



RAKBANK

Investor Relations Presentation

Q3 / 9M 2017

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 (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 38 branches and over 275 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 AED7.79Bn (USD2.12Bn) as of September 30, 2017.

* 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 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

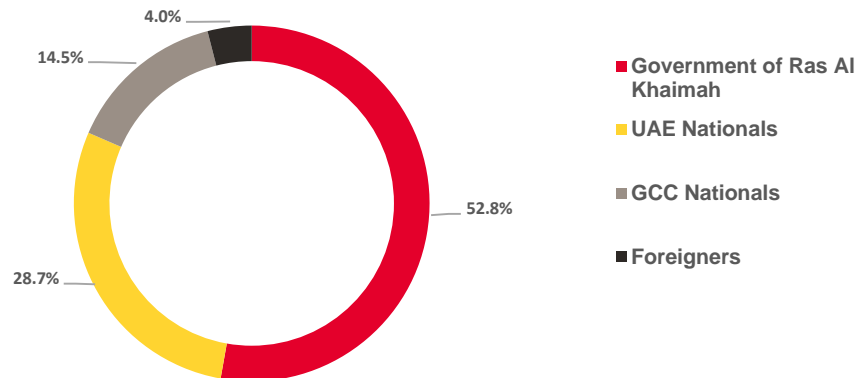
Subsidiary	Ownership	Country	Purpose
RAK Global Markets Cayman Limited	100.00%	Cayman Island	facilitate treasury transactions
RAK Insurance	79.23%	UAE	develop insurance products
RAK Islamic Finance Company**	99.99%*	UAE	sell Sharia-compliant products
RAKFUNDING CAYMAN LTD	99.99%*	Cayman Islands	enable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

Ratings

Rating Agency	Last Update	Deposits	Outlook	Support
	August 2017	Baa1 / P-2	Stable	2
	July 2017	BBB+ / F2	Stable	2
	August 2017	A- / A2	Stable	2

Shareholders, Directors & Management

Ownership Structure



CEO's Profile

Peter England was appointed as RAKBANK's CEO on 1st November 2013. In the past 3 years he has implemented a strategy to diversify the Bank's balance sheet and income base. The strategy included rebuilding Wholesale Banking, developing the Business Banking Unit, and enhancing the Personal Banking product suite. The change has broadened the Bank's fee income base by growing the capability in areas such as Treasury, Foreign Exchange, Insurance, and proprietary Asset Management. Additionally, Peter played a vital role in the Bank's acquisition of a major stake in RAK Insurance, and on 30th August 2015 he was elected as a member of the Board of Rak Insurance. Peter has over 35 years of banking experience in all aspects of retail business and wealth management in Australia and Asia. Immediately prior to 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 in Malaysia, Singapore, and Cambodia and worked on developing a wide range of conventional and Islamic products and services.

Board of Directors

H.E. Mohamed Omran Alshamsi	Chairman
H.E. Sheikh Salem Al Qasimi	Director
Mr. Salem Ali Al Sharhan	Director
Mr. Ahmed Essa Al Naeem	Director
Mr. Ahmed Abdulkarim Julfar	Director
Mr. Rajan Khetarpal	Director
Mr. Kantic Dasgupta*	Director

* With effect from 5 April 2017

Management

Deepak Majithia	Chief Financial Officer
Geoff Stecyk	Chief Operating Officer
K.S. Ramakrishnan	Chief Risk Officer
Mahadevan Radhakanthan	Chief Credit Officer
Venkat Raghavan	Director Compliance & Internal Controls
Nabil Azar	Head of Legal and Company Secretary
Vikas Suri	MD, Treasury
Rahul Oberoi	MD, Wholesale Banking
Dhiraj Kunwar	MD, Business Banking
Saleh Ali Saleh	Director, RAK Business
Abdul Karim Juma	Director, Islamic Banking

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) 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 and Financial Institution (FI) Lending.
- 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 Personal and Wholesale Banking.

Insurance

- Incorporating all insurance related transactions of subsidiary, RAK Insurance.
- The Bank and RAK Insurance collaborate on manufacturing and selling insurance products to substantiate the Bank's Bancassurance offerings.

