

**The National Bank of Ras Al-Khaimah (P.S.C.)**

**Condensed interim financial information  
for the nine months ended 30 September 2009**

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	<b>Pages</b>
<b>Review report</b>	<b>1</b>
<b>Balance sheet</b>	<b>2</b>
<b>Income statement</b>	<b>3</b>
<b>Statement of comprehensive income</b>	<b>4</b>
<b>Statement of changes in equity</b>	<b>5</b>
<b>Statement of cash flows</b>	<b>6</b>
<b>Notes to the condensed interim financial information</b>	<b>7 - 19</b>

## **Review report to the Directors of The National Bank of Ras Al-Khaimah (P.S.C.)**

### **Introduction**

We have reviewed the accompanying balance sheet of The National Bank of Ras Al-Khaimah (P.S.C.) ("the Bank") as of 30 September 2009 and the related income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the nine month period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 - Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 - Interim Financial Reporting.

PricewaterhouseCoopers  
27 October 2009



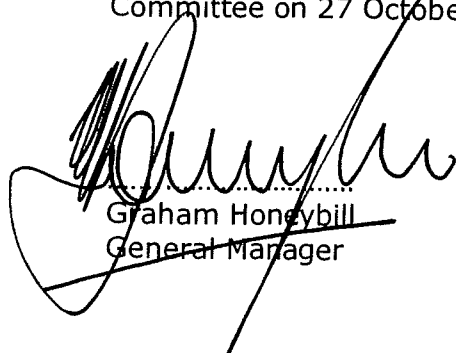
Paul Suddaby  
Registered Auditor Number 309  
Dubai, United Arab Emirates

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Balance sheet

	Notes	30 September 2009 AED'000	31 December 2008 AED'000
<b>ASSETS</b>			
Cash in hand and balances with the UAE			
Central Bank	3	1,543,870	852,925
Due from other banks		791,791	967,526
Loans and advances	4(a)	12,747,444	10,950,509
Investment securities	5	559,800	645,072
Property and equipment	6	582,473	377,138
Other assets		153,402	128,894
<b>Total assets</b>		<b>16,378,780</b>	<b>13,922,064</b>
<b>LIABILITIES</b>			
Due to other banks			
		46,083	185,873
Due to customers		12,300,532	9,653,665
Debt security in issue	7	1,068,126	1,644,026
Other liabilities		315,374	330,484
Provision for employees' end of service benefits		34,888	29,336
<b>Total liabilities</b>		<b>13,765,003</b>	<b>11,843,384</b>
<b>Equity</b>			
Share capital	8	962,033	740,025
Share premium		110,350	110,350
Retained earnings		728,336	456,687
Other reserves	9	813,058	771,618
<b>Total equity</b>		<b>2,613,777</b>	<b>2,078,680</b>
<b>Total liabilities and equity</b>		<b>16,378,780</b>	<b>13,922,064</b>

This condensed interim financial information was approved by the Executive Committee on 27 October 2009 and was signed on its behalf by:



Graham Honeybill  
General Manager

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Income statement

	Notes	<u>Three months ended</u>		<u>Nine months ended</u>	
		<u>30 September</u>		<u>30 September</u>	
		2009	2008	2009	2008
		AED'000	AED'000	AED'000	AED'000
Interest income		412,907	299,366	1,146,500	827,197
Interest expense		(92,807)	(56,167)	(295,634)	(182,069)
<b>Net interest income</b>		<u>320,100</u>	<u>243,199</u>	<u>850,866</u>	<u>645,128</u>
Fee and commission income		108,723	89,054	324,683	281,109
Foreign exchange income		10,599	10,671	27,326	34,357
Investment income	7	7,804	5,704	23,919	25,378
Other operating income		9,303	4,957	14,572	10,882
<b>Operating income</b>		<u>456,529</u>	<u>353,585</u>	<u>1,241,366</u>	<u>996,854</u>
Operating expenses		(180,231)	(167,625)	(544,091)	(473,183)
Provision for impairment of loans and advances net of write back	4(c)	(89,459)	(16,927)	(166,617)	(43,019)
<b>Net profit for the period</b>		<u><u>186,839</u></u>	<u><u>169,033</u></u>	<u><u>530,658</u></u>	<u><u>480,652</u></u>
<b>Earnings per share</b>					
Basic and diluted	12	<u><u>0.19</u></u>	<u><u>0.18</u></u>	<u><u>0.55</u></u>	<u><u>0.50</u></u>

