

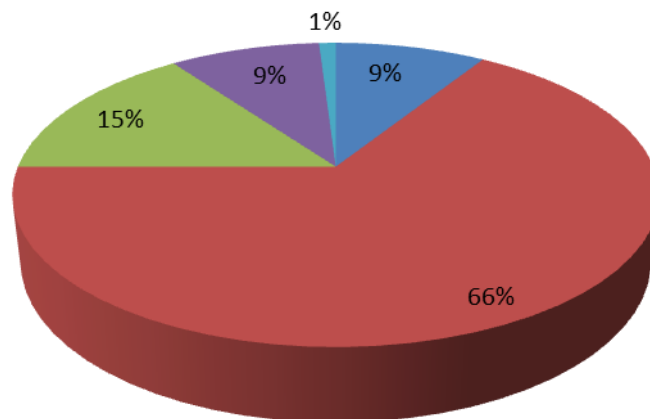
RAKBANK Investor Relations Presentation Q1 2014

Snapshot of Ras Al Khaimah

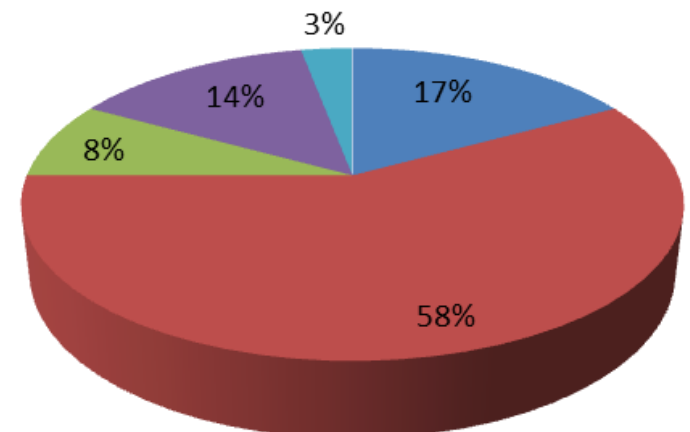
- Situated less than one hour from Dubai, Ras Al Khaimah is the fourth largest of the seven UAE emirates and is ruled by His Highness Sheikh Saud Bin Saqr Al Qasimi.
- Ras Al Khaimah's strategic geographic location at the mouth of the Arabian Gulf places it at the crossroads of international trade. The 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



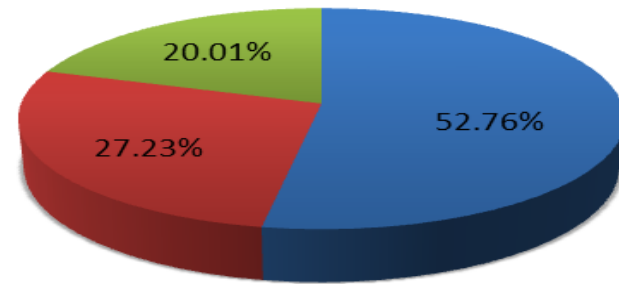
Board of Directors

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:

- **Best Internet Banking Initiative** award in the Middle East at the 2014 Asian Banker Middle East Retail Product Awards
- **Best Core Banking Implementation Project** award in the Middle East at the 2014 Asian Banker Middle East Retail Product 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)	Q1 '14	FY '13
Customer Advances	1,632	1,172
Customer Deposits	2,306	1,964
Profit	6	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

Q1 2014 Summary Financials

Q1 2014 financial results are consistent with guidance of lower profits due to bad debt, with a key focus on revenue growth.

Net profit was down by AED 33 million in Q1 2014 from Q1 2013 but was up by AED 42 million from Q4 2014.

Revenue growth was robust from Q1 2013 to Q1 2014 and from Q4 2013 to Q1 2014 after deducting one-offs in Q4 2013.

Loan growth is back to double digit (annualized 12%) after slow growth last year.

We were unsuccessful in our bid to purchase the assets of GE Mubadalah but have decided to focus on asset-backed financing as a line of business.

