

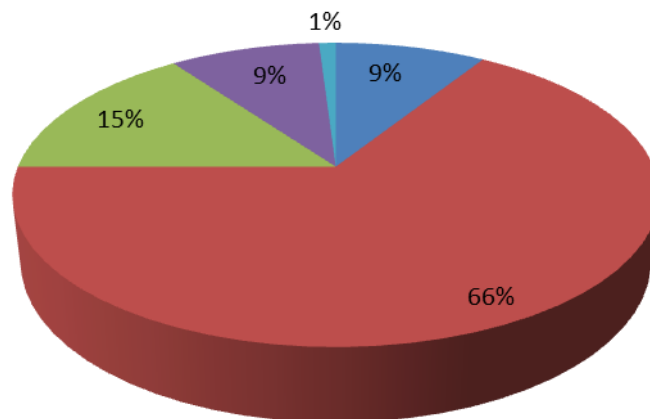
RAKBANK Investor Relations Presentation FY 2013

Snapshot of Ras Al Khaimah

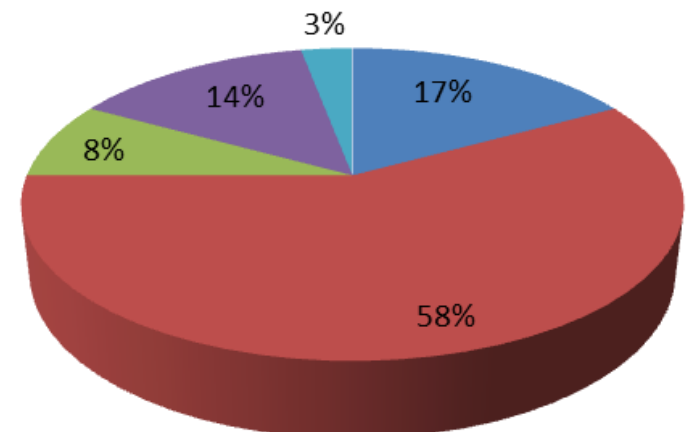
- Situated less than one hour from Dubai, Ras Al Khaimah is the fourth largest of the seven UAE emirates and is ruled by His Highness Sheikh Saud Bin Saqr Al Qasimi.
- Ras Al Khaimah's strategic geographic location at the mouth of the Arabian Gulf places it at the crossroads of international trade. The government of Ras Al Khaimah has embraced the concept of free enterprise as a means for progress and sustainable development.
- The emirate established RAK Free Trade Zone as a cost-effective location with a business-friendly approach to new market entrants.

RAKBANK's business by emirate:

Deposits



Loans



RAKBANK Overview

The National Bank of Ras al Khaimah was founded in 1976.

It underwent a major transformation in 2001 as it rebranded into RAKBANK.




Focus was shifted from corporate banking to retail banking.

RAKBANK is listed on ADX and 52.76% of the Bank's shares are owned by the Ras Al-Khaimah government.

It has 34 branches, 207 ATMs, and 2,600 mobile staff.

The Bank has 4 subsidiaries: RAK Islamic Finance Pvt. J.S.C, BOSS FZCO, RAK Technologies FZCO, and RAKFUNDING CAYMAN LTD.

In January 2013, RAKBANK established RAKBANK AMAL, its Islamic Banking Unit, through an Islamic Banking Division and an Islamic Finance Company.

Rating Agency	Deposits	Financial Strength	Support
	Baa1 / P-2	D+	-
	BBB+ / F2	C	2
	A- / A2	BBB+	2