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Statement of comprehensive income

	<u>Three months ended</u> <u>30 September</u>		<u>Nine months ended</u> <u>30 September</u>		
	2009	2008	2009	2008	
Notes	AED'000	AED'000	AED'000	AED'000	
<b>Profit for the period</b>	186,839	169,033	530,658	480,652	
<b>Other comprehensive income/(loss):</b>					
Net changes in fair value of available-for-sale investment securities	5	15,986	(13,581)	41,440	(20,934)
<b>Total comprehensive income for the period</b>		<u>202,825</u>	<u>155,452</u>	<u>572,098</u>	<u>459,718</u>

## The National Bank of Ras Al-Khaimah (P.S.C.)

### Statement of changes in equity

	Share capital AED'000	Share premium AED'000	Retained earnings AED'000	Other reserves AED'000	Total AED'000
<b>At 1 January 2008</b>	616,688	110,350	343,974	505,989	1,577,001
Issue of bonus shares (Note 8)	123,337	-	(123,337)	-	-
Dividend (Note 8)	-	-	(61,668)	-	(61,668)
Total comprehensive income for the period	-	-	480,652	(20,934)	459,718
<b>At 30 September 2008</b>	<u>740,025</u>	<u>110,350</u>	<u>639,621</u>	<u>485,055</u>	<u>1,975,051</u>
<b>At 1 January 2009</b>	740,025	110,350	456,687	771,618	2,078,680
Issue of bonus shares (Note 8)	222,008	-	(222,008)	-	-
Dividend (Note 8)	-	-	(37,001)	-	(37,001)
Total comprehensive income for the period	-	-	530,658	41,440	572,098
<b>At 30 September 2009</b>	<u>962,033</u>	<u>110,350</u>	<u>728,336</u>	<u>813,058</u>	<u>2,613,777</u>

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Statement of cash flows

	<u>Nine months ended 30 September</u>	
	2009	2008
	Notes	AED'000
<b>Operating activities</b>		
Profit for the period		480,652
Adjustments:		
Net charge for provision for impairment of loans and advances net of write back	4(c)	43,019
Depreciation	6	19,408
Provision for employees' end of service benefits		8,256
Gain on disposal of property and equipment		(105)
Amortisation of discount relating to debt security in issue	7	781
Amortisation of discount relating to securities held to maturity	5	(71)
		<hr/>
Operating cash flows before changes in assets and liabilities		551,940
Payment of employees' end of service benefits		(2,730)
Changes in assets and liabilities:		
Deposits with the UAE Central Bank		25,060
Due from other banks with original maturities of over three months		11,264
Loans and advances net of provisions for impairment		(2,323,125)
Other assets		(1,352)
Due to other banks		96,248
Due to customers		2,094,386
Other liabilities		98,743
		<hr/>
Net cash generated from operating activities		550,434
		<hr/>
<b>Investing activities</b>		
Purchase of investment securities	5	(201,437)
Proceeds from maturity of investments	5	80,250
Purchase of property and equipment	6	(180,451)
Proceeds from disposal of property and equipment	8	248
		<hr/>
Net cash used in investing activities		(301,390)
		<hr/>
<b>Financing activities</b>		
Dividends paid	8	(61,668)
Maturity of debt security in issue	7	-
Repurchase of debt security in issue	7	-
		<hr/>
Net cash used in financing activities		(61,668)
		<hr/>
<b>Net increase in cash and cash equivalents</b>		187,376
Cash and cash equivalents, beginning of the period		747,837
Cash and cash equivalents, end of the period	14	935,213



# **The National Bank of Ras Al-Khaimah (P.S.C.)**

## **Notes to the condensed interim financial information for the nine months ended 30 September 2009**

### **1 Incorporation and principal activities**

The National Bank of Ras Al-Khaimah (P.S.C.) ("the Bank") is a public shareholding company incorporated in the Emirate of Ras Al-Khaimah in the United Arab Emirates ("UAE"). The head office of the Bank is located at National Bank of Ras Al-Khaimah building, Oman Street, Al Nakheel, Ras Al-Khaimah.