Income Statement (AED millions)

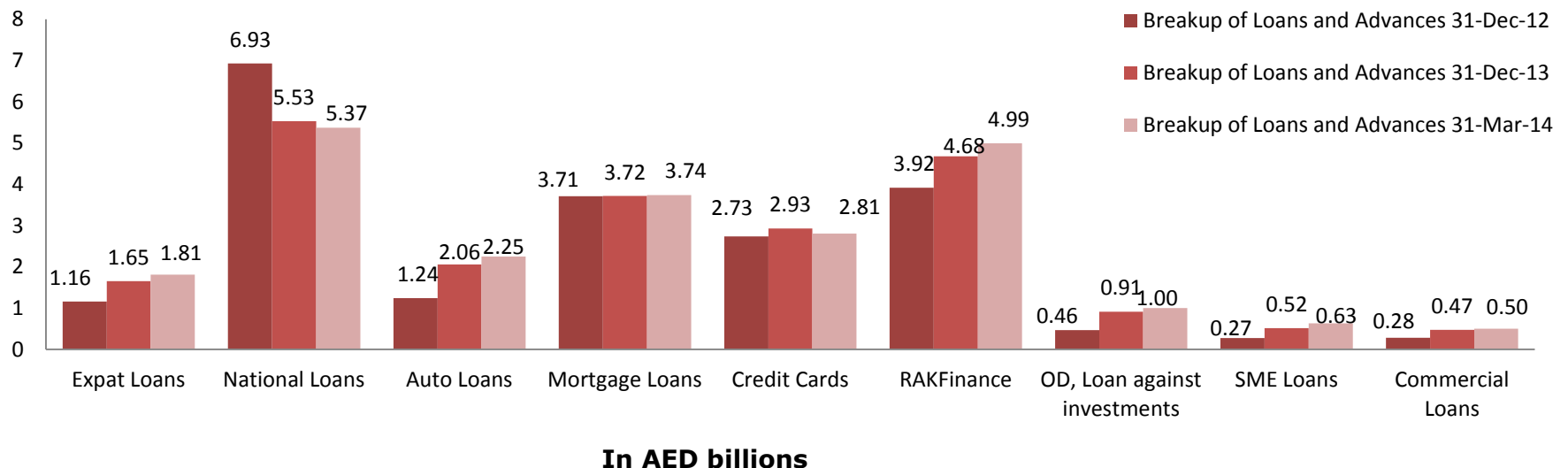
	Q1'14	Q1'13	Y-o-Y	Q4'13	Q-o-Q
Net Interest Income (inc. Islamic)	639	595	7.4%	638	0.2%
Fee and Commission Income	150	130	15.4%	131	14.5%
Investment Income	2	0		22	-90.9%
Forex Income	20	17	17.6%	19	5.3%
Other Income	14	10	40.0%	6	133.3%
Operating Income	825	752	9.7%	816	1.1%
Operating Expenses	(360)	(323)	11.5%	(365)	1.4%
Provision for impairment of Loans	(130)	(61)	113.1%	(158)	-17.7%
Net Profit	335	368	-9.0%	293	14.3%

Balance Sheet (AED millions)

	Q1'14	Q1'13	Y-o-Y	Q4'13	Q-o-Q
Cash and due from Central Bank	3,503	3,416	2.5%	3,622	-3.3%
Due from other banks	560	388	44.3%	544	2.9%
Investment securities	3,558	3,009	18.2%	2,696	32.0%
Loans & Advances	22,588	20,193	11.9%	21,959	2.9%
Property & Equipment	1,006	1,035	-2.8%	1,029	-2.2%
Other Assets	303	285	6.3%	277	9.4%
Total Assets	31,518	28,326	11.3%	30,127	4.6%
Customers' Deposits	23,516	20,421	15.2%	23,069	1.9%
Due to other banks	571	1,309	-56.4%	3	18933%
Other Liabilities	1,418	1,141	24.3%	539	163.1%
Total Liabilities	25,505	22,871	11.5%	23,611	8.0%
Shareholders' Equity	6,013	5,455	10.2%	6,516	-7.7%

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.

