



In good hands

www.nbf.ae

Engaging our stakeholders for the continued development of National Bank of Fujairah

NBF has established a solid platform for future development and as the bank begins the next leg of its growth journey, it has placed a greater emphasis to regularly engage with the market and the local community.

Not only will such engagement allow us to provide greater insight on the bank's progress, it will provide us with a better understanding of the perspectives of our customers and stakeholders - insights that would prove invaluable as the bank strives to improve its financial results, shareholder returns and market reputation.

As NBF progresses towards becoming the UAE's partner of choice and the pride of Fujairah, your support will be instrumental to our continued success.

Summary

Operations	<ul style="list-style-type: none"> • Incorporated in 1982 and commenced operations in 1984 • Among top five fastest growing banks in the UAE in the last three years • 13th largest in terms of market capitalisation in UAE • Out of 1,000 banks in the world, THE BANKER ranked NBF at 166th in terms of Soundness, 248th in terms of Return on Assets and 420th in terms of Return on Capital, despite having an asset base ranking of 902. This speaks volumes of our robust year-on year performance and underlying financial strength
Flagship	<ul style="list-style-type: none"> • Flagship bank of Fujairah Government • An Emirate of strategic importance • Second largest bunkering hub globally
Ownership	<ul style="list-style-type: none"> • 40.11% owned by Department of Industry and Economy – Government of Fujairah • 21.66% by Easa Saleh Al Gurg Company LLC • 9.78% by Investment Corporation of Dubai – Government of Dubai
Credit Rating	<ul style="list-style-type: none"> • NBF rated Baa1 (Long term) and P-2 (Short term) with stable outlook by Moody's • NBF rated BBB+ (Long term) and A-2 (Short term) with stable outlook by S&P • NBF rated A- (Long term) and A2 (Short term) with stable outlook by Capital Intelligence
Profitability	<ul style="list-style-type: none"> • Good profitability ratios reflect strong performances by key businesses • Recorded highest profit ever in 2013 of AED 393m • ROE stable around 15% p.a.
Diversification	<ul style="list-style-type: none"> • Corporate Banking, Business Banking, Retail Banking, Trade, Treasury, Corporate Advisory and Islamic Banking
Presence	<ul style="list-style-type: none"> • Total of 14 Branches in the UAE • Total of 27 ATMs / CDMs (9 Offsite ATMs / CDMs)

Operating Environment

UAE's economic outlook

	2013e	2014f	2015f	2016f	2017f	2018f	2019f	2020f
Real GDP growth, %	4.1	3.9	4.1	3.7	3.4	3.1	3.0	2.9
GDP per capita, US\$	45,707.0	48,153.0	51,002.0	53,624.0	56,223.0	58,526.0	60,492.0	62,529.0
Inflation, %	1.1	2.0	2.8	3.3	3.5	3.2	3.0	3.0
Current Account, US \$ bn	63.2	62.5	62.6	67.7	73.6	79.9	82.3	84.5
OPEC Basket Price, US \$ / bbl, avg	99.1	96.2	95.2	93.3	93.3	93.4	91.4	91.5
Oil Production, 000s bpd	2,978.4	3,008.2	3,015.0	3,100.0	3,185.0	3,250.0	3,400.0	3,500.0
Balance of Trade in good and services, US \$ bn	71.9	71.7	71.8	76.9	82.8	89.0	91.4	93.7
Population, mn	9.3	9.4	9.6	9.8	10.0	10.2	10.4	10.6

Source: Business Monitor International

It is a good time for the United Arab Emirates. As it enters its 43rd year of nationhood, the UAE has effectively leveraged its strategic position along global trading routes and safe haven status within the Middle East to transform into a global hub for commerce and finance.

Historic developments, from Dubai's successful bid as host city for the World Expo to greater dialogue between Iran and the West, are poised to significantly impact the local and regional economies, with the Dubai Expo alone expected to generate roughly 277,000 jobs and add AED 140 billion to GDP.

IMF predicts that the economic growth in the United Arab Emirates is expected to remain strong. The economy is estimated to have grown by 4½ percent in 2013, supported by tourism, hospitality and real estate with the latter in particular seeing a steep recovery.

Emirate of Fujairah – strategic and regional importance

- **Fujairah** is one of the seven emirates that make up the United Arab Emirates (UAE). Given its growing status as a hub for oil storage and refining, the Emirate is of strategic importance to the country
- Fujairah is the world's **second largest** bunkering port after Singapore and the emirate boasts one of the world's top oil storage facilities
- Significantly, the Emirate provides direct access to the Indian Ocean for crude oil and oil product exports from UAE, thereby opening up an alternative shipping route to the Strait of Hormuz

Highlights of strategic projects in Fujairah includes:

- 370 km pipeline from Abu Dhabi to Fujairah that was commissioned in 2012; pipeline is designed to transport 1.5M barrels of oil per day from Abu Dhabi's Habshan field to Port of Fujairah for exports.
- Royal Vopak announced its seventh phase of expansion at Vopak Horizon Limited, which will add 478,000 cbm of storage capacity. This will greatly enhance Fujairah's storage capacity for crude oil and oil products.
- Fujairah1, one of the world's largest operating hybrid desalination plants, is a joint venture between the Abu Dhabi Water and Electricity Authority, Abu Dhabi based global energy company TAQA and Singapore's Sembcorp Industries.



Source: Fujairah News; Fujairah Chamber of Commerce

Overview of National Bank of Fujairah

National Bank of Fujairah at a glance

Overview

- Incorporated in 1982, NBF has a long established reputation for excellence
- NBF commenced operations on 20 September 1984
- Started with three branches and now reached total of 14 branches across UAE
- Listed on Abu Dhabi Securities Exchange

Key Subsidiaries

NBF Capital Limited

- Based in DIFC & regulated by the DFSA, NBF Capital provides financial advisory services to its customers
- NBF Capital commenced operations in May 2013

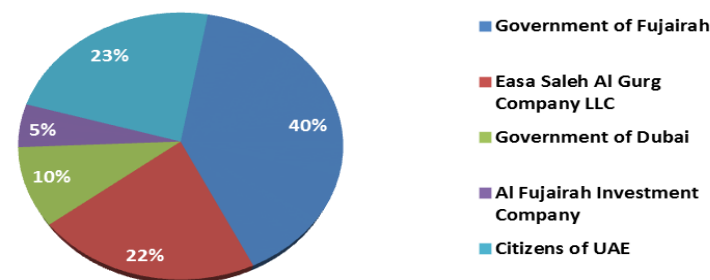
NBF Trade Services (HKG) Limited

- A non-banking financial entity based in Hong Kong, the subsidiary is responsible for the reissuance of Letters of Credit and liaises with beneficiaries based in Far East Asia
- The entity commenced operations in July 2013

Ownership

- NBF's Principal shareholders are:
 - Department of Industry and Economy- Government of Fujairah
 - Easa Saleh Al Gurg Company LLC
 - Investment Corporation of Dubai-Government of Dubai
- Citizens of UAE also have 23.2% shareholding in NBF

NBF Shareholding



Board of Directors

Board of Directors and their external appointments	NBF
<p>His Highness Sheikh Saleh Bin Mohamed Bin Hamad Al Sharqi</p> <ul style="list-style-type: none"> • Chairman of Department of Industry & Economy, Government of Fujairah • Chairman of Fujairah Port Authority • Chairman of Fujairah Petroleum Company • Chairman of Fujairah National Group 	Chairman
<p>His Excellency Easa Saleh Al Gurg, KCVO, CBE</p> <ul style="list-style-type: none"> • Chairman of Easa Saleh Al Gurg Group • Chairman of Al Gurg Fosroc LLC • Chairman of Arabian Explosives Company LLC • Chairman of Al Gurg Unilever LLC • Board Member of Siemens LLC • Member of the Board of Trustees – The Oxford Centre for Islamic Studies, UK 	Deputy Chairman
<p>Sheikh Hamad Bin Saleh Bin Mohamed Al Sharqi</p> <ul style="list-style-type: none"> • Vice Chairman Fujairah National Group • Chairman of Al Sharq Health Care 	Member

Board of Directors

Board of Directors and their external appointments	NBF
<p>Mr. Hussain Mirza Al Sayegh</p> <ul style="list-style-type: none"> • Deputy Chairman of Oilfields Supply Center • Deputy Chairman of Al Nasr Leisureland • Director of Emirates National Oil Company • Director of Emirates National Bank of Dubai (ENBD) 	Member
<p>Dr. Sulaiman Mousa Al Jassim</p> <ul style="list-style-type: none"> • Former Vice President of Zayed University • Board Member in Al Fujairah National Insurance Company • Chairman of Al Jassim Trading Group • Chairman of Al Jassim Marble and Tile Factory 	Member
<p>Mr. Saif Sultan Al Salami</p> <ul style="list-style-type: none"> • Managing Director of Fujairah National Group • Board Member of Al Fujairah National Insurance Company • Managing Director of Fujairah Investment Company 	Member