The Bank is engaged in providing commercial banking services through a network of twenty seven branches in the UAE.

### **2 Significant accounting policies**

The condensed interim financial information is prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". The condensed interim financial information is prepared under the historical cost convention as modified by the revaluation of available-for-sale investment securities and derivative financial instruments.

The accounting policies applied in the preparation of the condensed interim financial information are consistent with those applied in the annual financial statements for the year ended 31 December 2008.

The condensed interim financial information should therefore be read in conjunction with the year ended 31 December 2008 financial statements.

Costs that occur unevenly during the financial year are anticipated or deferred in the condensed interim financial information only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Standard, amendments and interpretations to published standards that are effective for accounting period beginning on or after 1 January 2009

The following new standard, amendments and interpretations to existing standards have been published and are effective for accounting periods beginning on or after 1 January 2009.

- IAS 1 (revised), 'Presentation of financial statements' (effective for annual periods commencing 1 January 2009).
- IAS 16 (amendment), 'Property, plant and equipment' (effective for annual periods commencing 1 January 2009).
- IAS 19 (amendment), 'Employee benefits' (effective for annual periods commencing 1 January 2009).
- IAS 20 (amendment), 'Accounting for government grants and disclosure of government assistance' (effective for annual periods commencing 1 January 2009).
- IAS 23 (amendment), 'Borrowing costs' (effective for annual periods commencing 1 January 2009).
- IAS 28 (amendment), 'Investment in associates' (effective for annual periods commencing 1 January 2009).

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Notes to the condensed interim financial information for the nine months ended 30 September 2009 (continued)

### 2 Significant accounting policies (continued)

Standard, amendments and interpretations to published standards that are effective for accounting period beginning on or after 1 January 2009 (continued)

- IAS 31 (amendment), 'Interest in joint ventures' (effective for annual periods commencing 1 January 2009).
- IAS 32 (amendment), 'Financial instruments: presentation', and consequential amendments to IAS 1, 'Presentation of financial statements' (effective for annual periods commencing 1 January 2009).
- IAS 36 (amendment), 'Impairment of assets' (effective for annual periods commencing 1 January 2009).
- IAS 38 (amendment), 'Intangible assets' (effective for annual periods commencing 1 January 2009).
- IAS 39 (amendment), 'Financial instruments: Recognition and measurement' (effective for annual periods commencing 1 January 2009).
- IAS 40 (amendment), 'Investment property' (effective for annual periods commencing 1 January 2009).
- IAS 41 (amendment), 'Agriculture' (effective for annual periods commencing 1 January 2009).
- IFRS 1 (amendment) 'First time adoption of IFRS', and IAS 27 'Consolidated and separate financial statements' (effective for annual periods commencing 1 January 2009).
- IFRS 2 (amendment) 'Share-based payment' (effective for annual periods commencing 1 January 2009).
- IFRS 8 - 'Operating segments' (effective for annual periods commencing 1 January 2009).
- IAS 27 (revised) 'Consolidated and separate financial statements' (effective for annual periods commencing 1 July 2009).
- IFRS 3 (amendment), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates' and IAS 31, 'Interest in joint ventures', effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.
- IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations' (effective for annual periods commencing 1 July 2009).
- IFRIC 13, 'Customer loyalty programmes' (effective for annual periods commencing 1 July 2008).
- IFRIC 16, 'Hedges of a net investment in a foreign operation' (effective for annual periods commencing 1 October 2008).
- IFRIC 15, 'Agreements for construction of real estates' (effective for annual periods commencing 1 January 2009).
- IFRIC 17, 'Distributions of non-cash assets to owners' (effective for annual periods commencing 1 July 2009).
- IFRIC 18, 'Transfers of assets from customers' (effective 1 July 2009)