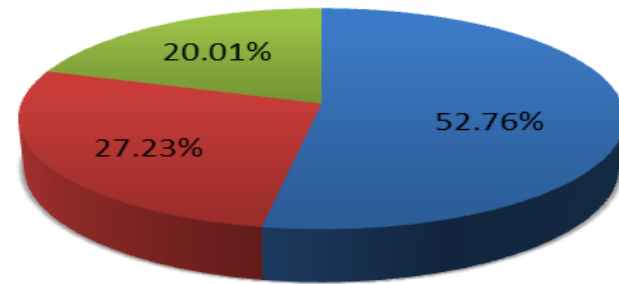
Board of Directors

H.E. Shaikh Omar bin Saqr Al-Qasimi	Chairman
H.E. Shaikh Salim bin Sultan Al-Qasimi	Member
Mr. Hamad Abdulaziz Al Sagar	Member
Mr. Abdul Aziz Abdulla Al Zaabi	Member
Mr. Yousuf Obaid Essa Al Nuaimi	Member
Mr. Ahmed Essa Al Naeem	Member
Mr. Salem Al Sharhan Al Nuaimi	Member
Mr. Graham Honeybill	Member

Peter England CEO

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, one of the largest banks in ASEAN where he managed CIMB Bank Malaysia's business for individual and small enterprise customers and worked on developing a wide range of conventional and Islamic products and services.

Shareholders



- The government of Ras Al Khaimah
- UAE Citizens
- Foreign Ownership

Management

Ian Hodges	Head of Personal Banking
K.S. Ramakrishnan	Head of Internal Audit
Raghuveer Mehra	Head of Credit and Assets
Deepak Majithia	Head of Finance
Tim Basford	Chief Operating Officer
Mufaddal Khumri	Head of Islamic Banking (AMAL)
Rahul Oberoi	Head of Commercial Banking

We aim to be the retail bank of choice in the UAE
through *Simply Better* Banking

Cornerstones:

- We ensure providing our valued customers with innovative and competitive financial products and services through a wide network of convenient distribution channels which also include online solutions.
- We believe that service quality is a primary factor that differentiates us from our competitors. We proactively address customers' issues and treat them as opportunities for improvement.
- We shy away from what we don't understand and maintain a prudent lending policy.
- We consider speed of decision making paramount in everything we do.
- We are strongly committed to our home emirate of Ras Al Khaimah as we invest in creating job opportunities and in developing our UAE Nationals to be future leaders in banking.
- We seek to establish ourselves as a competent and transparent financial institution and continue to focus on maximizing our shareholder and asset value.

Awards:

- **1st in the Arab World by Return On Assets (ROA)** and **5th in the Arab World by Return on Capital (ROC)** according to The Banker's Top 100 Arab Bank Rankings for 2013
- Winner of the **Best Prepaid Card** award by VRL Prepaid Middle East 2013 for the Bayani Prepaid Card
- Named **2012 Bank of the Year** by Arabian Business Achievement awards
- Winner of the **Service Quality Award** in the Annual Bank Benchmarking Survey by Ethos Consultancy from 2005 - 2010

In January 2013, RAKBANK established **RAKBANK AMAL**, its Islamic Banking Unit, through an Islamic Banking Division and an Islamic Finance Company. The Islamic Finance Company (RAK Islamic Finance Company) was set up with an issued capital of AED 100 million and is a 100% subsidiary of RAKBANK.

AMAL includes a suite of Sharia-compliant products in retail and business banking including:

- Personal Finance
- Auto Finance
- Home Finance
- Business Finance
- Current Account
- Savings Account
- Debit Cards
- Credit Cards*
- Term Investment Deposit Account
- Wakala Deposit Account
- Call Account



(AED millions)	FY '13
Customer Advances	1,172
Customer Deposits	1,964
Profit	3

AMAL Fast Lane launched as the first center in the region dedicated to timely Sharia-compliant Auto Finance services.