Board of Directors

Board of Directors and their external appointments	NBF
<p>Mr. Mohamed Obaid Bin Majed Al Aleeli</p> <ul style="list-style-type: none"> • Director General of Department of Industry & Economy, Government of Fujairah • Chairman of Fujairah Building Industries 	Member
<p>Mr. Abdullah Fareed Al Gurg</p> <ul style="list-style-type: none"> • Group General Manager of Easa Saleh Al Gurg Group • Member of the Advisory Council of School of Business and Management, American University of Sharjah. • Member of the Board of Directors of Easa Saleh Al Gurg Charity Foundation 	Member

Management

Name	Position
Vince Cook	Chief Executive Officer
Adnan Anwar	Chief Financial Officer
Balaji Krishnamurthy	Chief Operations Officer
Prasant Sarkar	Chief Risk Officer
Vikram Pradhan	Head of Corporate & Institutional Banking
Sharif Mohd. Rafei	Head of Retail Banking and Fujairah Region
Mark Domenic Zanelli	Head of Treasury
Abdulla Aleter	Head of Human Resources
Das P B	Senior Executive Officer-NBF Capital Limited

A diversified business model

NBF has diversified into following business segments with following major divisions:

Corporate & Institutional Banking

- Corporate Banking
 - Precious Metals
 - Marine and Energy
 - Services & Manufacturing
 - Large Corporate & Government
 - Trading and Diversified
 - Contracting
 - Government Liability Management
 - Financial Institutions
- Business Banking

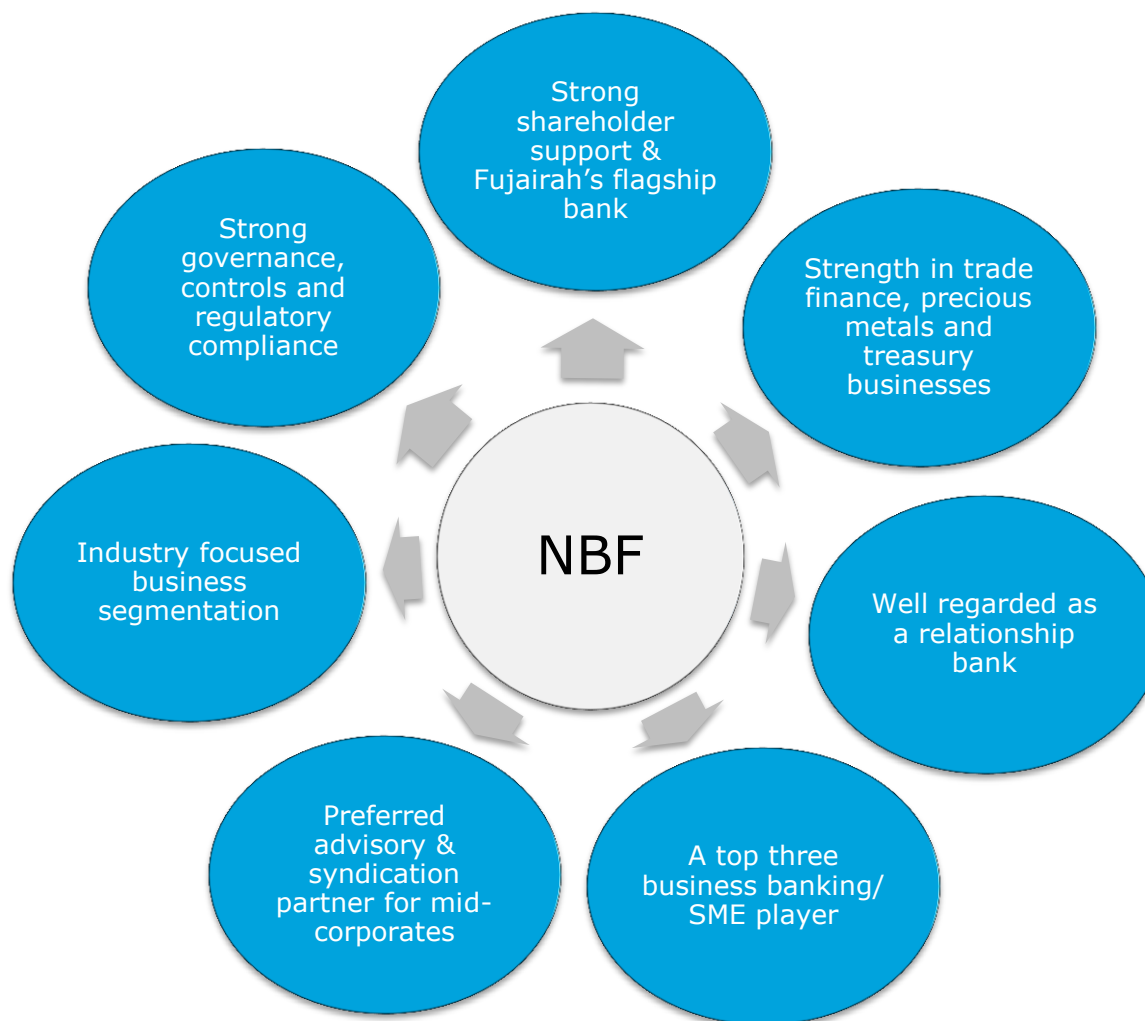
Retail

- Personal Loans
- Automotive loans
- Residential mortgages
- Credit cards
- Insurance
- Deposits
- Long term Savings
- Islamic Banking

Treasury/ALM

- Treasury and Investments
 - FX
 - MM
 - Commodities
 - Fixed Income
 - Investments
- Asset & Liability Management

Our strengths



Industry recognition

Well recognised in the UAE and GCC for delivering excellence and value to its clients

Banker Middle East Awards

2014

- Best Treasury Management
- Best SME Trade Finance Offering
- Best Customer Service – Corporate & Investment Banking

2013

- Best Domestic Commercial Bank
- Best Treasury Management
- Best SME Trade Finance Offering
- Best Foreign Exchange Service

2012

- Best Trade Finance
- Best Commercial Bank
- Best Treasury Management



Also recognised as the 'Best Trade Finance Bank' at 2014 Trade and Export Excellence Awards

A leading trade finance player

NBF's award-winning trade finance team handles transactions professionally and efficiently. Our quick response times to requirements from our corporate & institutional clients have been a source of pride for the bank

Comprehensive trade finance product offerings including:

- **Import Financing:** Issuance of Letters of Credit, Import Documentary Collections, Trust Receipts Financing, Avalisation of Import Documents, Shipping LGs
- **Export Financing:** Advising & Confirmation of LCs, Negotiation of Trade Documents, Discounting of Banker's Acceptance, IRUs
- **Letter of Guarantees:** Issuance of LGs for corporate and institutional clients
- **Risk Participation** on trade transactions with institutional clients



Strong treasury capabilities

Our award-winning treasury team brings extensive local and regional market knowledge to the development of a wide array of bespoke solutions for our clients

- Market maker in UAE Dirhams; also one of the 11 banks on the country's EIBOR panel
- Active trader in GCC and major currencies
- Amongst largest physical bullion provider banks in UAE
- Structured derivatives in all major currencies and commodities – energy, soft commodities, base and precious metals
- Fixed Income
- Available at:
Bloomberg - NBFJ
Reuters - NBFX



Strong mid-market presence & niche

Business banking:

- NBF is among the top three business banking players in the UAE and is recognised by peers for its strong mid-market presence
- Multidisciplinary and relationship-focused business model , a differentiator for NBF
- Business banking contributes to 25% of the bank's operating income and diversified portfolio. Recognised by Bankers Middle East Awards for three successive years

Well-regarded player in the precious metals segment:

- Number one local bullion bank in terms of coverage
- Vaulting facilities in three locations
- Specialises in delivering large quantities of gold in a short span of time



Solid syndication capabilities

Bringing together local market knowledge and experienced professionals, we structure and execute syndicated transactions across various market segments

Partnering the development of the Fujairah Oil Terminal

NBF continues to be at the forefront of Fujairah's economic development and was one of the mandated lead arrangers for the USD 251 million facility earmarked for Fujairah Oil Terminal's ongoing development.

Commissioned by Gulf Petrochem, the oil terminal project will further fuel the emirate's international reputation as an oil hub. It currently boasts a storage capacity of 412,000 cubic metres and there are plans to further enhance its capacity.



H.H. Sheikh Hamad bin Mohammed Al Sharqi, Supreme Council Member and Ruler of Fujairah at the launch ceremony of the first phase of the Fujairah Oil Terminal

Strong syndication capabilities



MALABAR GOLD

AED 300M Syndicated
Term Loan facility

Financial Advisor and
Book Runner

NBF Capital Limited.

March 2014



MICROSOL INTERNATIONAL LL FZE

USD 32M Syndicated
Term Loan facility

Joint Mandated Lead
Arranger and Book-runner

National Bank of Fujairah

May 2013



GULF RESOURCES DEVELOPMENT & INVESTMENT LLC

USD 76M Syndicated
Term Loan facility

Mandated Lead Arranger
and Book-runner

National Bank of
Fujairah.

October 2012

Strong syndication capabilities



PACIFIC CONTROL SYSTEMS LLC

USD 72M Syndicated
Term Loan facility

Mandated Lead Arranger
and Book-runner

National Bank of
Fujairah.