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Notes to the condensed interim financial information for the nine months ended 30 September 2009 (continued)

### 2 Significant accounting policies (continued)

Standard, amendments and interpretations to published standards that are effective for accounting period beginning on or after 1 January 2009 (continued)

Management has assessed the impact of the above standard, amendments and interpretations to published standards on the Bank's financial statements and has concluded that they are not relevant to the Bank's financial statements, except for the amendment to IAS 1, which will affect the presentation of the statement of changes in equity and the statement of comprehensive income and IFRS 8, which requires a "management approach" under which segmental information is presented on the same basis as that used for internal reporting purposes. The amendment to IAS 1 does not impact the recognition, measurement or disclosure of specific transactions and other events required by other IFRS.

The application of the amendment to IAS 1 and IFRS 8 have been adopted in this condensed interim financial information.

### 3 Cash in hand and balances with the UAE Central Bank

	30 September 2009 AED'000	31 December 2008 AED'000
Cash in hand and current account with UAE Central Bank	362,932	140,257
Statutory deposit with the UAE Central Bank	660,938	607,668
UAE Central Bank Certificate of deposits	520,000	105,000
	<u>1,543,870</u>	<u>852,925</u>

The statutory deposit with the UAE Central Bank is not available to finance the day to day operations of the Bank. Certificate of deposits carry interest rates ranging between 1.10% to 1.75% per annum (31 December 2008: 1.70% to 2.50%).

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Notes to the condensed interim financial information for the nine months ended 30 September 2009 (continued)

### 4 Loans and advances

	30 September 2009 AED'000	31 December 2008 AED'000
<b>4(a) Loans and advances</b>		
Loans	12,570,674	10,461,354
Overdrafts	351,368	550,461
Loans against trust receipts	94,203	119,455
Bills discounted	30,504	39,101
Others	13,095	5,454
<b>Total loans and advances</b>	<u>13,059,844</u>	<u>11,175,825</u>
Provision for impairment (Note 4(b))	(312,400)	(225,316)
<b>Net loans and advances</b>	<u><u>12,747,444</u></u>	<u><u>10,950,509</u></u>

### 4(b) Provision for impairment

<b>Balance brought forward</b>	225,316	217,821
Net charge for provision for impairment during the period /year	202,809	98,707
Written off during the period/year	(115,725)	(91,212)
<b>Balance carried forward</b>	<u><u>312,400</u></u>	<u><u>225,316</u></u>

### 4(c) Net charge for the period

	<u>Three months ended 30 September</u>		<u>Nine months ended 30 September</u>	
	2009 AED'000	2008 AED'000	2009 AED'000	2008 AED'000
Net charge for provision for impairment during the period (Note 4(b))	102,957	24,792	202,809	63,786
Write back during the period	(13,498)	(7,865)	(36,192)	(20,767)
	<u><u>89,459</u></u>	<u><u>16,927</u></u>	<u><u>166,617</u></u>	<u><u>43,019</u></u>

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Notes to the condensed interim financial information for the nine months ended 30 September 2009 (continued)

### 4 Loans and advances (continued)

#### 4(d) Classified loans and advances

At 30 September 2009, the aggregate amount of non-performing loans amounted to AED 347.96 million (31 December 2008: AED 168.05 million). Specific provisions in relation to such loans amounted to AED 206.8 million as at 30 September 2009 (31 December 2008: AED 125.3 million). In addition, a collective impairment provision amounting to AED 105.6 million was held by the Bank at 30 September 2009 (31 December 2008: AED 100 million).

At 30 September 2009, AED 59.63 million of the total non-performing loans (31 December 2008: AED 19.86 million) were covered by collateral held by the Bank.

