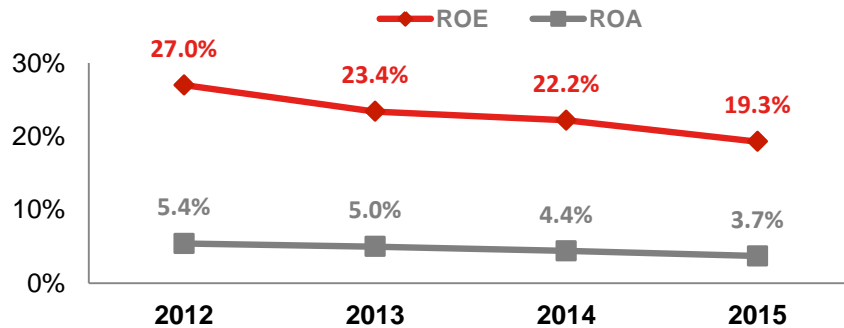
Profitability (AED billions)



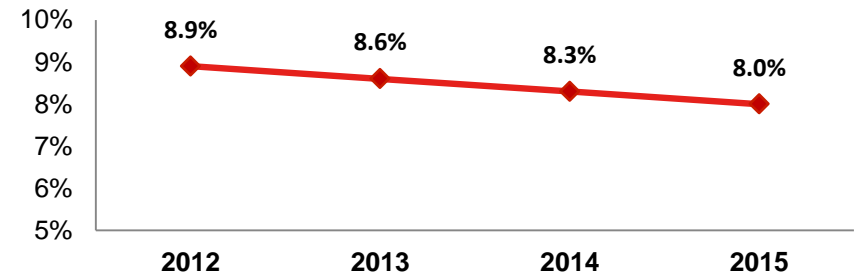
Cost-to-Income Ratio



Annualized Returns



Net Interest Margin



Appendix

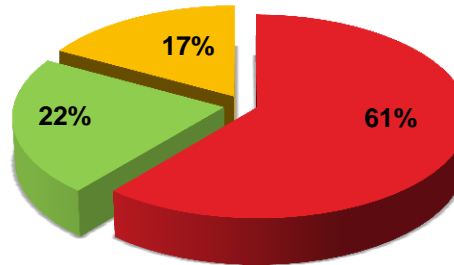
USD 300 million Tap

Transaction Summary

Issuer	RAKFUNDING CAYMAN LTD
Guarantor	The National Bank of Ras Al Khaimah (P.S.C)
Guarantor Rating	Baa1 (Moody's) / BBB+ (Fitch)
Format	Regulation S only
Status	Senior Unsecured
Listing	Irish Stock Exchange
Tap Size	USD 300mn
Trade Date	23-Feb-15
Fungibility Date	Fungible on 02 March 2015
Maturity	24-Jun-19
Tap Price	100.88%
Tap Spread	MS + 142.9bps

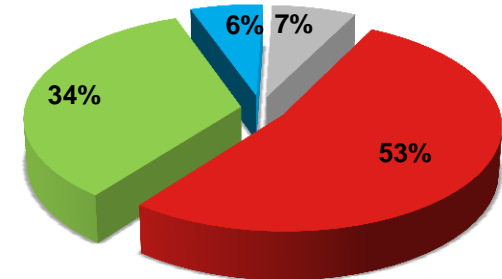
Investors by Geography

■ MENA ■ Europe ■ Asia



Investors by Type

■ Banks ■ Funds
■ Insurance ■ Private Banks



Transaction Highlights

- On February 23rd 2015, The National Bank of Ras Al-Khaimah P.S.C. ("RAKBANK"), successfully priced, via an interday execution, a USD300mn tap of its outstanding USD500mn 3.250% notes due 2019, bookrun by NBAD in June 2014.
- The announcement of the reopening of the notes was released to the market on Monday 23rd at 8:00am London time. The tap price guidance was set at 100.875% +/- 0.125%. The cash price at the time of announcement was 101.50%.
- A global investor call took place at 09:00am London. By 11:15am London, the orderbook was in excess of USD500mn and final tap price was set at 100.875%. An unexpected issue size of USD300mn was indicated. The books went subject at 11:30am London.
- The transaction was launched at 12:00pm London time for a final tap amount of USD300mn. The tap price equates to a spread of MS+142.9bps.
- This is the fourth occasion RAKBANK has tapped the international debt capital markets and second tap following the reopening in 2006 of its floating notes due 2010.

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