* Credit Cards are offered through RAK Islamic Finance Company, whereas all other products are offered through Islamic Banking Division which is a part of RAKBANK

FY 2013 Summary Financials

Key Highlights as at December 31st 2013

Net Profit at AED 1.43 billion

Operating Income at AED 3.2 billion

Stock price closed at AED 7.14

Valuations

- **PE ratio:** 8.4
- **PB ratio:** 1.8
- **Dividend yield:** 7.0%

Profitability

- **ROA:** 5.0%
- **ROE:** 23.4%

Asset Quality

- **NPL ratio:** 2.4%
- **NPL coverage ratio:** 73.3%

Capital Adequacy

- **CAR:** 29.0%

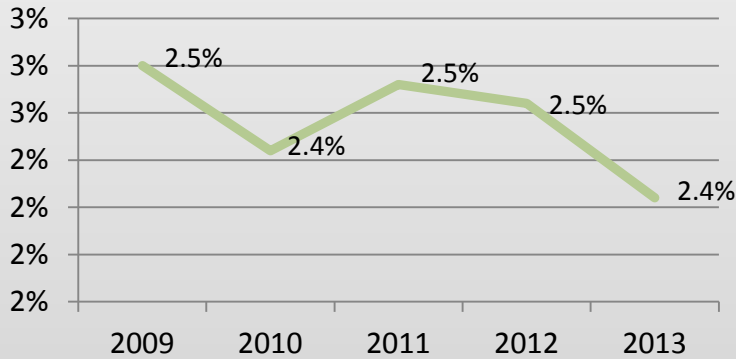
Income Statement (AED millions)	FY '13	FY '12	Y-o-Y
Net Interest Income (inc. Islamic)	2,465	2,306	6.9%
Fee and Commission Income	529	488	8.3%
Investment Income	41	(2)	
Forex Income	75	68	10.6%
Other Income	40	33	22.5%
Operating Income	3,150	2,893	8.9%
Operating Expenses	(1,379)	(1,281)	7.6%
Provision for impairment of Loans	(341)	(209)	62.9%
Net Profit	1,431	1,403	2.0%

Balance Sheet (AED millions)	FY '13	FY '12	Y-o-Y
Cash and due from Central Bank	3,622	2,904	24.7%
Due from other banks	544	1,196	-54.5%
Investment securities	2,696	1,587	69.9%
Loans & Advances	21,959	20,283	8.3%
Property & Equipment	1,029	1,036	-0.7%
Other Assets	277	244	13.5%
Total Assets	30,127	27,250	10.6%
Customers' Deposits	23,069	20,720	11.3%
Due to other banks	3	234	-98.7%
Other Liabilities	538	601	-10.5%
Total Liabilities	23,611	21,555	9.5%
Shareholders' Equity	6,516	5,695	14.4%

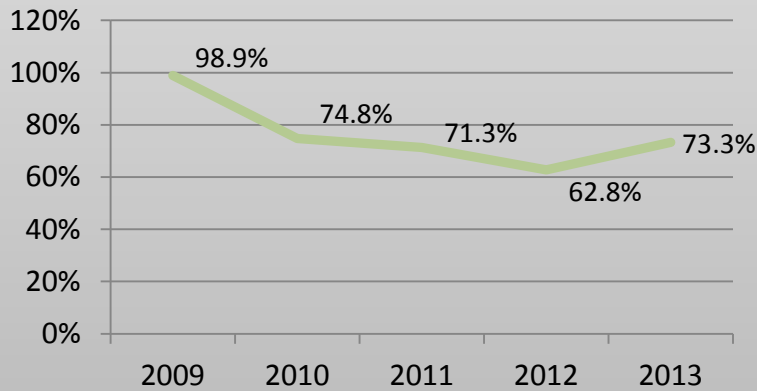
Effective Q1 2014, the Bank has reclassified bond interest as interest income, consistent with accounting practices. Such reclassification is also given effect to in the above information to maintain consistency.