### 5 Investment securities

	30 September 2009 AED'000	31 December 2008 AED'000
<b>Securities available-for-sale</b>		
Quoted equity securities	2,727	1,708
Quoted debt securities	213,749	176,414
Unquoted debt securities	49,250	229,814
	<u>265,726</u>	<u>407,936</u>
<b>Securities held-to-maturity</b>		
Quoted debt securities	294,074	237,136
<b>Total investment securities</b>	<u><u>559,800</u></u>	<u><u>645,072</u></u>

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Notes to the condensed interim financial information for the nine months ended 30 September 2009 (continued)

### 5 Investment securities (continued)

The movement in investment securities is summarised as follows:

	<b>Securities available-for- sale</b>	<b>Securities held – to – maturity</b>	<b>Total</b>
	AED'000	AED'000	AED'000
At 1 January 2009	407,936	237,136	645,072
Purchases	-	78,328	78,328
Maturity	(183,650)	(25,000)	(208,650)
Changes in fair value	41,440	-	41,440
Amortisation of discount	-	3,610	3,610
At 30 September 2009	<u>265,726</u>	<u>294,074</u>	<u>559,800</u>
At 1 January 2008	490,869	135,286	626,155
Purchases	51,580	149,857	201,437
Maturity	-	(80,250)	(80,250)
Changes in fair value	(20,934)	-	(20,934)
Amortisation of discount	-	71	71
At 30 September 2008	<u>521,515</u>	<u>204,964</u>	<u>726,479</u>

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Notes to the condensed interim financial information for the nine months ended 30 September 2009 (continued)

### 6 Property and equipment

	Land and buildings AED'000	Leasehold improvements AED'000	Other assets AED'000	Capital work in progress AED'000	Total AED'000
<b>Cost</b>					
At 1 January 2009	66,627	39,849	157,388	244,012	507,876
Additions	-	420	11,755	220,088	232,263
Transfers	16,569	7,820	28,938	(53,327)	-
Disposals	-	-	(46)	-	(46)
At 30 September 2009	83,196	48,089	198,035	410,773	740,093
<b>Depreciation</b>					
At 1 January 2009	(9,807)	(22,404)	(98,527)	-	(130,738)
Charge for the period	(889)	(4,555)	(21,484)	-	(26,928)
Disposals	-	-	46	-	46
At 30 September 2009	(10,696)	(26,959)	(119,965)	-	(157,620)
<b>Net book amount</b>					
At 30 September 2009	72,500	21,130	78,070	410,773	582,473
At 31 December 2008	56,820	17,445	58,861	244,012	377,138

Included in land and buildings is land costing AED 51.72 million (31 December 2008: AED 51.72 million).

Other assets include computer equipment, furniture and fixtures, equipment and motor vehicles.

## The National Bank of Ras Al-Khaimah (P.S.C.)

### Notes to the condensed interim financial information for the nine months ended 30 September 2009 (continued)

#### 6 Property and equipment (continued)

	Land and buildings AED'000	Leasehold improvements AED'000	Other assets AED'000	Capital work in progress AED'000	Total AED'000
<b>Cost</b>					
At 1 January 2008	60,549	29,800	129,841	59,520	279,710
Additions	238	280	11,563	168,370	180,451
Transfers	5,665	3,197	473	(9,335)	
Disposals	-	(219)	(539)	-	(758)
At 30 September 2008	66,452	33,058	141,338	218,555	459,403
<b>Depreciation</b>					
At 1 January 2008	(9,055)	(18,695)	(76,606)	-	(104,356)
Charge for the period	(559)	(2,853)	(15,996)	-	(19,408)
Disposals		219	396	-	615
At 30 September 2008	(9,614)	(21,329)	(92,206)	-	(123,149)
<b>Net book amount</b>					
At 30 September 2008	56,838	11,729	49,132	218,555	336,254
At 31 December 2007	51,494	11,105	53,235	59,520	175,354

#### 7 Debt security in issue

	30 September 2009 AED'000	31 December 2008 AED'000
Euro Medium-Term Notes	1,068,843	1,645,550
Less: debt security issue costs	(717)	(1,524)
	<u>1,068,126</u>	<u>1,644,026</u>



