

CORPORATE GOVERNANCE REPORT

Upholding the highest ethical governance standards and investor relations continue to be the utmost priority for NBF.



1. THE BANK'S APPROACH TO FULFILLING ITS CORPORATE GOVERNANCE OBLIGATIONS AND THE PRINCIPAL ACTIONS TAKEN IN 2022

National Bank of Fujairah PJSC ("NBF" or "the bank") is committed to upholding the highest ethical and corporate governance standards. We believe high standards of corporate governance are key contributors to the long-term success of any business, creating trust and engagement between the company and its stakeholders. This belief underpins our business model.

Delivering exceptional business outcomes based on strong risk management and governance is a core aspect of the bank's strategic intent and we have clear and comprehensive governance policies, procedures and practices throughout NBF.

Our approach to corporate governance is intended to ensure the highest levels of transparency and accountability.

The Board of Directors' primary responsibility is to provide effective governance and oversight over the bank's affairs for the benefit of shareholders, and to balance the interests of diverse stakeholders, including investors, customers, employees, suppliers, regulators, government and local communities.

The Board has also established board committees in line with best practice to fulfil its responsibilities effectively. Specifically, the Board has created three sub-committees and delegated specific functions to these sub-committees to ensure that there is specific focus directed towards the critical issues of management of risk, the adequacy of the internal control within the bank, and the appropriate recruitment, succession, performance management and remuneration of the Board and Senior Management.

These sub-committees are the Board Risk Committee, the Board Audit Committee and the Board Nomination and Remuneration Committee.

At an executive level, the Management Committee and Management Risk Committee provide strategic direction and senior management oversight with regards to the operation of other subsidiary management committees in the bank.

The bank's corporate governance system operated effectively during 2022. The Board, Board sub-committees and management committees were convened to perform their obligations in line with the charters and provided the required oversight.

During 2022, NBF continued to review its corporate governance practices in light of changes to the business strategy, the external business environment and evolving stakeholder expectations.

The Board of Directors has approved and implemented new policies relating to embedding a Fit and Proper process for the appointment of members of the Board and for Senior Management. It has also formalised pre-existing processes related to the declaration of conflicts of interest and processes for the consideration of related party transactions.

They have also heightened the attention given to diversity, and specifically Article 5.1.1 of the Board Policy referring to the Fit and Proper process states:

'When considering the appointment to the Board of Directors, the Board shall ensure that it has considered a broad range of potential candidates with appropriate and diverse skills and experience and shall ensure that at least 20 per cent of candidates considered are women.'

In 2022, the Board Nomination and Remuneration Committee approved the introduction of a new remuneration scheme for staff that recognised the need to balance incentive payments with the time that adverse risk consequences take to become evident. Senior Management and Material Risk Takers variable pay is now subject to a deferred proportion with the possibility of clawback in some cases. Incentive payments for most staff are related to delivery of the bank's performance targets and the individual's performance against personal objectives.

For staff in the control functions of Internal Audit, Risk Management and Compliance Department, incentive payments are governed by a separate incentive scheme that is determined by delivery of personal and departmental objectives and are not determined by the profitability of the bank. Payments under this scheme are approved by the Chairs of the Board Risk Committee and the Board Audit Committee.

Risk Exposures

The NBF Group recognises that risks exist in all of our activities and that we need to have a clear and ordered approach to identification, assessment, measurement, reporting and treatment of risks based on a clear statement of Risk Appetite. Our Board of Directors considers the context of our business strategy and internal and external drivers of risk and sets boundaries for acceptable risk taking in our Risk Appetite Statement. Management then seeks to implement the Business Strategy and Operational Plans within those boundaries. To do this effectively, we apply a "Three Lines of Defence" operating model in relation to the management of risk. The key principle of the model is that risk management capability must be embedded within the business to be effective. The role of each line is:

First Line – Businesses own risks and obligations, and the controls and mitigation strategies that help manage them.

Second Line – Functionally segregated Risk Management and Compliance functions, reporting into Board Risk Committee, develop risk management frameworks, define the risk management principles in the bank's policies, provide objective review and challenge regarding the effectiveness of risk management within the first line businesses, and execute specific risk management activities where the functional segregation of duties is required or a specific expertise is required.