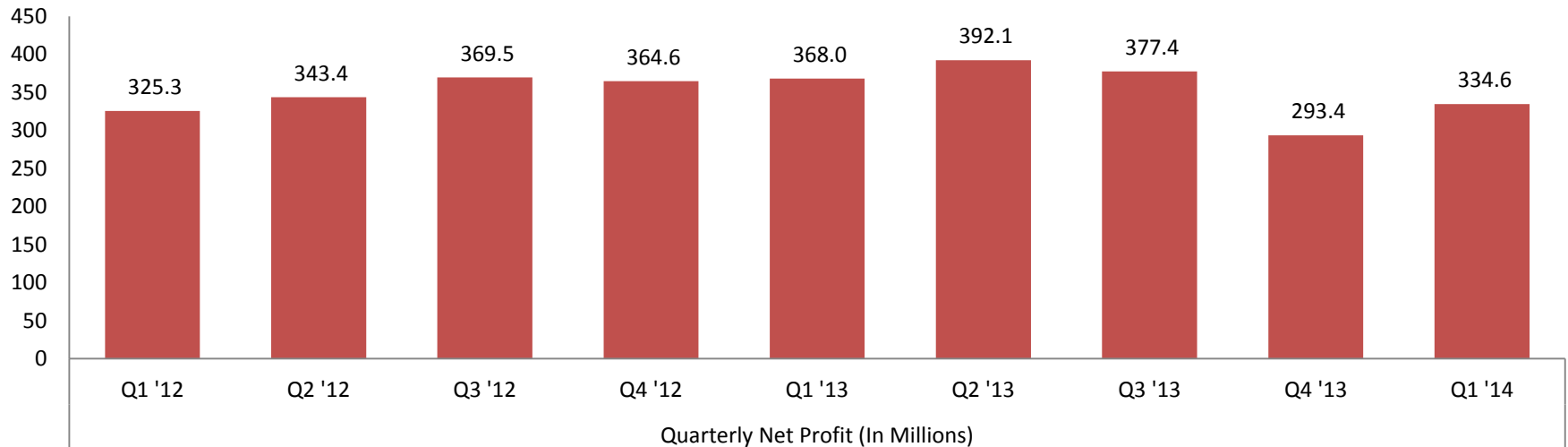
(AED millions)	Q1 '14	Q1 '13	Variance	Y-o-Y	Q4 '13	Variance	Q-o-Q
Total Loans & Advances	23,094	20,593	2,501	12.1%	22,419	675	3.0%
Less: Advance EMIs	59	80	-21	-26.3%	64	-5	-7.8%
Gross Loans	23,035	20,513	2,512	12.3%	22,355	680	3.0%
Impairment Provisions	(447)	(320)	(127)	39.7%	(396)	(51)	12.9%
Net Loans	22,588	20,193	2,395	11.9%	21,959	629	2.9%



Key Financial Results Highlights

Deposit Growth (AED millions)	Q1 '14	Q1 '13	Variance	Y-o-Y	Q4 '13	Variance	Q-o-Q
Demand Deposits	16,147	13,020	3,127	24.0%	15,073	1,074	7.1%
Time Deposits	7,369	7,401	-32	-0.4%	7,997	-628	-7.8%
Total Deposits	23,516	20,421	3,095	15.2%	23,070	446	1.9%

Earnings Trend



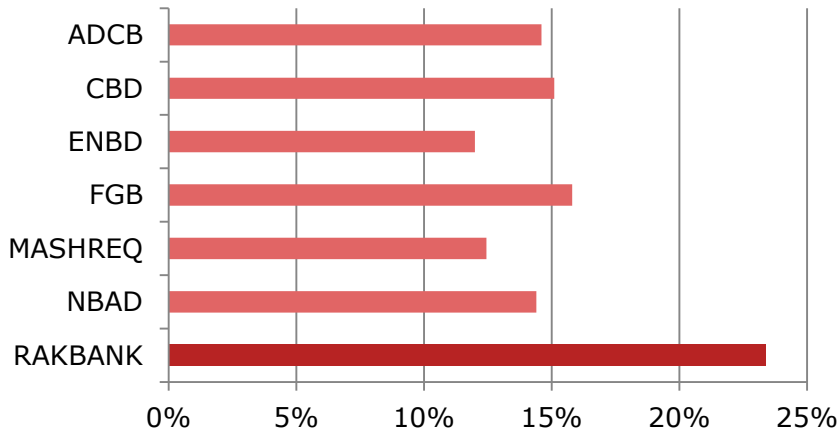
Key Ratios for Q1 2014

Percentage (%)	Q1 '14	Q1 '13	Variance	Y-o-Y	FY '13	Variance	Q-o-Q
ROE*	21.4	26.4	-5.0	↓	23.4	-2.0	↓
Net Interest Margin*	8.4	8.2	0.2	↑	8.6	-0.2	↓
Cost to Revenue	43.6	42.9	0.7	↓	43.8	-0.2	↑
Gross Impaired Loans Ratio	2.4	2.4	-	↓	2.4	0	↓
ROA*	4.4	5.4	-1	↑	5.0	-0.6	↑
NPL Coverage Ratio	79.5	64.6	14.9	↑	73.3	6.2	↑
Loan to Deposit Ratio (as per CB definitions)	91.0	91.0	-	↓	88.1	2.9	↓
Capital Adequacy Ratio	27.6	28.1	-0.5	↓	29.0	-1.4	↓