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

**Home Loan Provider
of the Year award for
Home in One**

*Yallacompere Banking
Awards*

(2017)

**Advertising Campaign
of the Year in the UAE**

The Asian Banker

(2017)

**New Consumer
Lending Product of the
Year in the UAE**

The Asian Banker

(2017)

**Best Service
Performance Brand
2016**

*Department of
Economic Development*

(2017)

**Remittance Product of
the Year in the Middle
East**

The Asian Banker

(2017)

Best SME Program

MasterCard

(2017)

**11th Middle East
Happiness and Positivity
Excellence Award**

*Middle East Excellence
Institute*

(2017)

**Best Overall Website
Service Olympian
Award**

*Ethos Integrated
Solutions*

(2016)

**Best Customer Feedback
Implementation Service
Olympian Award**

*Ethos Integrated
Solutions*

(2016)

**Best Positive
Sentiment Service
Olympian Award**

*Ethos Integrated
Solutions*

(2016)

**Best New Products &
Product Improvement
Award for the Home in
One Mortgage Facility**

*Gulf Customer and Digital
Experience Awards*

(2016)

**Best Integrated
Approach Award for
MobileCash card-less
withdrawals**

*Gulf Customer and Digital
Experience Awards*

(2016)

**Best Internal Use of
Digital Award for the
Tablet Banking App**

*Gulf Customer and Digital
Experience Awards*

(2016)

**Digital Pioneer Award
for Web
Authentication Chat**

*Gulf Customer and Digital
Experience Awards*

(2016)

**Best Overall Customer
Experience Award**

*Gulf Customer and Digital
Experience Awards*

(2016)

SME Bank of the Year

*Arabian Business
StartUp Awards*

(2016)

**Best Branding/Marketing
Campaign for the Launch
of RAKelite Premium
Banking**

*Banker Middle East
Industry Awards*

(2016)

**Best Internet Banking
Product of the Year
Award in the Middle East**

The Asian Banker

(2016)

Q3 / 9M 2017 Highlights

Financial Snapshot

(AED Mn)	Quarterly Results			9 Months Results		
	Q3'17	Q3'16	Q3'17 v/s Q3'16	Sep '17	Sep '16	Sep '17 v/s Sep '16
Net Interest Income and net income from Islamic financing	699	686	1.9%	2,035	2,138	(4.8%)
Non-Interest Income	261	263	(0.7%)	838	779	7.6%
Total Income	960	949	1.2%	2,873	2,917	(1.5%)
Operating Expenditures	(366)	(329)	(11.4%)	(1,082)	(1,015)	(6.6%)
Operating Profit Before Provisions for Impairment	594	621	(4.3%)	1,791	1,901	(5.8%)
Provisions for Impairment	(369)	(512)	27.8%	(1,185)	(1,347)	12.0%
Net Profit	225	109	106.7%	606	554	9.4%

Key Ratios

Ratios	Sep '17	Dec '16	Sep '16	Sep '17 v/s Dec '16	Sep '17 v/s Sep '16
Return On Equity*	10.7%	8.7%	9.8%	2.0%	0.9%
Return On Assets*	1.9%	1.6%	1.8%	0.3%	0.1%
Net Interest Margin*	6.2%	6.9%	7.0%	(0.7%)	(0.8%)
Cost-to-Income	37.7%	35.6%	34.8%	2.1%	2.9%
Coverage Ratio	78.6%	84.3%	84.5%	(5.7%)	(5.9%)
Gross Impaired Loans Ratio	4.0%	4.2%	4.1%	(0.2%)	(0.1%)
LSRR	88.8%	85.5%	84.3%	3.3%	4.5%
Liquid Asset Ratio	14.1%	16.9%	18.7%	(2.8%)	(4.6%)
Capital Adequacy Ratio**	20.4%	22.3%	23.9%	(1.9%)	(3.5%)
Core Equity Tier One**	20.4%	22.3%	23.9%	(1.9%)	(3.5%)