Third Line – An independent Internal Audit function, reporting to the Board Audit Committee, monitors the effectiveness of risk management in the first and second lines and compliance with the Enterprise wide Risk Management Framework and the bank's policies.

We then apply a structured approach to risk measurement and reporting which is assessed against our Risk Appetite and is overseen by specialised risk governance committees to ensure transparency and that any position outside appetite or trending in that direction has appropriate remediation action plans approved and governed to finalisation.

Risk governance is key to successful risk taking. It involves a formal structure used to support risk-based decision-making and oversight across all our operations.

The Board has established the Board Risk Committee, to assist it in carrying out its responsibilities that are set out in its Charter. It receives regular reporting from management and it provides guidance to management where required as well as consideration and approval of specific matters referred to it.

Management has a number of management committees focused on our Material Risk classes or categories tasked with decision-making and oversight of remediation where required.

The Material Risks that arise from our activities are defined as:

Credit Risk

Credit Risk arises from our activity of granting credit facilities to our customers in the normal course of our business. Credit Risk is defined within NBF as: The risk of loss arising from the non-performance by a customer, client or counterparty in any of its financial obligations towards NBF. The definition of Credit Risk includes country risk, concentration risk and related party risks.

NBF's detailed policies in respect of Credit Risk are set out in the NBF Credit Risk Management Framework ("CRMF") and supporting policies.

Treasury Risk

Treasury Risk arises from our activities of raising deposits and lines of credit from capital markets to fund the lending activities of the bank, and from facilitation of risk management techniques at the request of our customers through entry into swaps and foreign currency transactions and from investment activities on our own account. We define Treasury Risk as the risk of loss arising from activities undertaken in, or impacted by, financial markets generally. This includes both Market Price Risk as well as ancillary risk such as Liquidity, Funding (liability) and Interest Rate Risk in the Banking Book.

NBF's detailed policies in respect of Treasury Risk are set out in the NBF Group Market Risk Management Policy and Liquidity Risk Management Policy as well as the Treasury Risk Process Guidance.

Operational Risk

Operational risk arises in all of our activities and it is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputation risk.

NBF's detailed policies in respect of Operational Risk are set out in the NBF Operational Risk Management Framework (ORMF). The ORMF aggregates the following additional elements of risks:

- Information Technology Risk
- Disaster Recovery and Business Continuity Management
- Human Resources/Personnel Risk
- Processing Risks
- Insurance Risk and
- Risks in new Businesses, Products & Systems.

Regulatory Compliance Risk

Regulatory Compliance risk arises principally from our activities as a bank that is subject to the regulation of the Central Bank of the UAE and also arising from our legal status as a Public Joint Stock Company. This risk is defined as the risk of losses, fines or penalties resulting from the failure of individuals, or of the organisation to comply with legislation or regulation.

NBF's policies in respect of compliance risk are set out in the bank's Compliance Policy. AML/CTF Risks are documented in the bank's AML Policy, Sanctions Policy and supporting processes.

Information Security Risk

This risk is defined as the potential that a given threat will exploit vulnerabilities of an asset or group of assets and thereby cause harm to the organisation.

NBF's Information Security Risk Management Framework (ISRMF) will ensure that information security risks in the entity are identified, assessed, and evaluated, and that these risks are treated in accordance with the information security requirements and business objectives of NBF.

NBF's detailed policies in respect to Information Security is defined in the Information Security Management System (ISMS) Framework. This ensures:

- NBF's Information resources in whatever form they exist both electronic and non-electronic are appropriately protected from compromise of their confidentiality, integrity and availability.
- Controls and protection requirements are accomplished in a manner consistent with the business and work flow requirements of NBF ISRMF and ISMS supports the general concepts specified in National Electronic Security Authority (NESA), National Cyber Risk Management Framework (NCRMF) and ISO/IEC 27001 and is designed to assist the satisfactory implementation of information security controls at NBF.