FY 2013 Profitability Ratios

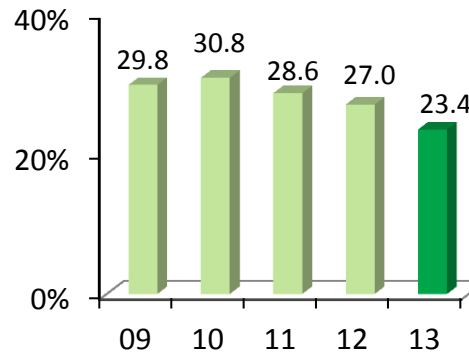
NPL to Gross Advances Ratio



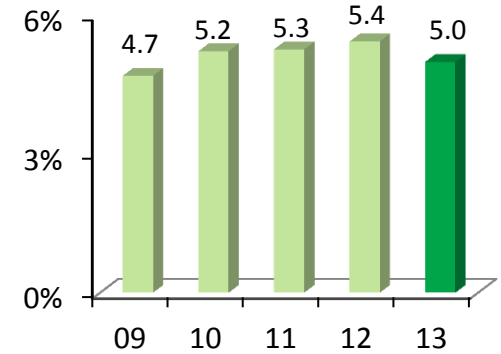
NPL Coverage Ratio



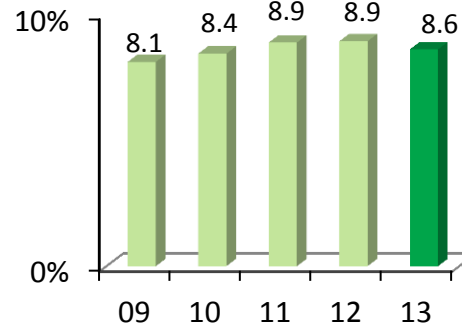
Return on Equity



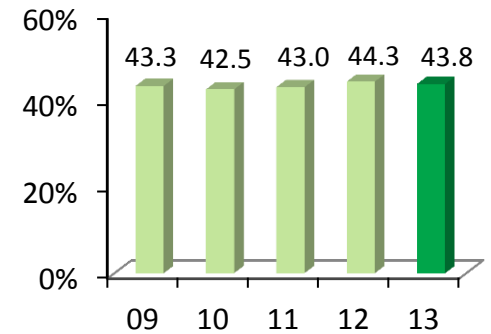
Return on Assets



Net Interest Margin

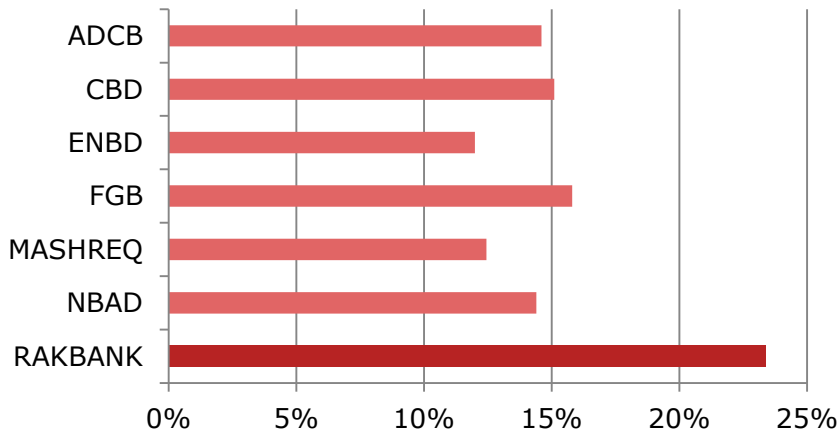


Cost to Revenue Ratio

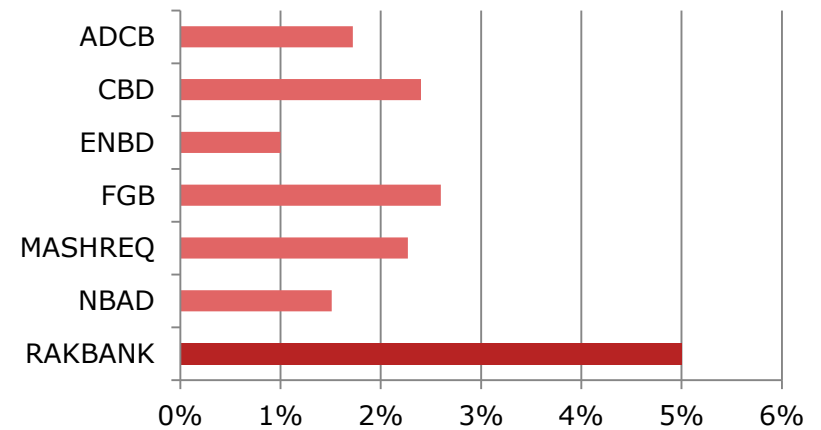


RAKBANK vs. Competitors (FY 2013)