May 2012



HORIZON TERMINALS

USD 72M Syndicated
Term Loan facility

Mandated Lead Arranger
and Book-runner

National Bank of
Fujairah.

February 2012



LIFELINE GROUP

USD 71M Syndicated
Term Loan facility

Mandated Lead Arranger
and Book runner

National Bank of
Fujairah.

October 2011

Strong syndication capabilities



FUJAIRAH CITY CENTRE LLC

AED 225M Syndicated
Term Loan facility

Mandated Lead Arranger
and Book runner

National Bank of Fujairah

September 2011



PORT OF FUJAIRAH

USD 245M Syndicated
Term Loan facility

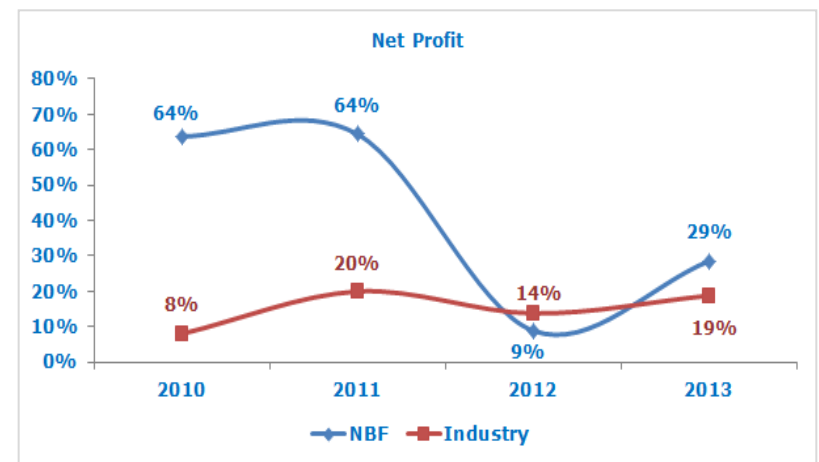
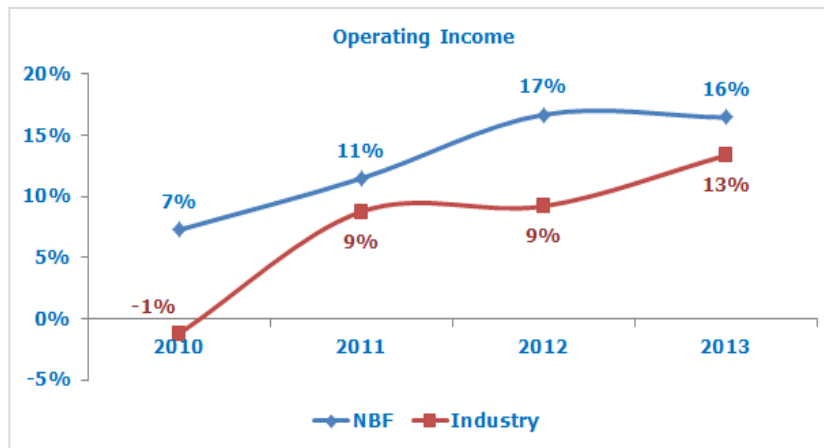
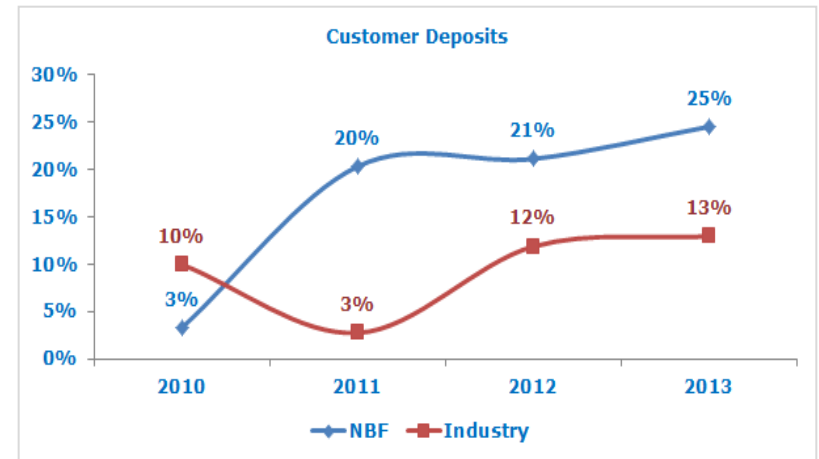
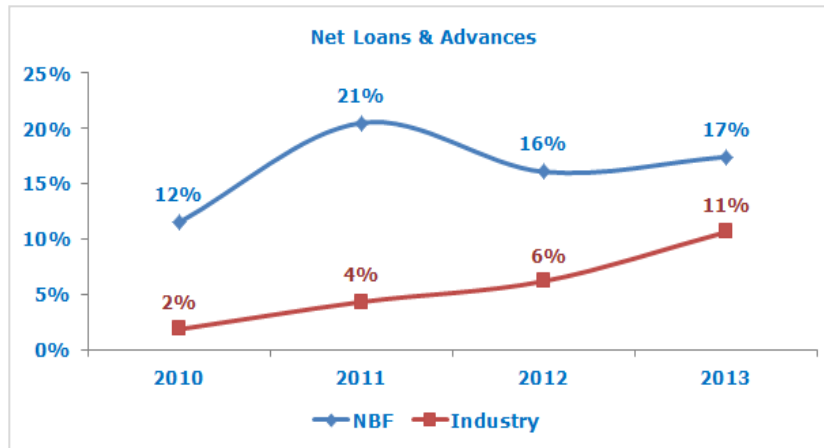
Initial Mandated Lead
Arranger, Underwriter,
Book runner

National Bank of Fujairah

August 2008

Financial Performance

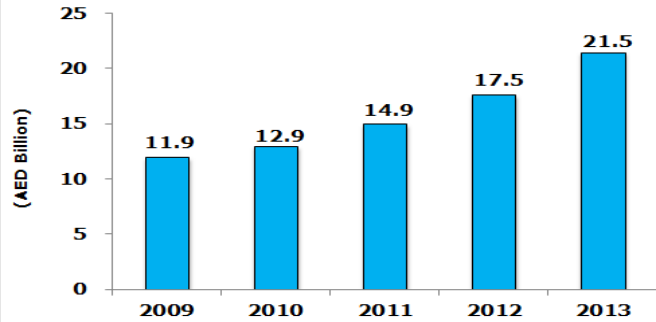
Surpassing industry growth for successive years