Balance Sheet Highlights

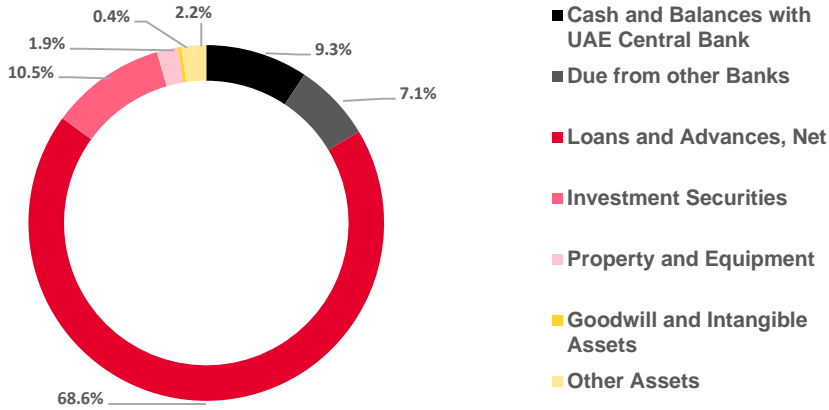
(AED Bn)	Sep '17	Dec '16	Sep '16	Growth YTD	Growth Y-o-Y
Total Assets	46.1	42.5	40.9	8.3%	12.8%
Gross Loans and Advances	32.6	29.8	29.0	9.6%	12.5%
Deposits	31.5	29.4	28.4	7.0%	10.9%

* annualized

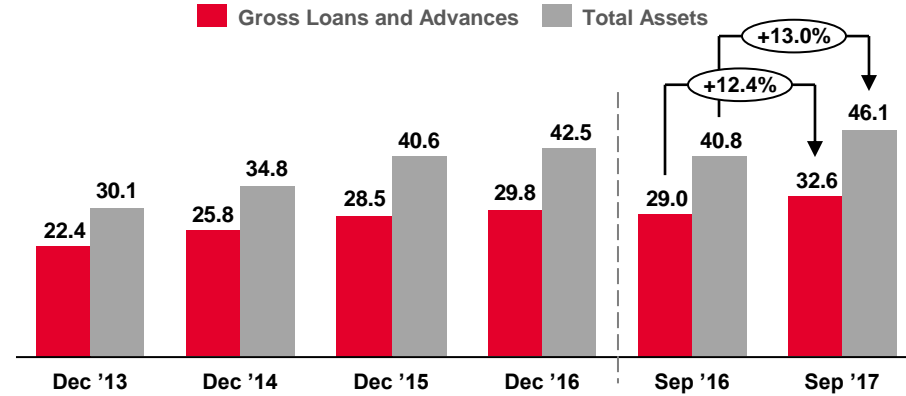
** before net profit and proposed dividend for Sep '16 and Sep '17 figures, after net profit and proposed dividend for Dec '16 figure.
Numbers may not add up due to rounding

Balance Sheet Overview

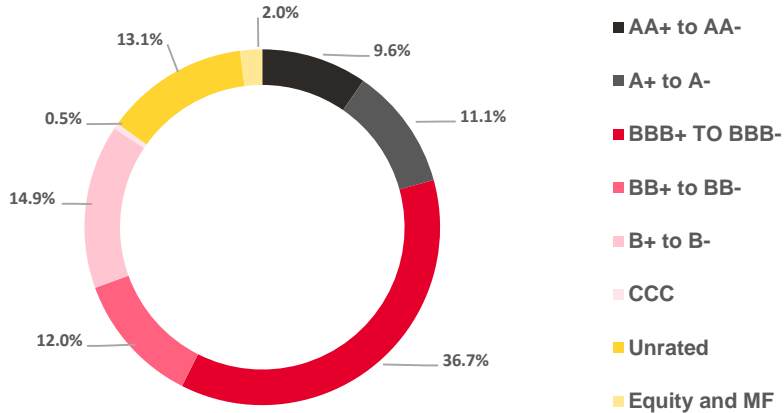
Breakdown of Assets by Type (as at 30.09.17)