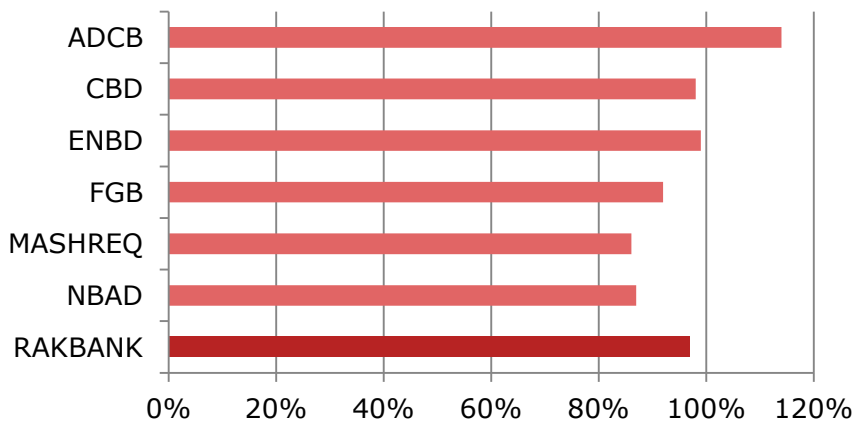
ROE



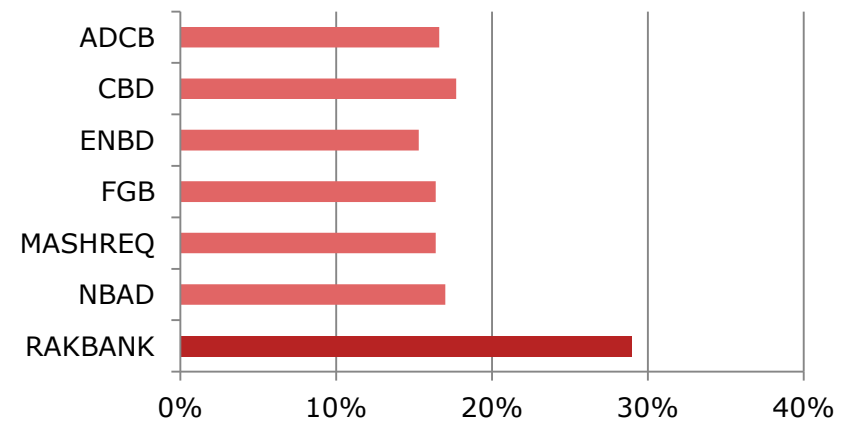
ROA



Net Loans to Customer Deposits



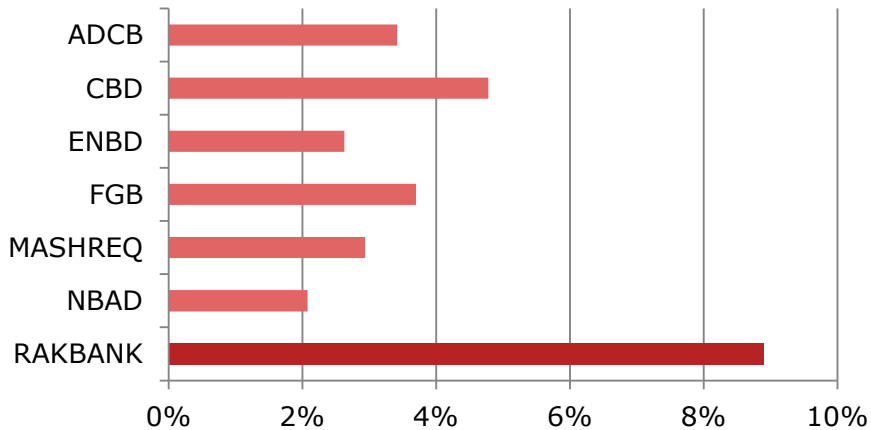
Tier 1 Ratio



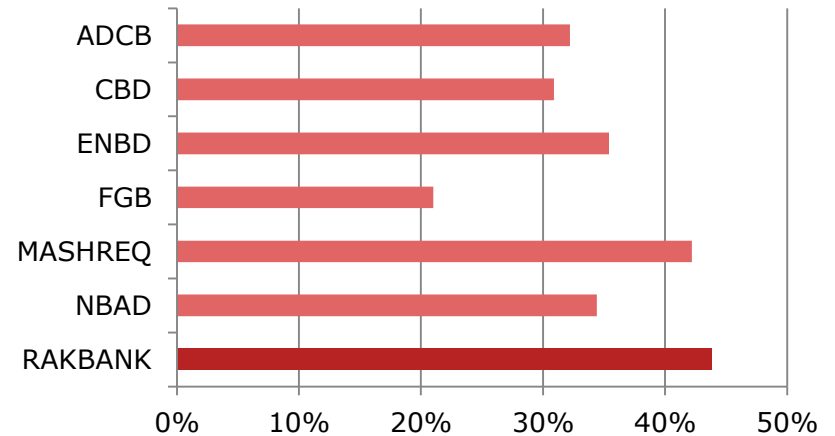
According to RAKBANK research

RAKBANK vs. Competitors (FY 2013)