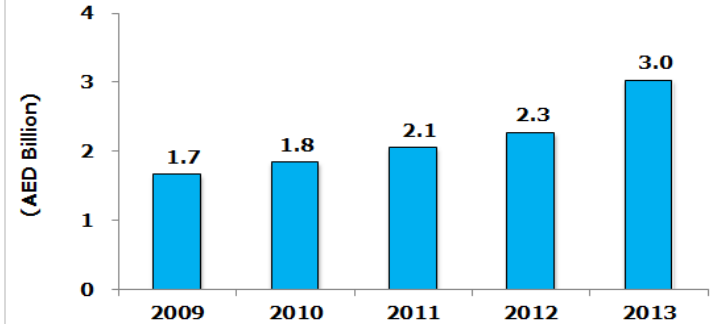
Industry data based on 19 Local Banks

A snapshot of our financial performance

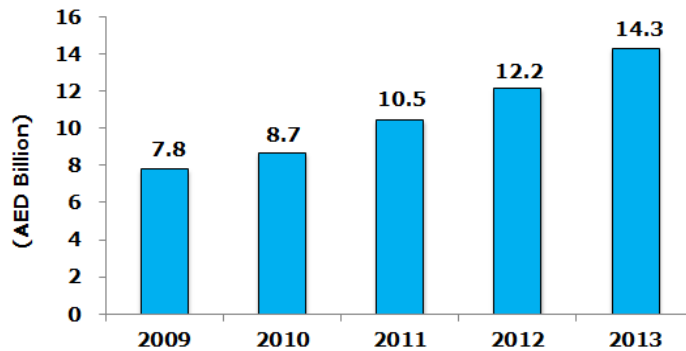
Assets



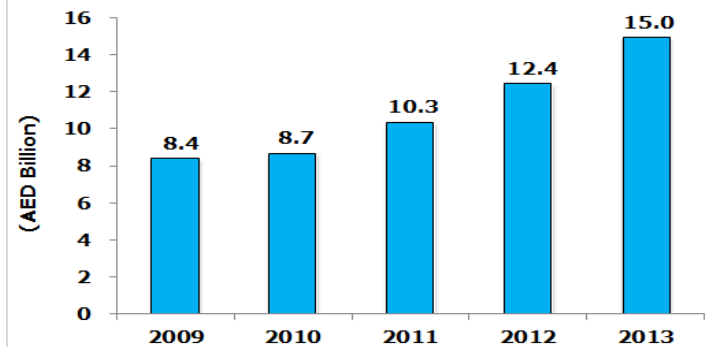
Shareholders' Equity



Loans and Advances

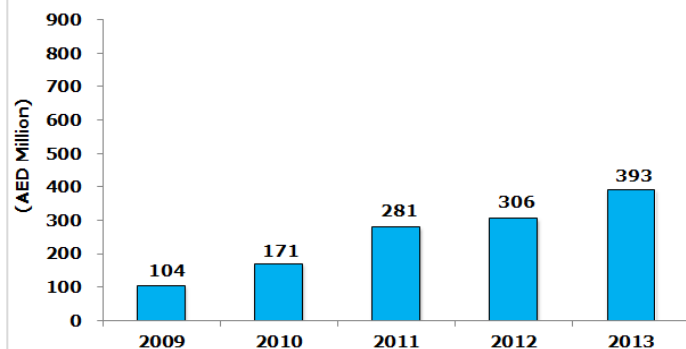


Customer Deposits

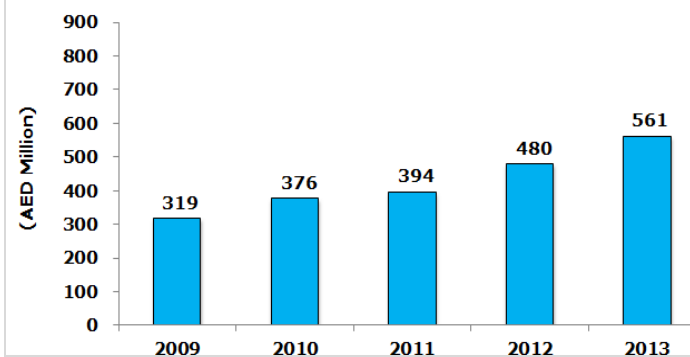


A snapshot of our financial performance contd...