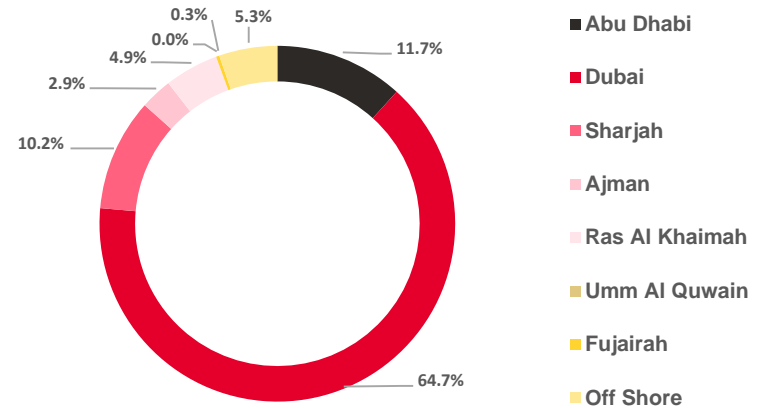
Assets and Gross Loans & Advances (AED Bn)



Analysis of Investment Securities (as at 30.09.17)



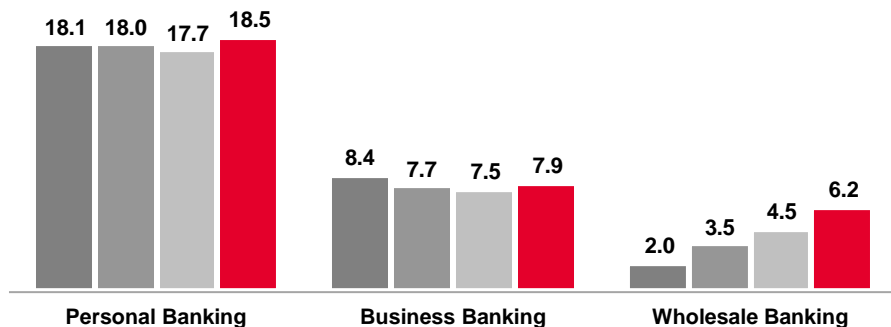
Loans by Geography, by Value (as at 30.09.17)



Loans Mix

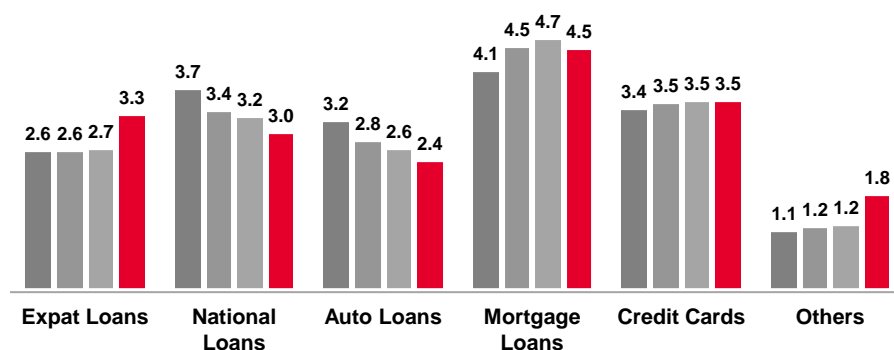
Total Loans & Advances by Segment (AED Bn)

■ Dec '15 ■ Sep '16 ■ Dec '16 ■ Sep '17



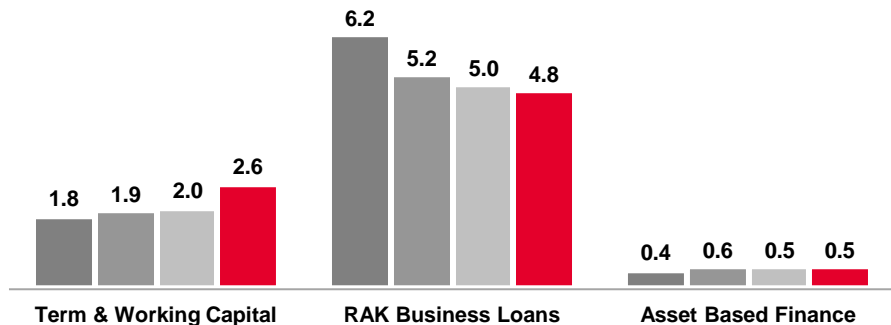
Total Loans & Advances - Personal Banking (AED Bn)