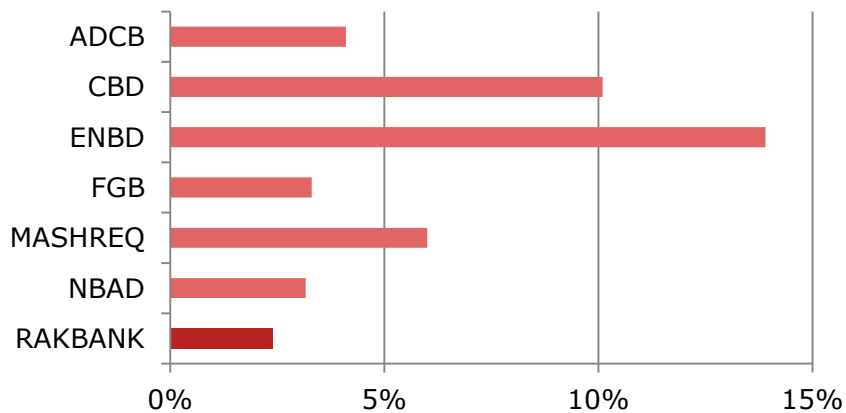
Net Interest Margin



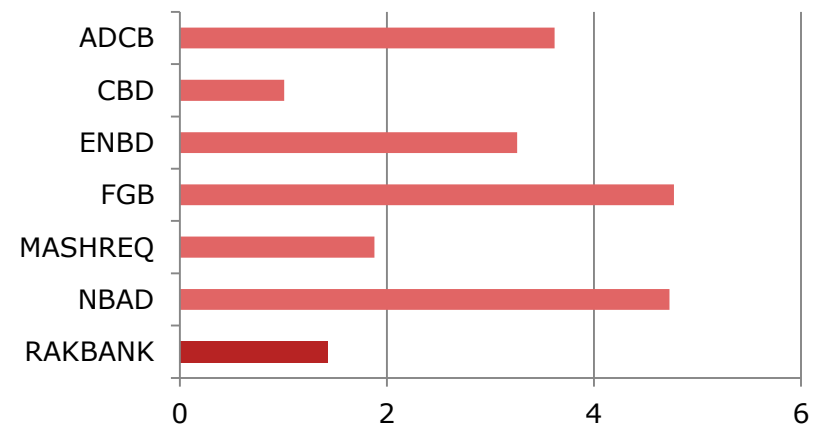
Cost-to-Income



Problem Loans to Gross Loans



Net Profit in billions (AED)



According to RAKBANK research

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