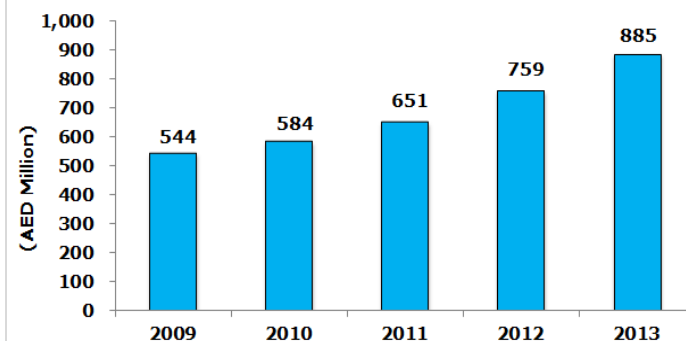
Net Profit



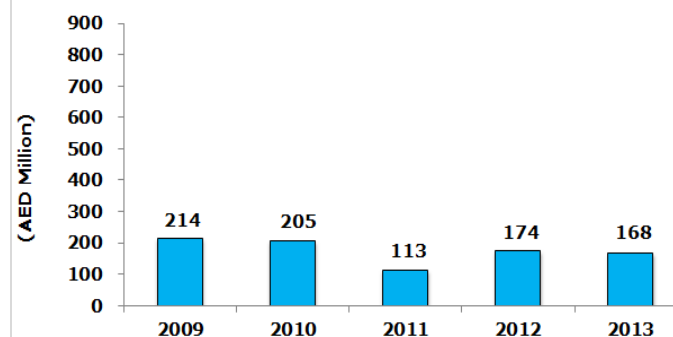
Operating Profit



Operating Income

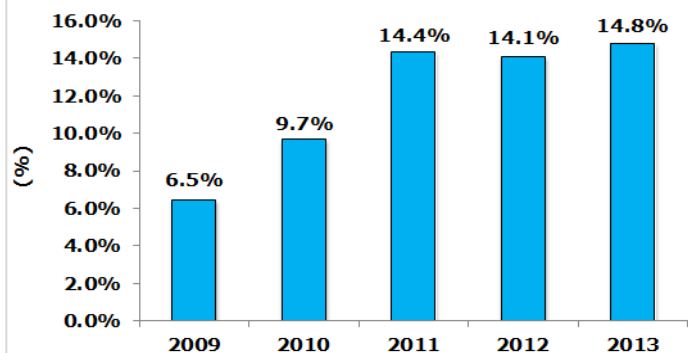


Loan Loss Charge

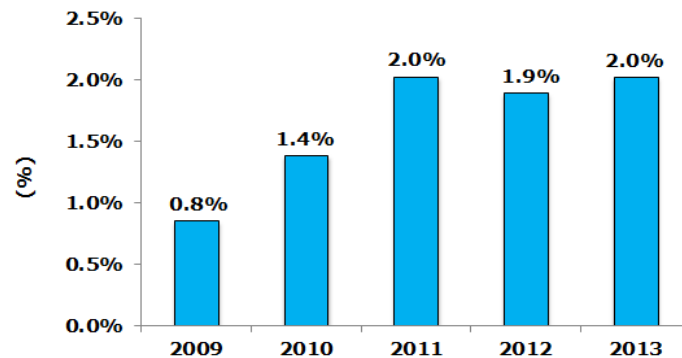


Profitability ratios

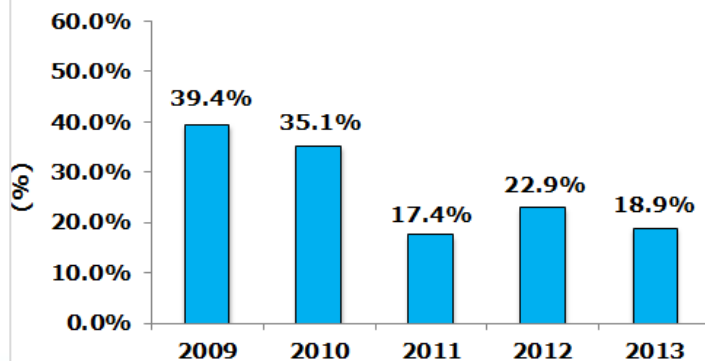
Return on Average Equity



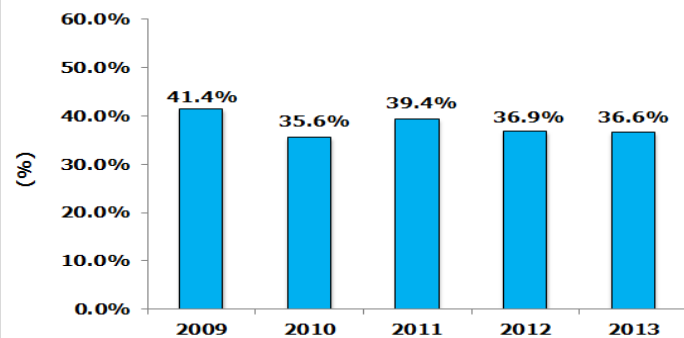
Return on Average Assets



Loan Loss to Income Ratio

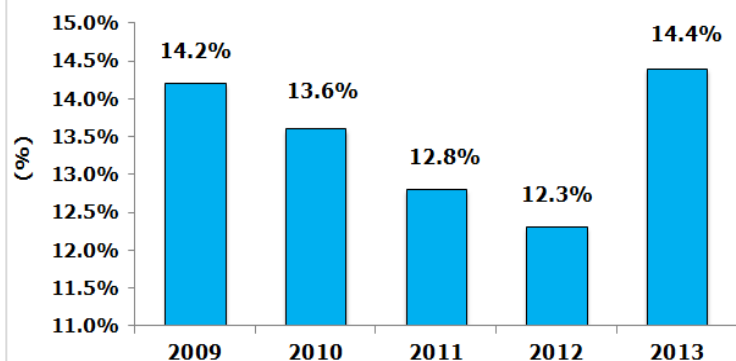


Cost to Income Ratio

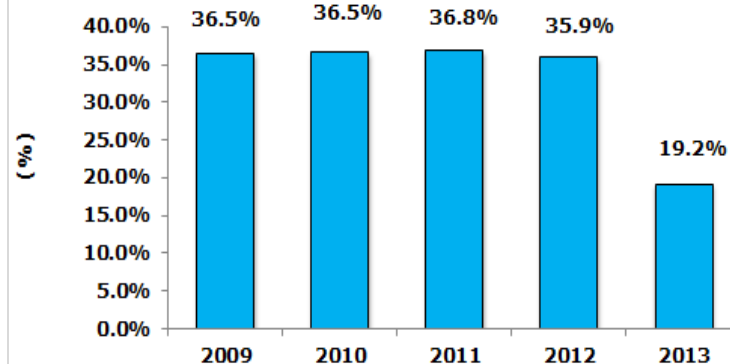


Equity and capital base progression

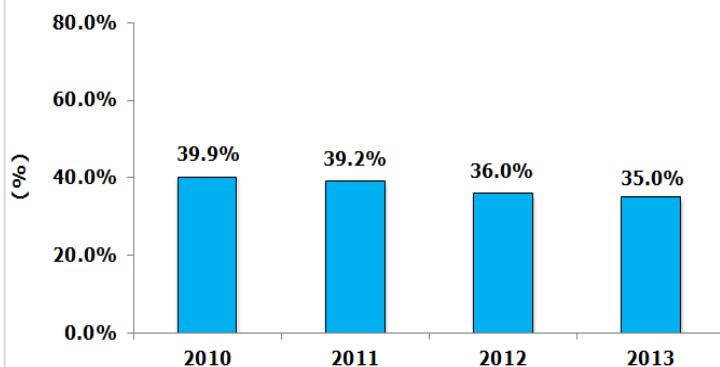
Tier 1 Capital Ratio



Tier 2 Capital/ Total Capital

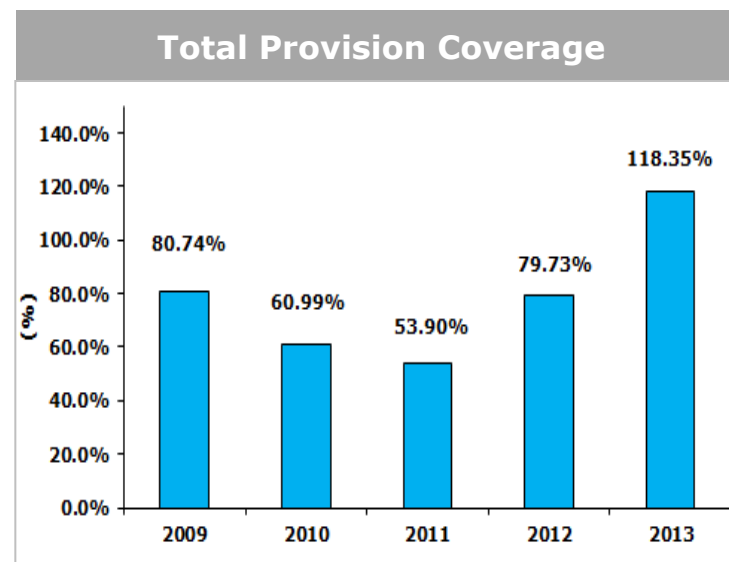
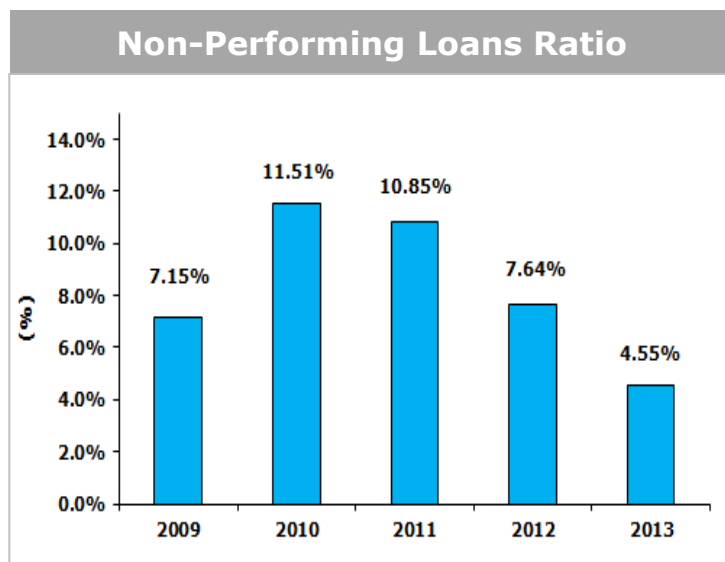


Dividend / Profit



In 2013, the bank's quality of capital was significantly enhanced. Tier 1 ratio is now at the highest level over the last five years and Tier 2 capital now represents less than 20% of the bank's capital base. NBF prepaid its Ministry of Finance's subordinated debt of AED 642.6 million ahead of the stipulated deadline, and made its debut issue of Tier 1 perpetual notes of AED 500 million. NBF's dividend policy remains competitive and provides healthy capital generation to support the bank's planned business growth.

Asset quality improvements



Risk Management and Corporate Governance

A robust governance and control regime

In the 2013 edition of the Hawkamah Institute survey, NBF outperformed the Industry average among the principal performance indicators:

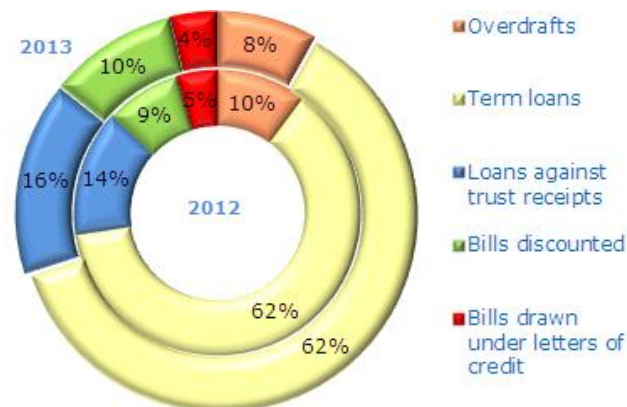
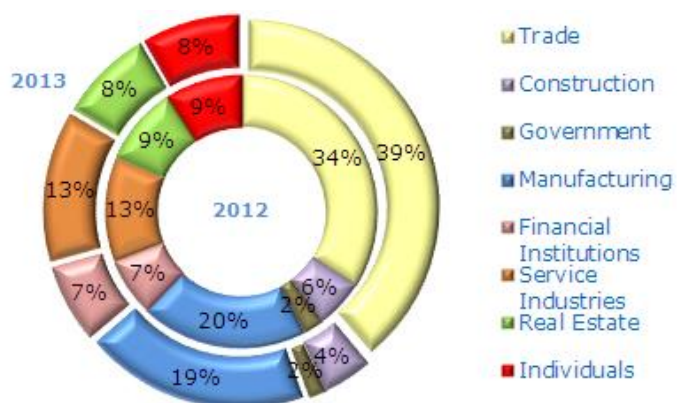
No.	Evaluation Criteria	Industry average	NBF score
1	Commitment to Good Corporate Governance	92.78%	96.67%
2	Structuring and Functioning of Board	91.47%	94.94%
3	Control Environment and Processes	98.48%	100.00%
4	Disclosure & Transparency	85.43%	86.41%

Sound risk management and corporate governance underpins the bank's growth

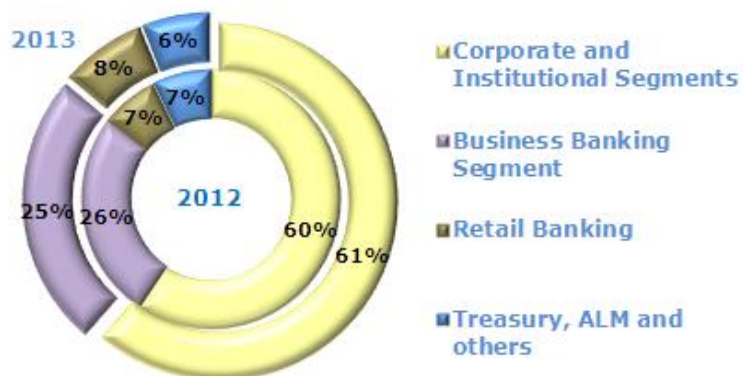
- Risk management and corporate governance, underpinned by transparency and fair business practices , lie at the heart of everything we do. Indeed, they are key pre-requisites for establishing good quality earnings, consistent results and shareholder confidence.
- In 2013, NBF strengthened its risk management and corporate governance profile by appointing an independent professional member to the NBF Board Audit Committee and NBF Board Risk Committee. The bank also adopted a more progressive approach towards investor relations, with an enhanced focus on minority shareholders rights and interests.
- At the March 2014 AGM, the Board of Directors have been re-elected and two new members have been inducted.
- At the March 2014 Extra-ordinary general meeting, the bank upgraded its memorandum of association and articles of association.

Risk management and corporate governance contd...