■ Dec '15 ■ Sep '16 ■ Dec '16 ■ Sep '17



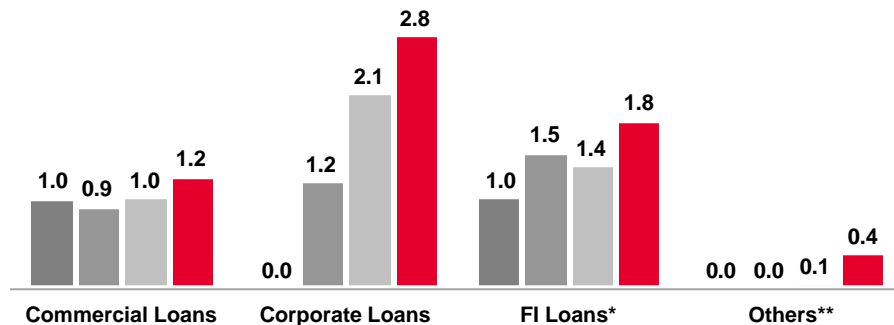
Total Loans & Advances – Business Banking (AED Bn)

■ Dec '15 ■ Sep '16 ■ Dec '16 ■ Sep '17



Total Loans & Advances – Wholesale Banking (AED Bn)

■ Dec '15 ■ Sep '16 ■ Dec '16 ■ Sep '17

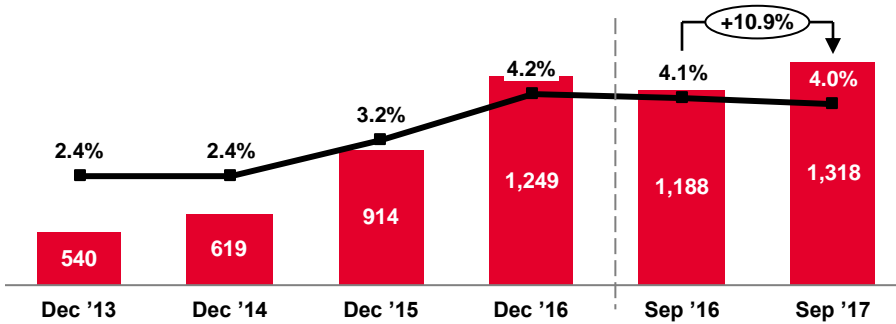


*exclude FI Assets that amount to AED2,311Mn not classified as loans and advances

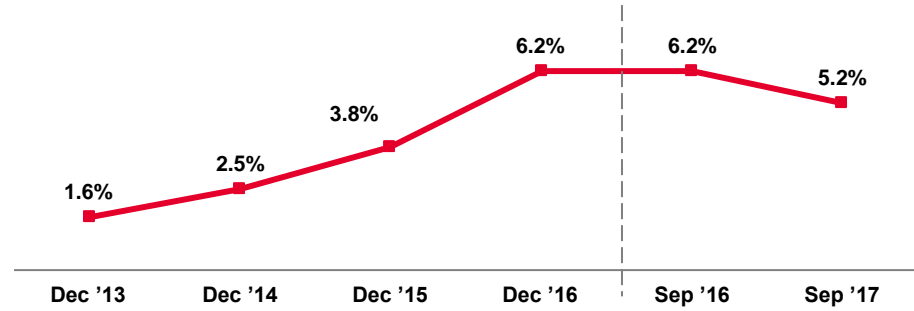
** Others include Asset Based Finance and Gold Loan

Non-Performing Loans (AED Mn)

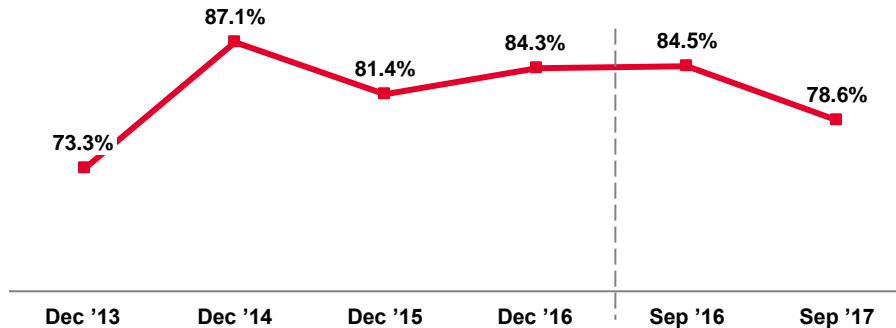
— Impaired Loans to Gross Loans and Advances ■ Impaired Loans