# The National Bank of Ras Al-Khaimah (P.S.C.)

## Notes to the condensed interim financial information for the nine months ended 30 September 2009 (continued)

### 7 Debt security in issue (continued)

The movement in debt security in issue is summarised as follows:

	Nine months ended 30 September	
	2009 AED'000	2008 AED'000
1 January	1,644,026	1,642,984
Maturity	(360,000)	-
Repurchase	(216,707)	-
Amortisation of issue costs	807	781
30 September	<u>1,068,126</u>	<u>1,643,765</u>

Profit of AED 4.59 million (2008: nil) from the repurchase of debt security in issue has been included in investment income.

### 8 Share capital and dividend

At 30 September 2009, the authorised, issued and fully paid share capital of the Bank comprised 962.03 million shares of AED 1 each (31 December 2008: 740.03 million shares of AED 1 each).

At the Annual General Meeting of the shareholders held on 10 March 2009, the shareholders of the Bank approved a stock dividend (issue of bonus shares) in respect of 2008 at 30% of the issued and paid up capital amounting to AED 222 million (2008: AED 123.34 million in respect of 2007) and cash dividend at 5% of the issued and paid up capital amounting to AED 37 million (2008: AED 61.67 million in respect of 2007).

### 9 Other reserves

Other reserves include legal reserve and voluntary reserve. In accordance with the Articles of Association of the Bank, 10% of the net profit for the year is to be transferred to a legal reserve until such time as the balance in the reserve equals 50% of the issued share capital and 10% of the net profit for the year is to be transferred to a voluntary reserve until such time as the balance in the reserve equals 20% of the issued share capital. No allocations to the legal reserve and the voluntary reserve have been made for the nine month period ended 30 September 2009, as these will be effected at the year end based on the Bank's results for the year ending 31 December 2009.

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Notes to the condensed interim financial information for the nine months ended 30 September 2009 (continued)

### 10 Contingencies and commitments

	30 September 2009 AED'000	31 December 2008 AED'000
Letters of guarantee	434,337	405,146
Letters of credit	63,793	70,438
Acceptances	21,054	25,273
Commitments to extend credit	4,118,153	3,735,728
Capital commitments	61,982	218,760
Others	-	96
	<u>4,699,319</u>	<u>4,455,441</u>

### 11 Forward foreign exchange contracts

Forward foreign exchange contracts comprise commitments to purchase foreign and domestic currencies on behalf of customers and in respect of the Bank's undelivered spot transactions.

Outstanding foreign forward exchange transactions at 30 September 2009 and 31 December 2008 are as follows:

	Contract amount AED'000	Fair value AED'000
30 September 2009	<u>141,229</u>	<u>(67)</u>
31 December 2008	<u>118,273</u>	<u>123</u>

### 12 Earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period. In accordance with IAS 33 - Earnings Per Share, the impact of bonus shares issued have been considered retrospectively while computing the weighted average number of ordinary shares during all periods presented. The weighted average number of ordinary shares during the period ended 30 September 2009 amounted to 962,033,280 shares (30 September 2008: 962,033,280 shares).

### 13 Fiduciary activities

The Bank holds assets in a fiduciary capacity for its customers without recourse to itself. At 30 September 2009, such assets amounted to AED 374.92 million (31 December 2008: AED 481.41 million) and are excluded from the financial statements of the Bank.

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Notes to the condensed interim financial information for the nine months ended 30 September 2009 (continued)

### 14 Cash and cash equivalents

	As at 30 September	
	2009 AED'000	2008 AED'000
Cash in hand and current account with UAE Central Bank (Note 3)	362,932	205,223
Due from other banks	791,791	729,990
	<u>1,154,723</u>	<u>935,213</u>

### 15 Business segments

Management has determined the operating segments based on the reports reviewed by the Executive Committee that are used to make strategic decisions.

The Executive Committee considers the business from a departmental perspective. The business is split into Retail Banking, Business Banking and Treasury.