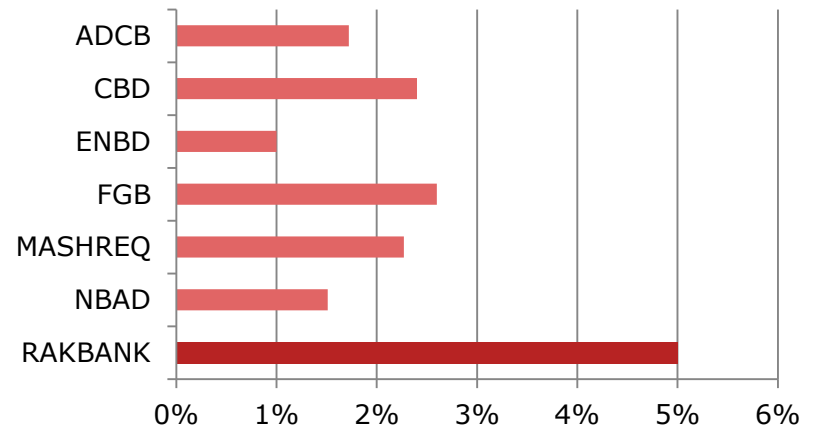
* Annualized

RAKBANK vs. Competitors (FY 2013)

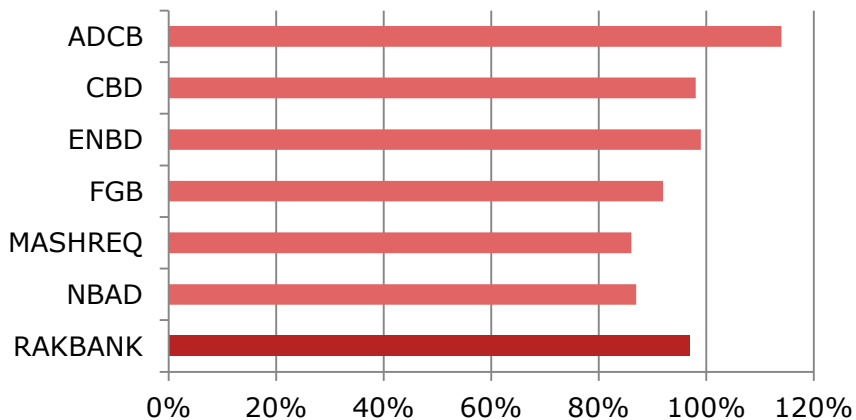
ROE



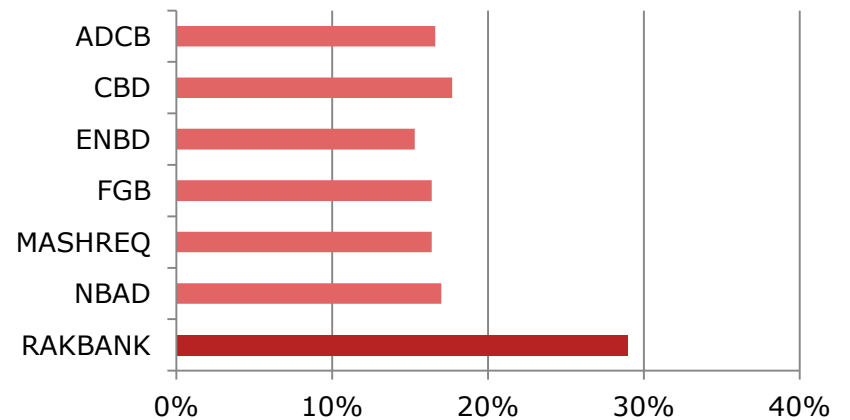
ROA



Net Loans to Customer Deposits



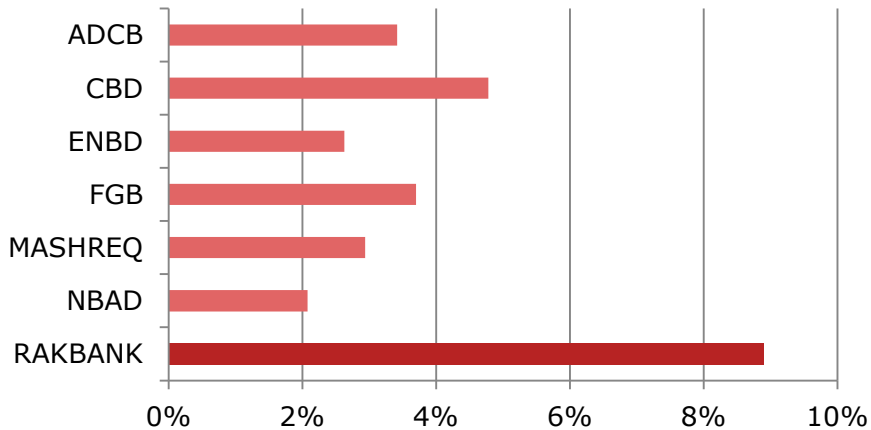
Tier 1 Ratio