Net Credit Cost



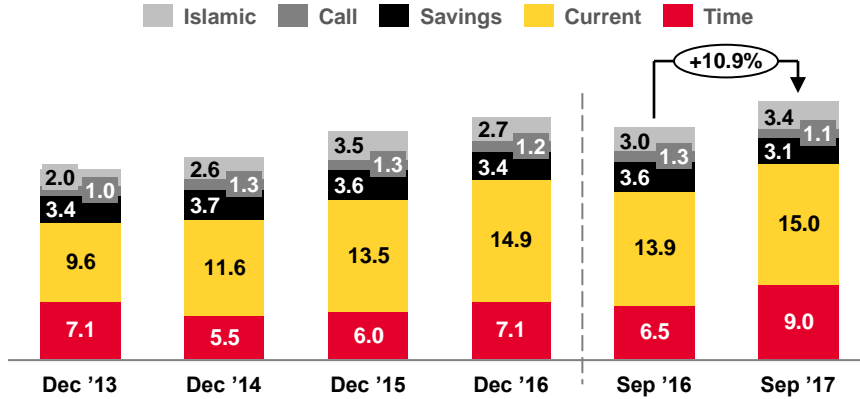
Coverage Ratio



Notes

- The Bank has been diversifying the product mix into lower risk business by growing its traditional TWC lending, and ABF under Business Banking segment and its Corporate, Commercial, and FI portfolios under its Wholesale Banking segment.
- The Bank is well provisioned against loan losses with a conservative loan loss coverage ratio of 78.6% compared to 84.3% at 31 December 2016, which does not take into consideration mortgaged properties and other realizable asset collateral available against the loans.

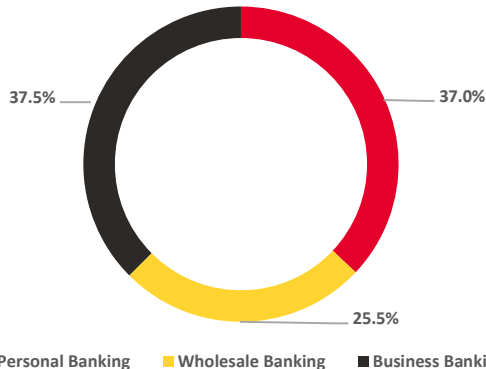
Customer Deposits (AED Bn)



Notes

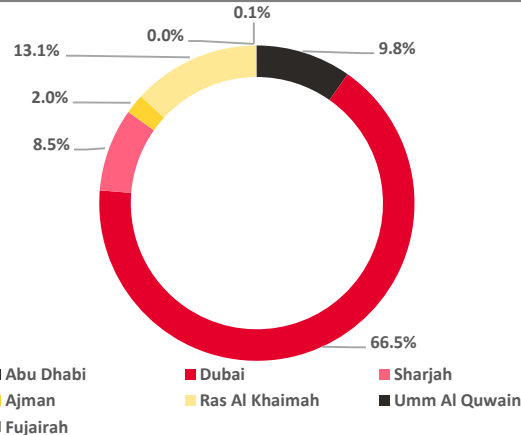
- Customer deposits grew by AED2.1Bn to AED31.5Bn compared to 31 December 2016. Customer deposits grew by AED3.1Bn compared to 30 September 2016.
- The deposits from the Personal, Business, Wholesale Banking and Treasury segments amount to 37.0%, 37.5%, and 25.5% of total deposits respectively.