Sector analysis – Loans and advances by Sector and Product



Segment analysis – Operating Income & Total Assets

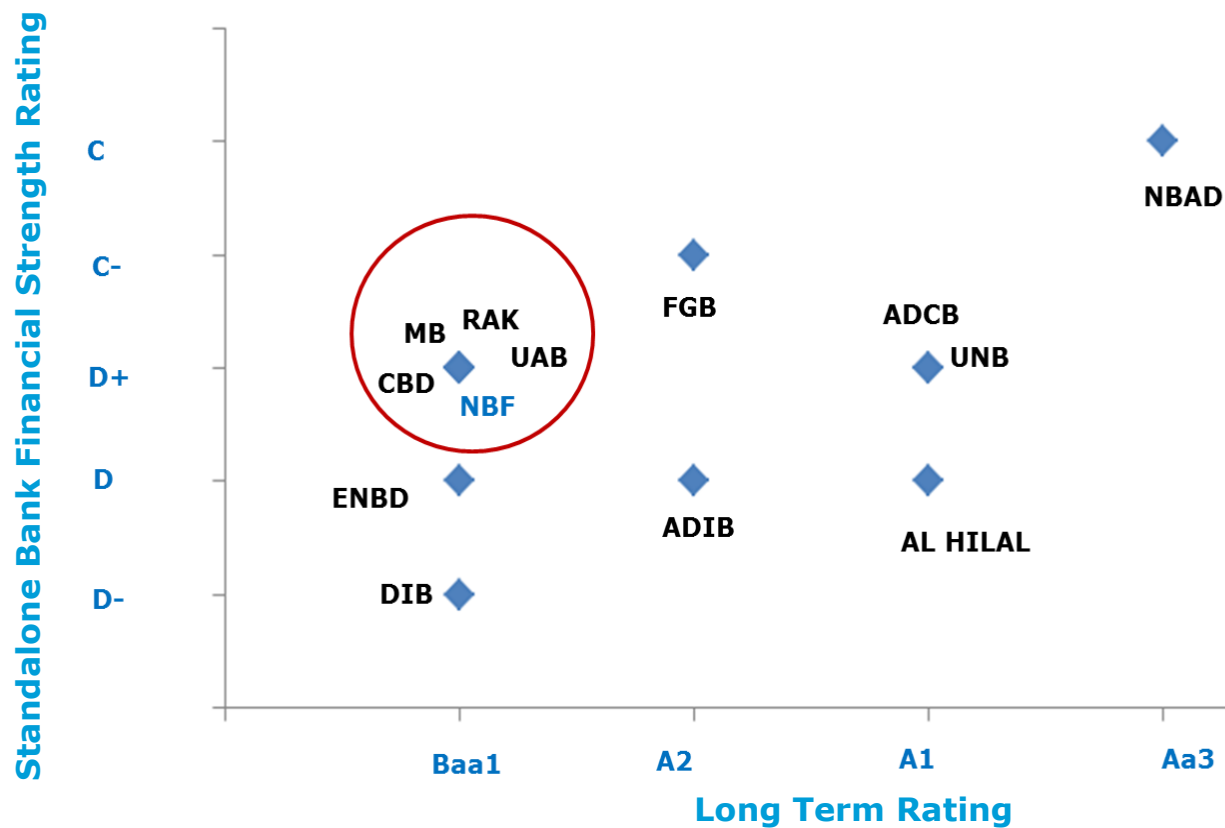


Risk management and corporate governance contd...

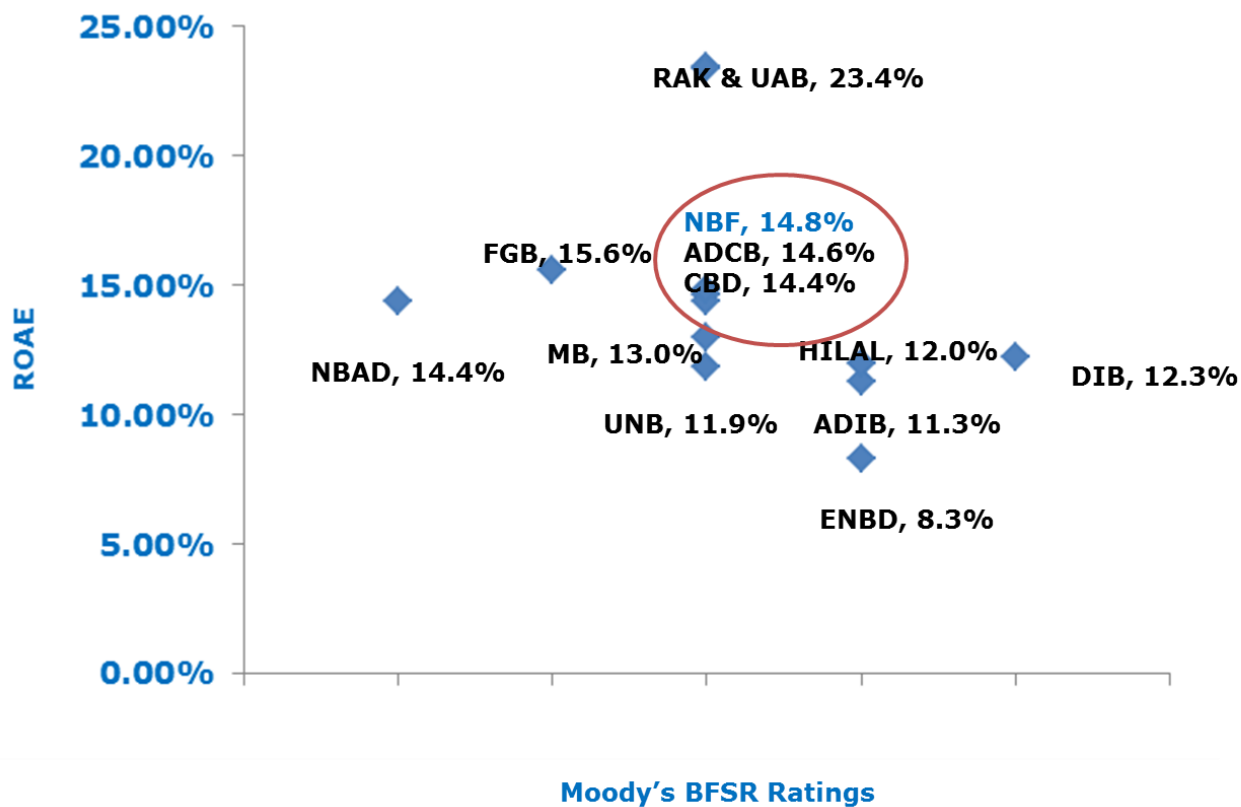
NBF's financial stability is underpinned by its improving risk management profile, strong liquidity, solid earnings and respectable capital metrics:

Particulars	Moody's	Standard & Poor's	Capital Intelligence
Long-Term	Baa1	BBB+	A-
Short-Term	P-2	A-2	A2
Outlook	Stable	Stable	Stable