Shari'ah Compliance Risk

The bank operates an Islamic window for the provision of Shari'ah-compliant banking services. Whilst considered and reported as part of the overall Operational Risk Management Framework for capital purposes, Shari'ah Compliance has such significance that it has its own Framework, Governance processes and Assurance. We have an Internal Shari'ah Supervision Committee to provide guidance on and approval for matters pertaining to Islamic Shari'ah.

The approved statement of compliance with Islamic Shari'ah is published in our Annual Report.

Country and Transfer Risk

Country Risk is defined as the risk of loss resulting from events in a foreign country, which may include changes in economic, social, political or regulatory conditions that affect obligors in that country and, potentially, obligations denominated in that country's currency.

Transfer Risk is defined as the risk that a borrower will not be able to convert local currency into foreign exchange and so be unable to make debt service payments in that foreign currency.

NBF is committed to the implementation of best practices and governance standards.

The Board of Directors has overall responsibility for the establishment and oversight of enterprise risk management framework. The Board sets the overall risk appetite and strategy in consultation with the senior management and approves all principal governance committee charters, policies and guidelines to manage the above-mentioned risks. The Board has established committees to enhance the oversight mechanism to carry out its responsibilities effectively.

Risk Appetite, Enterprise-wide Risk Management and the Internal Control Framework:

Risk Appetite is the degree of risk that the bank is prepared to accept in pursuit of its strategic objectives and strategic plan, considering NBF's various stakeholders, including depositors, shareholders and other relevant parties. The Risk Appetite Statement (RAS) intends to document the bank's willingness to undertake risk to achieve its strategic plan objectives. The RAS is used as the primary guiding document in the execution of the business strategy and therefore all strategic decisions are also considered in context of the defined RAS.

The RAS articulates the aggregate level and types of risk that the bank will accept or avoid in order to achieve its business objective. For each material risk, the Board has defined the maximum level of risk that the bank is willing to operate within.

The Board has approved the Enterprise-wide Risk Management Framework document that describes how the bank manages all of its material risks.

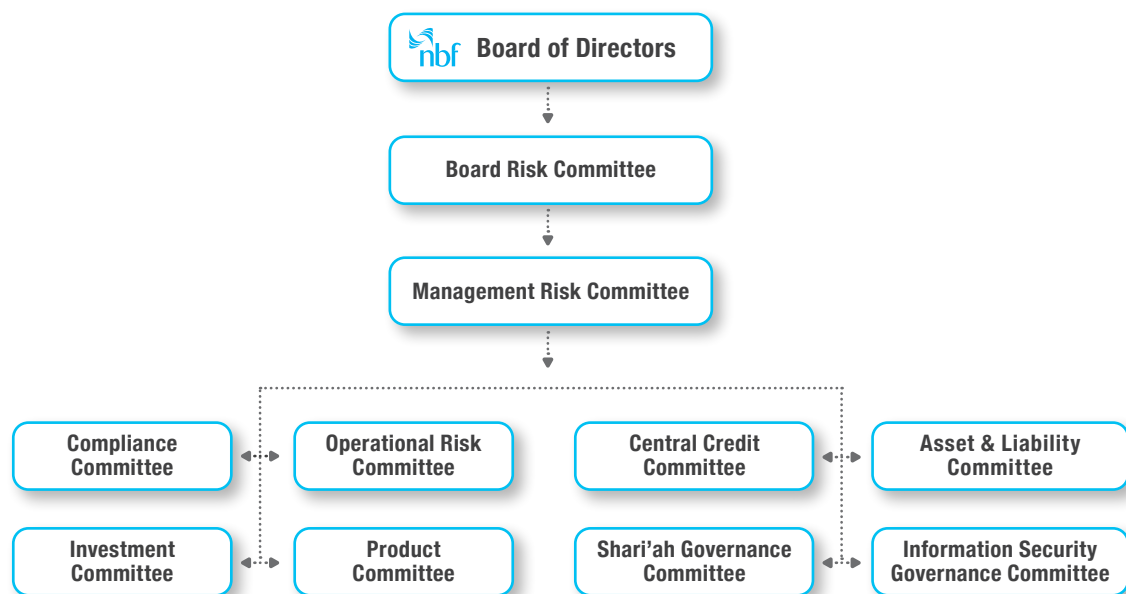
NBF has zero tolerance for non-compliance with its Risk Appetite, policies and procedures and strongly promotes a risk based culture across the bank. The bank reinforces this through various channels that include communication of Risk Appetite and risk policies annually to all staff for mandatory reading, a compulsory training program and quarterly compliance certification process. The bank has also established a robust operational risk program to report any error or process failure and, regular monitoring of Key Risk Indicators.