Deposits Value by Segment

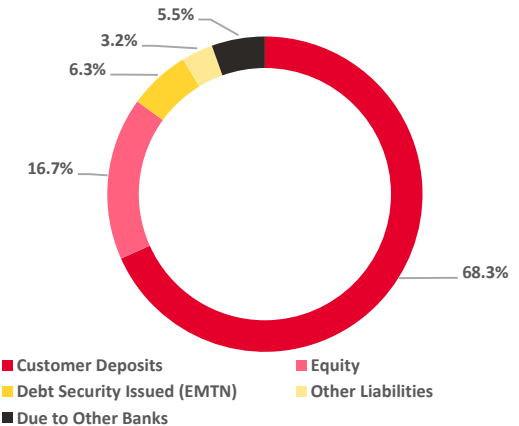


Numbers may not add up due to rounding

Customers Deposits by Geography by Value

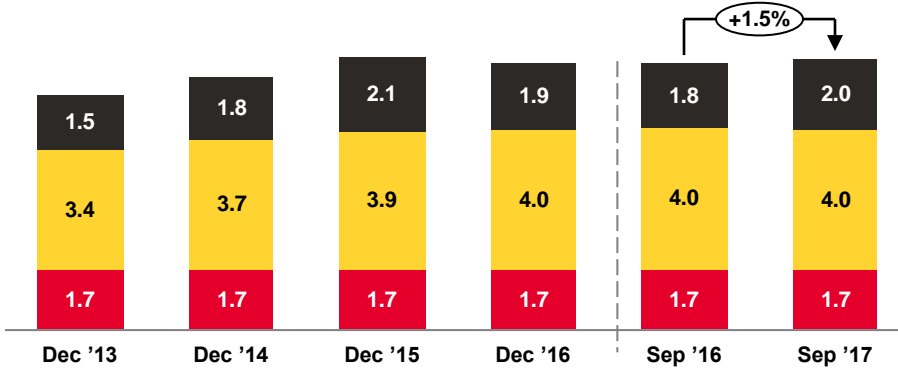


Liabilities Mix

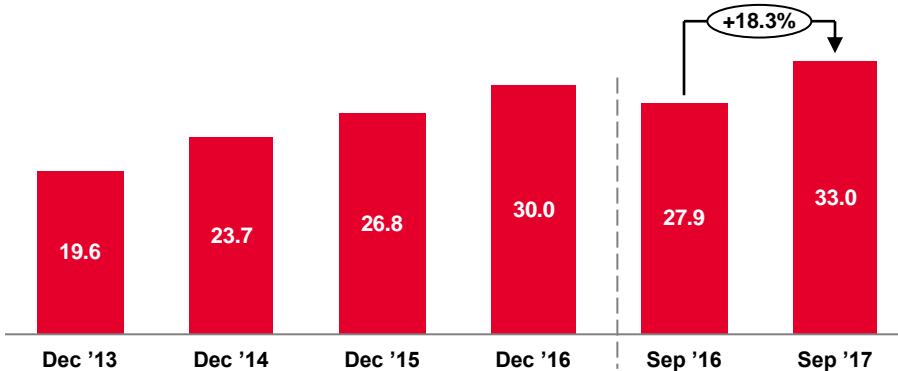


Equity Breakdown (AED Bn)

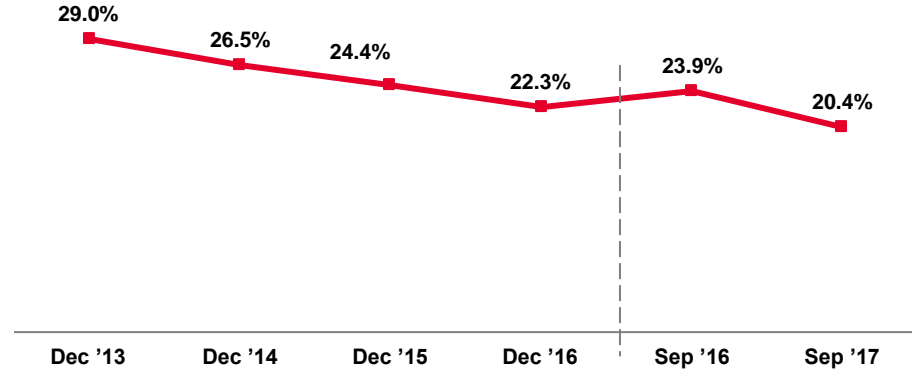
■ Retained Earnings ■ Reserves ■ Share Capital



Risk Weighted Assets (AED Bn)



Capital Adequacy Ratio (CAR)