Long term rating/BSFR



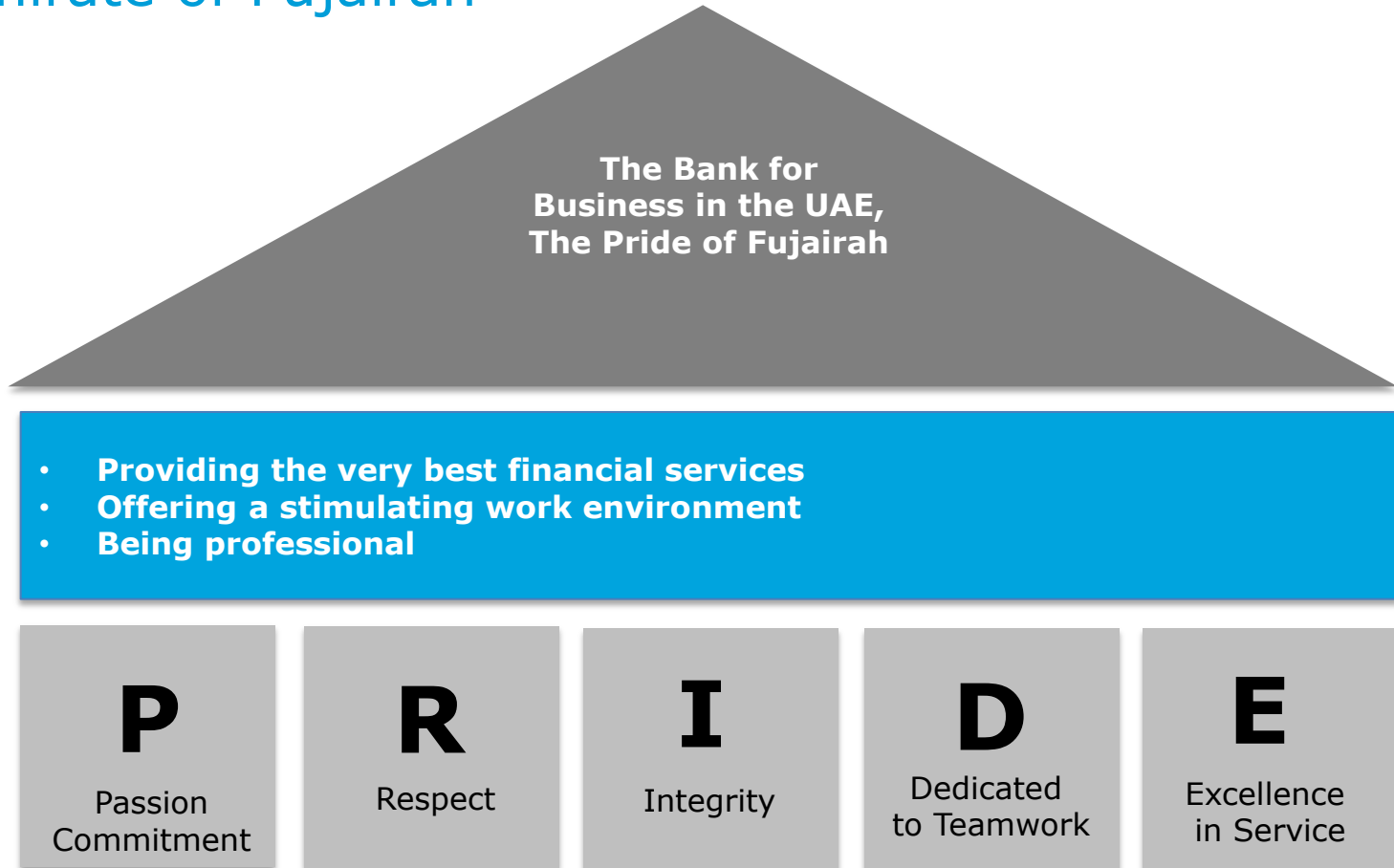
BFSR/ROAE matrix



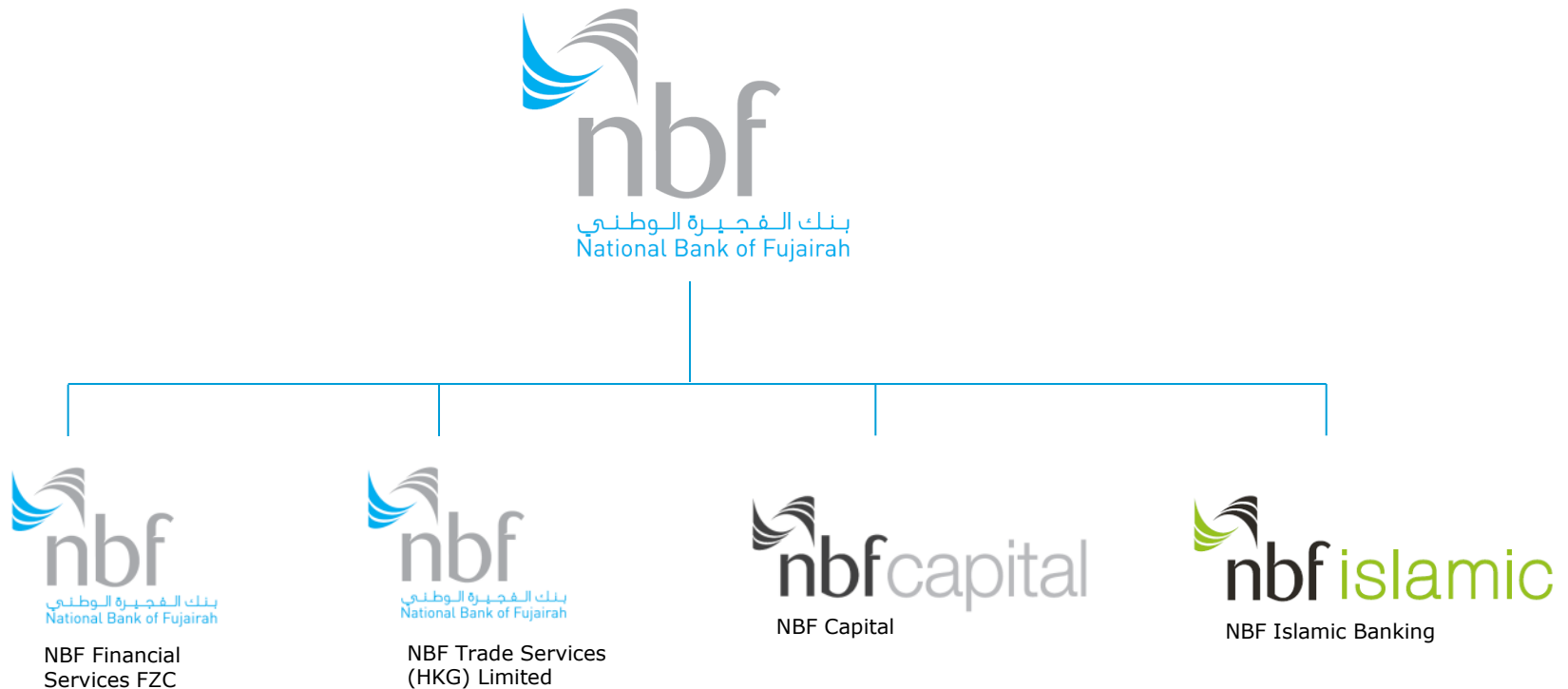


NBF: Bank for Business in the UAE, Pride of Fujairah

NBF's vision, mission and values underscore our commitment to the development of the UAE and the emirate of Fujairah



A bank – and brand – that is growing from strength to strength



Listening to the voice of the customer lies at the heart of everything we do

In its annual customer satisfaction survey conducted through research firm TNS, NBF scores highly in satisfaction ratings compared to peer banks and even multinational players. The survey is crucial to NBF's annual planning process as well as ongoing efforts at sharpening our customer focus

Performance Indicator	TNS Survey Feedback 2013
Customer Retention	NBF reports stable survey scores in this area while a comparative drop is observed in those of local and Islamic banks
Peer Group	Biggest competitors for NBF are ENBD, Standard Chartered, HSBC and increasingly ADCB. The competitive landscape differs by product and segment
Technology driven solutions	With the introduction of service-oriented technological solutions such as the NBF Direct Internet banking service, the bank has made significant inroads here, outperforming many other banks and even its previous score in 2012
Execution capabilities	NBF reports "Good" to "Very Good" scores on executional capabilities across key banking areas
Relationship Managers	A source of pride for NBF. Our RMs are known for their responsiveness and expertise, and have consistently scored higher than counterparts in other banks we benchmark against

It's all about the people - engagement and empowerment of our talent drives our success

NBF staff is one of the most motivated and engaged groups of people in the local banking sector and across the region, a fact borne out of the bank's fourth annual employee engagement survey conducted by Hay Group

Performance Indicator	Hay Survey Feedback
PRIDE Values	99% of staff are proud to work at NBF and 94% feels they are treated with respect.
Vision and Mission	98% understands the mission and vision of NBF, while 98% understands how they can contribute to the bank's strategy
Overall Climate Index	The bank's overall climate index stands at 70% (High Performing Banks - 68%, Global Banks - 63%)
Future Prospects	99% believe NBF's future prospects are promising
Talent Pool	Overall, the bank's talent pool is engaged and enabled, with UAE national talent also exhibiting high levels of positivity
Line Manager's Index	The bank's Line Manager Index stands at 67% (High Performing Banks - 66%, GCC Banks - 59%)

Giving back to the community

NBF has long believed in the importance of giving back to the community and since the formation of its Corporate Social Responsibility (CSR) Committee in 2011, has adopted a comprehensive approach towards championing environmentally friendly business practices and community engagement efforts. Key initiatives include:

- Sponsorship of the **Angel Appeal**, an initiative that provides relief to seafarers anchored off the coast of Fujairah
- Partnership with **the Fujairah Higher Colleges of Technology** that includes providing financial support and internship opportunities to students
- Raising awareness of conservation efforts undertaken by **the Emirates Wild Life Society in association with WWF** for the Wadi Wurayah National Park in Fujairah
- Ongoing support of NGOs from the **Fujairah Welfare Association** to the **Dubai Blood Donation Centre**



Nurturing our Emirati talent

Key achievements

- An **Emiratisation ratio** of 41.1 per cent in 2013, well above the industry average
- A **management trainee program** (MTP), currently in its fourth iteration and enhanced to provide a more immersive learning experience
- A **national development program** for existing Emirati staff to further support them in their development
- Engaging future leaders in the country's **career fairs**
- An **employee wellbeing program** in conjunction with AXA ICAS that is the first of its kind for any local bank in the UAE. Services include free confidential counseling to staff - Emirati and Expatriates alike - and their families



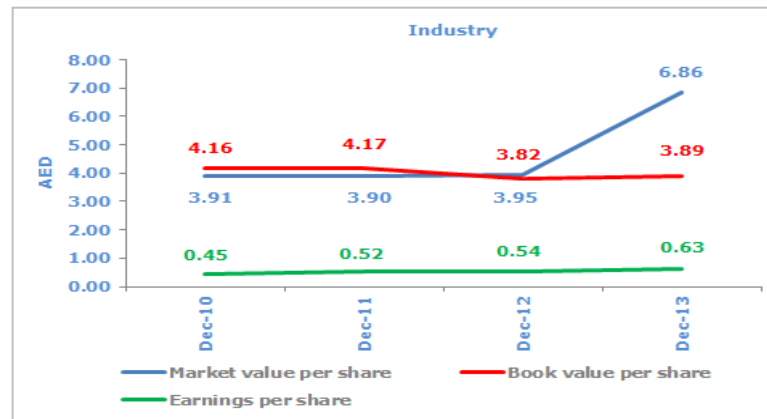
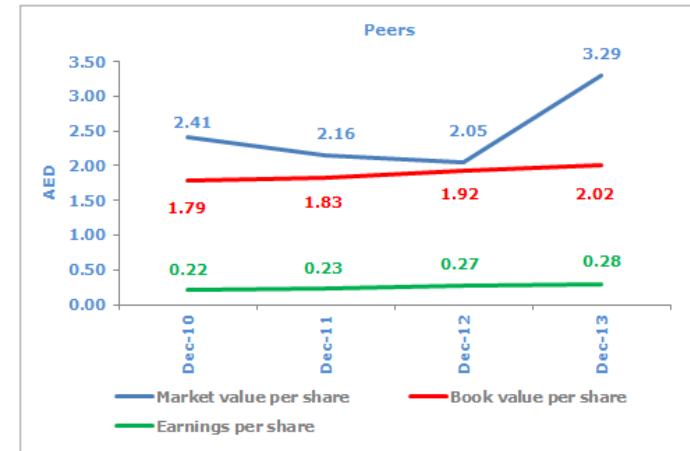
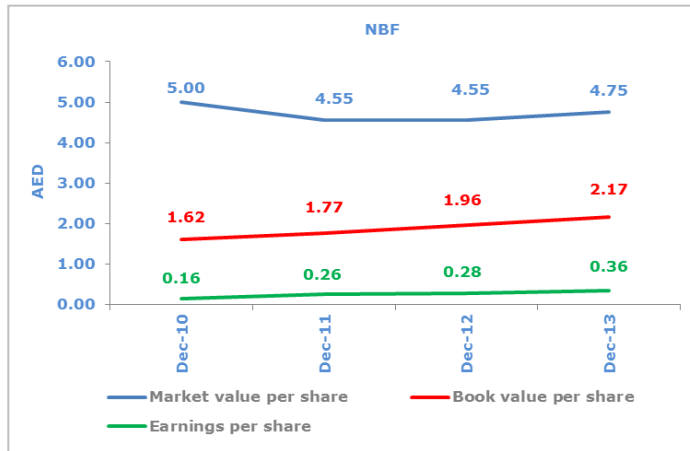
Going forward, how we will measure our performance