The reportable operating segments derive their revenue primarily from the Retail, Corporate and Treasury products offered to customers. Although corporate/business banking does not meet the quantitative thresholds to be disclosed as a segment, management believes that information about these segments would be useful to users of the condensed interim financial information. Sales between segments are carried out at agreed rates. The revenue from external parties reported to the Executive Committee is measured in a manner consistent with that in the income statement.

The segment information provided to the Executive Committee for the reportable segments for the period ended 30 September 2009 and 30 September 2008 is as follows:

	Retail banking AED' 000	Business banking AED' 000	Treasury and others AED' 000	Total AED' 000
<b>Nine months ended 30 September 2009</b>				
Total segment revenue	1,590,508	100,074	139,703	1,830,285
Inter-segment revenue	(153,988)	(46,409)	(92,888)	(293,285)
Total revenue from external customers	<u>1,436,520</u>	<u>53,665</u>	<u>46,815</u>	<u>1,537,000</u>
Segment result	596,633	9,118	37,499	643,250
Unallocated costs				(112,592)
<b>Net profit for the period</b>				<u>530,658</u>

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Notes to the condensed interim financial information for the nine months ended 30 September 2009 (continued)

### 15 Business segments (continued)

	Retail banking AED' 000	Business banking AED' 000	Treasury and others AED' 000	Total AED' 000
<b>Nine months ended 30 September 2009 (continued)</b>				
Impairment charge	168,171	(1,554)	-	166,617
Depreciation	15,384	553	10,991	26,928
<b>At 30 September 2009</b>				
Total assets	12,802,073	505,290	3,071,417	16,378,780
Total liabilities	7,804,439	3,092,171	2,868,393	13,765,003
<b>Nine months ended 30 September 2008</b>				
Total segment revenue	1,200,352	91,520	152,144	1,444,016
Inter-segment revenue	(147,460)	(38,682)	(78,951)	(265,093)
Total revenue from external customers	1,052,892	52,838	73,193	1,178,923
Segment result	493,282	32,124	50,363	575,769
Unallocated costs				(95,117)
<b>Net profit for the period</b>				<b>480,652</b>
Impairment charge	41,138	1,881	-	43,019
Depreciation	9,696	456	9,256	19,408
<b>At 31 December 2008</b>				
Total assets	10,755,435	659,390	2,507,239	13,922,064
Total liabilities	5,998,942	2,451,628	3,392,814	11,843,384

# The National Bank of Ras Al-Khaimah (P.S.C.)

## Notes to the condensed interim financial information for the nine months ended 30 September 2009 (continued)

### 16 Related parties balances

Related parties comprise key management, businesses controlled by shareholders and directors as well as businesses over which they exercise significant influence. During the period, the Bank entered into transactions with related parties in the ordinary course of business. The transactions with related parties and balances arising from these transactions are as follows:

	Nine months ended 30 September	
	2009	2008
	AED'000	AED'000
<b>Transactions during the period</b>		
Interest income	2,274	627
Interest expense	17,321	6,674
Commission income	142	1,082
Directors' remuneration	2,688	2,444
Remuneration payable to key management personnel	9,606	9,458
	<u>          </u>	<u>          </u>
	30 September	31 December
	2009	2008
	AED'000	AED'000
<b>Balances</b>		
Loans and advances:		
- Shareholders and their related companies	23,652	45,164
- Directors and their related companies	15,234	11,291
	<u>          </u>	<u>          </u>
	38,886	56,455
	<u>          </u>	<u>          </u>
Due to customers:		
- Shareholders and their related companies	613,784	425,991
- Directors and their related companies	129,223	82,390
	<u>          </u>	<u>          </u>
	743,007	508,381
	<u>          </u>	<u>          </u>
<b>Irrevocable commitments and contingent liabilities</b>		
- Shareholders and their related companies	54,747	56,416
- Directors and their related companies	994	11,594
	<u>          </u>	<u>          </u>
	55,741	68,010
	<u>          </u>	<u>          </u>