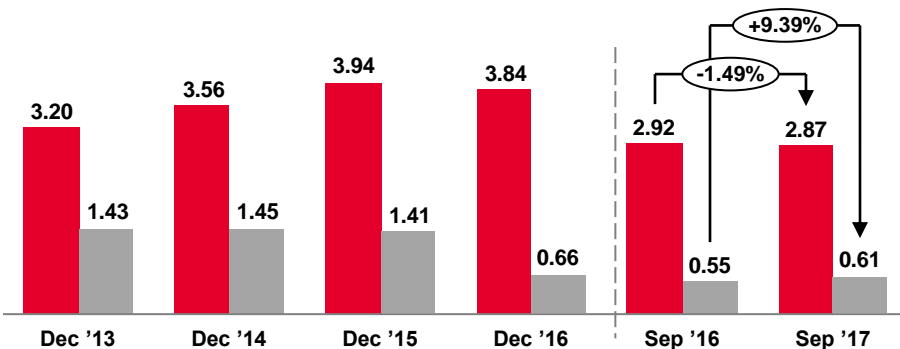


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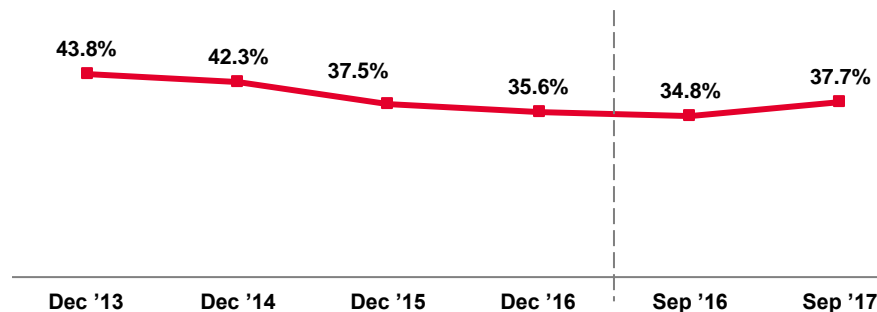
- Capital Adequacy Ratio (CAR) as at 30 September 2017 is at 20.4% (before net profit and proposed dividend) against 22.3% compared 31 December 2016 (after net profit and proposed dividend).
- No impact of Basel III regulations on the quality of capital.

Profitability (AED Bn)

■ Total Income ■ Net Profit

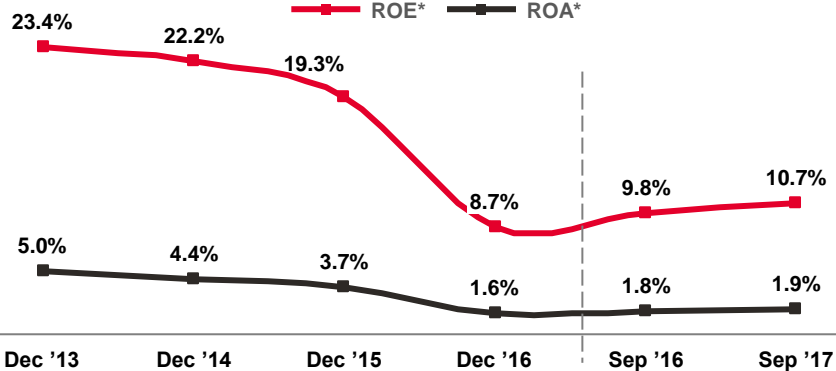


Cost-to-Income Ratio

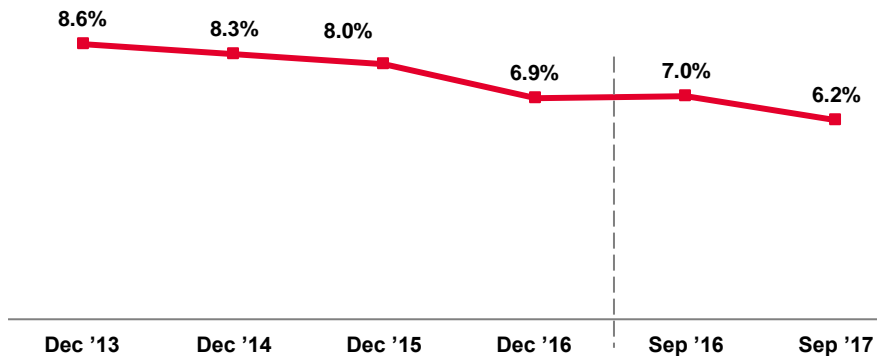


Annualized Returns

■ ROE* ■ ROA*



Net Interest Margin



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