Financial	Target
Revenue Growth	15-20%
Interest/Non-Interest	30-35%
ROA	Top 10 Local Banks in profitability
Cost to Income Ratio	Top 10 local banks in Cost to Income Ratio
ROE	15%

Non-Financial	Target
Customer Satisfaction	75% or more are satisfied
Staff Satisfaction	75% or more are satisfied
Emiratisation Ratio	Minimum 40%
Credit Rating	Strong credit rating by International Credit Rating Agencies
Implementing FIRB (Foundation Internal Rating Based) methodology	Maintaining Central Bank and Basel timelines.

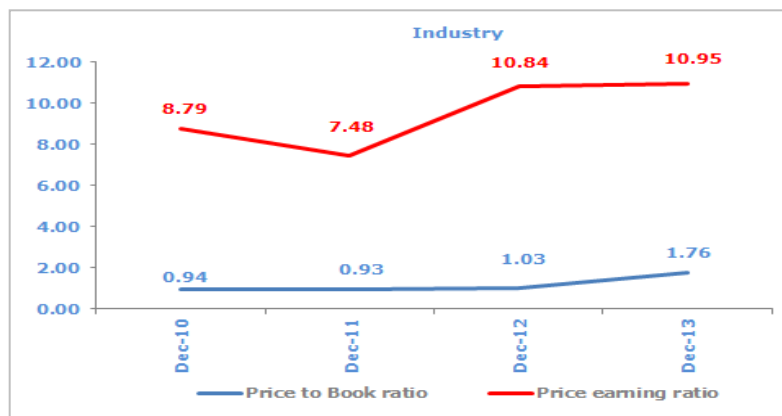
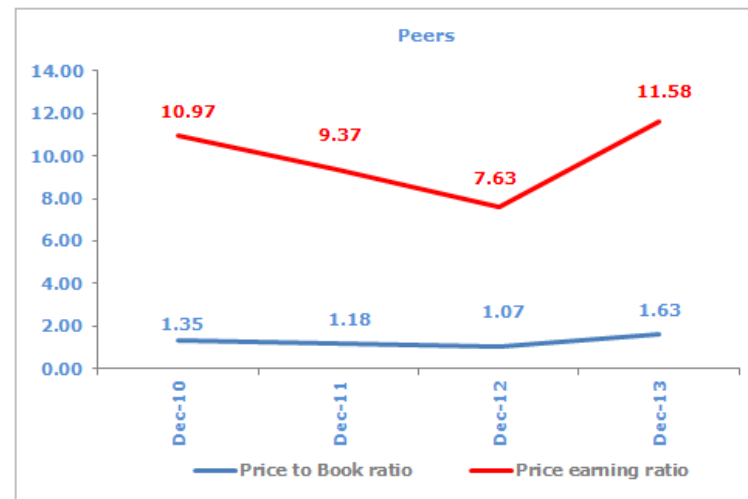
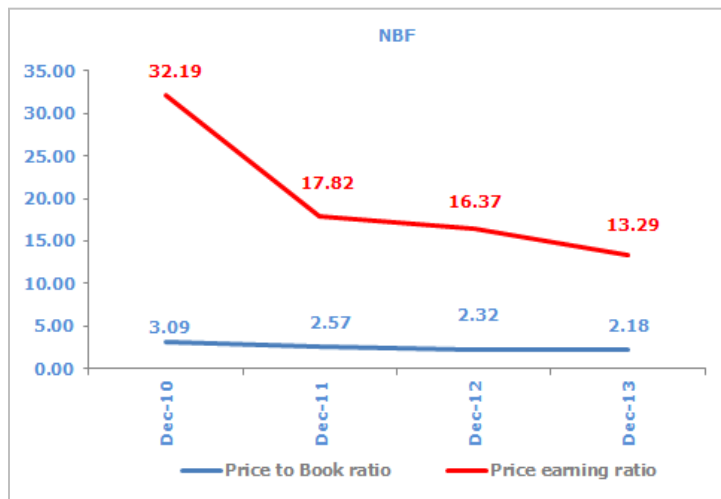
Shareholder Returns

Market value, book value and earnings per share



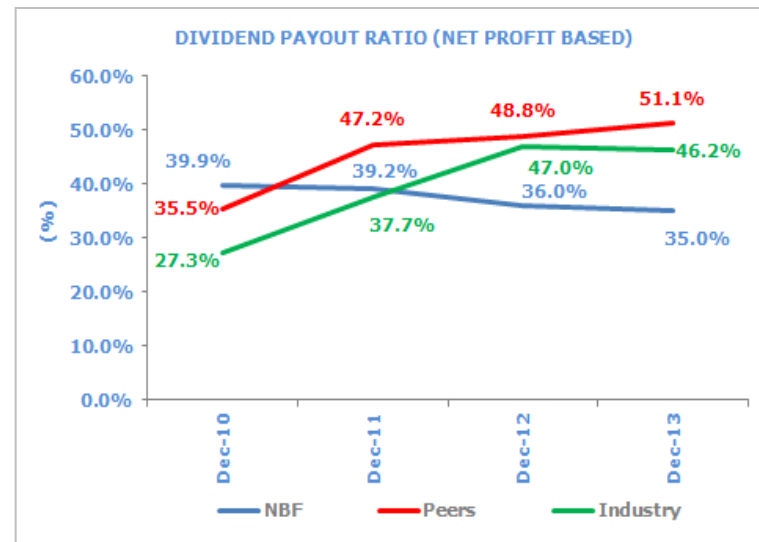
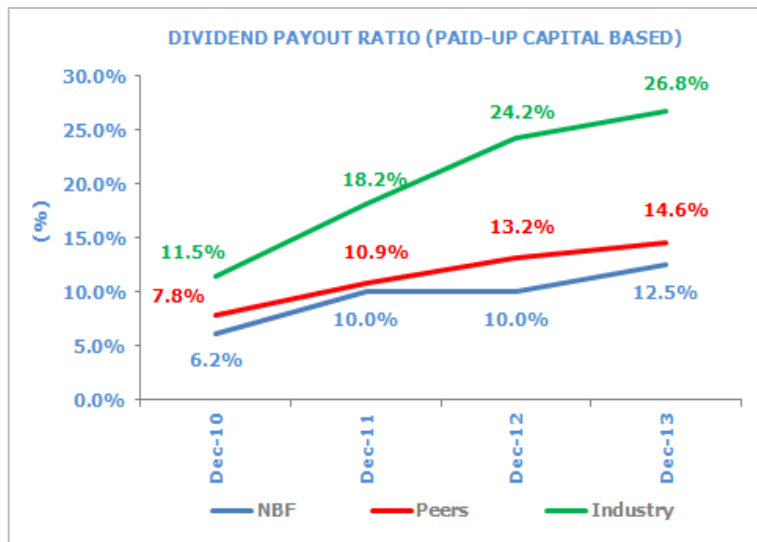
Peers & Industry updated for 19 local banks

Price to book and price earning ratio



Peers & Industry updated for 19 local banks

Cash dividend pay-out



Peers & Industry updated for 20 local banks

Key performance indicators – Dividends & Capital

Peers Dec 13	Paid-up Capital to Equity (%)	Tier 1 ratio	Asset Growth	Dividend (% of Paid-up capital)	Dividend (% of Profit)	Dividend Yield (%)
NBF	36%	14.35%	22.3%	12.5%	35.00%	2.63%
RAK	26%	25.98%	10.6%	50%	58.6%	7.00%
NBQ	43%	32.25%	2.4%	16% + 5% Bonus Share	69.6%	4.85%
CBI	72%	14.93%	16.3%	5% bonus share	0.0%	0.00%
UAB	40%	Not provided in FS 2013	38.0%	15% + 15% Bonus Share	27.1%	2.33%
BOS	48%	20.60%	9.4%	12.5%	74.4%	6.98%
SIB	53%	30.67%	18.6%	10%	79.0%	6.49%
Invest Bank	51%	21.47%	7.8%	10% + 10% bonus share	40.0%	3.72%
Ajman Bank	96%	19.42%	29.2%	0%	0.00%	0.00%
CBD	28%	17.67%	13.2%	30% + 10% Bonus Share	60.5%	6.33%
UNB	17%	18.70%	0.5%	15% + 5% bonus share	22.5%	2.56%

For dividend payouts, only Cash dividend is considered.

Thank you

In good hands



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