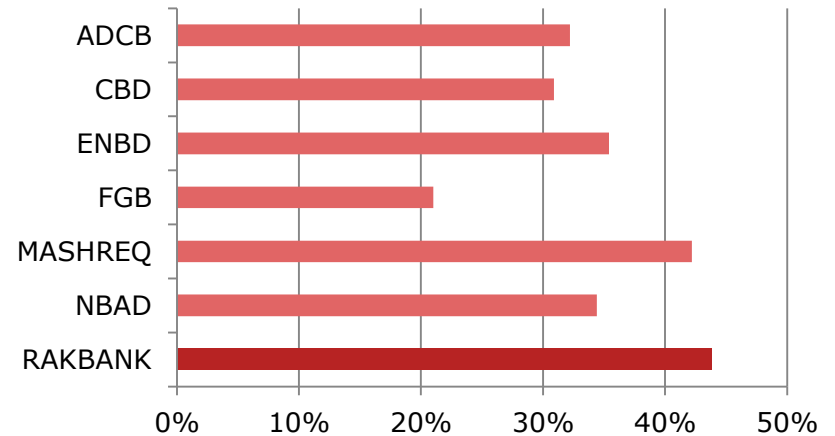
According to RAKBANK research

RAKBANK vs. Competitors (FY 2013)

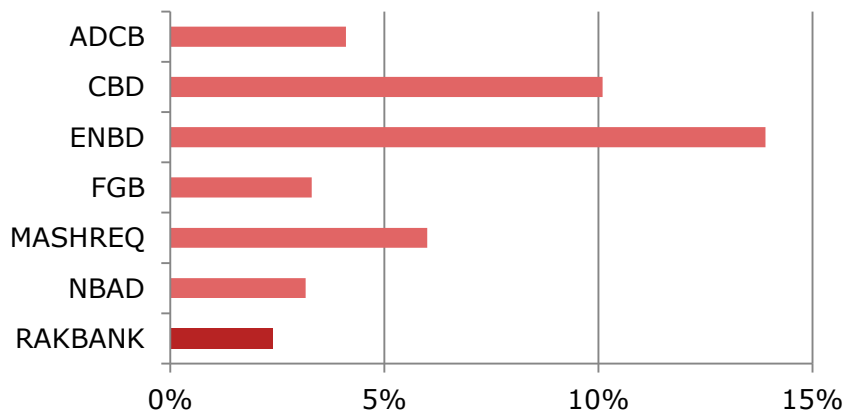
Net Interest Margin



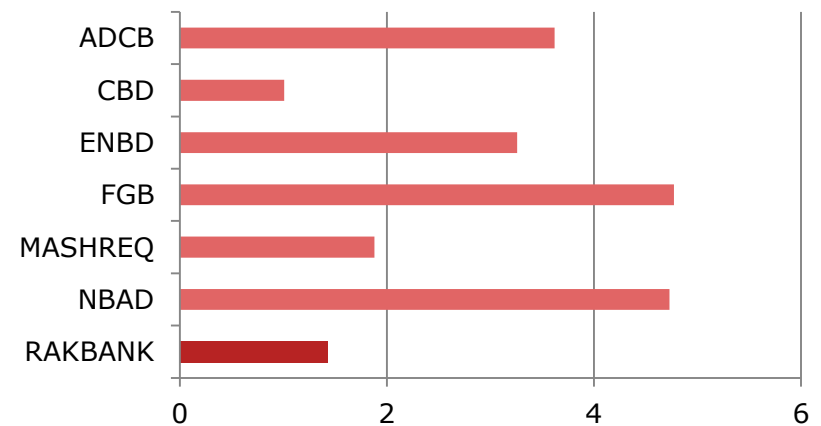
Cost-to-Income



Problem Loans to Gross Loans



Net Profit in billions (AED)



According to RAKBANK research

USD 500 million Fixed Rate Note

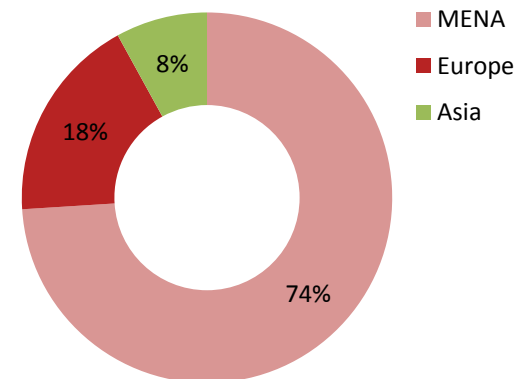
Transaction Summary

Issuer	RAKFUNDING CAYMAN LTD
Guarantor	The National Bank of Ras Al-Khaimah
Guarantor Rating	Baa1 (Moody's) / BBB+ (S&P)
Status	Senior Unsecured
Format	Regulation S only
Pricing Date	17 June 2014
Settlement Date	24 June 2014
Issue Size	USD 500,000,000
Maturity Date	24 June 2019
Issue Price	99.275%
Yield to Maturity	3.409%
Coupon	3.250%
Spread over MS	5Y MS + 160bps
Listing	Irish Stock Exchange
Governing Law	English Law
Arranger/Bookrunner	Standard Chartered Bank

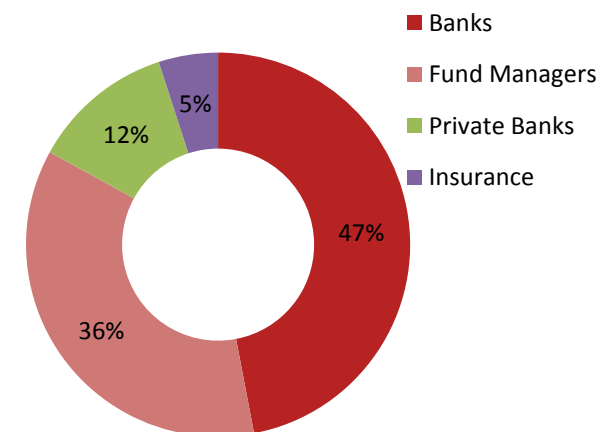
Transaction Highlights

- On Tuesday 17th June 2014, Standard Chartered Bank ("Standard Chartered") successfully priced a USD 500 million 5-year bond for The National Bank of Ras Al-Khaimah PSC ("RAKBANK" or the "Bank"). The transaction was priced at 99.275% with a coupon rate of 3.250% and yield of 3.409%, representing 160bps over 5-year USD Mid Swaps. The issuance was executed as the first drawdown under the Bank's newly established USD 1,000 million Euro Medium Term Note Programme.
- RAKBANK's issuance marks its return to the bond markets after a hiatus of nine years (its debut bond was in 2005 which was followed by a tap in 2006)
- The success of the transaction came at the back of a focused marketing strategy aimed at reintroducing RAKBANK's credit story to fixed income investors and included a roadshow covering abu Dhabi, Dubai, Singapore and London.
- Investors responded positively to the bond announcement given the scarcity value of FIG credits in general. RAKBANK's strong financial metrics and the limited primary supply seen from MENA FIs in 2014 (the transaction is only the second MENA FI USD benchmark issuance this year).
- The strong investment demand received on the issuance, as evidenced by an orderbook of USD 1.6 billion, representing an oversubscription of over 3.2 times, allowed RAKBANK to price a 160bps over USD Mid-Swaps, which was 10bps inside the initial price guidance of 170bps area over USD Mid-Swaps.
- The investor base captured was well diversified with banks comprising 47% of the orderbook, followed by fund managers (36%), private banks (12%) and insurance companies (5%).
- The transaction represents the only non-Sovereign issuance from the emirate of Ras Al-Khaimah since 2006.

Investors by Geography



Investors by Type



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