The bank has a well-established mechanism to set and monitor operating limits, with any deviations from risk thresholds captured in the Breach register with clear delegation of authority for approval of remediation at management and board governance committees.

Responses to Risk Profile being outside our Appetite is based on whether there is a breach of a hard limit, a management action trigger or target range. These indicators are measured on a daily basis through management information systems and platforms developed by the bank. Responses to risks that arise in our business will depend on the type and level of the risk. Risks can be Accepted, Avoided, Treated or Transferred.

All risks within appetite are deemed to be accepted. Risks outside our appetite require decision-making.

Our Risk Governance Structure is set out below:



In setting the bank's Risk Appetite, the Board has considered factors evident at that time relevant to the domestic economy, regional economy and global economy.

In shaping the bank's current Risk Appetite and strategic plan, the Board has particularly paid attention to the potential for inflationary pressures in the global economy to reduce demand for energy, tourism and hospitality

services. These factors can have an adverse effect on the trading outcomes of local business which in turn has an impact on credit risk.

Geopolitical issues remain under close watch, and while the bank has very limited direct exposure to Ukraine and to Russia, tensions impact many of our trading partners and can adversely impact supply chains.

2. THE TRANSACTIONS OF THE BOARD OF DIRECTORS AND THEIR SPOUSES AND CHILDREN IN THE SECURITIES OF THE BANK DURING 2022

Name	Position / relationship	The shares owned as on 31/12/2022	Total sale	Total Purchase
Sheikh Saleh Bin Mohamed Bin Hamad Al Sharqi	Chairman	-	-	-
Dr. Raja Easa Saleh Al Gurg	Deputy Chairperson	50,031	Nil	Nil
Sheikh Hamad Bin Saleh Bin Mohamed Al Sharqi	Member	-	-	-
Hussain Mirza Al Sayegh	Member	-	-	-
Saif Sultan Al Salami	Member	-	-	-
Dr. Sulaiman Mousa Al Jassim	Member	1,706,872	Nil	Nil
Mohamed Obaid Bin Majed Al Aleeli	Member	435,032	Nil	Nil
Abdulla Fareed Al Gurg	Member	-	-	-
Ahmed Saeed Al Raqbani	Member	-	-	-

The above-mentioned Board members did not purchase or sell any shares during the year 2022.

3. FORMATION OF THE BOARD OF DIRECTORS

A. The formation of the current Board of Directors

Name	Category (executive, non-executive and independent)	Experiences and Qualifications	The period he spent as a member of the bank's Board of Directors from the date of his first election	Memberships and positions in any other joint stock companies	Positions in any other regulatory, government or commercial positions
Sheikh Saleh Bin Mohamed Bin Hamad Al Sharqi	<ul style="list-style-type: none"> Chairman Non-Executive Member Non-Independent Member 	<ul style="list-style-type: none"> Completed standard military course from Royal Military Academy Sandhurst. Served in the UAE Armed Forces as a Colonel. 	Since 1984 39 years	-	<ul style="list-style-type: none"> Chairman of Department of Industry and Economy, Govt. of Fujairah, which controls Port of Fujairah, Fujairah Customs, Fujairah International Airport, Fujairah Free Zone Authority and Government Companies Department of Industry supervises all investments and industrial projects in the Emirate of Fujairah Chairman of Fujairah National Group

Dr. Raja Easa Saleh Al Gurg	<ul style="list-style-type: none"> • Deputy Chairperson • Non-Executive Member • Non-Independent Member 	<ul style="list-style-type: none"> • Holds an Honorary Doctorate in Literature from Amity University – India. • Holds an Honorary Doctorate from Queen's University Belfast for economics. • Graduated from the University of Kuwait in English Literature. 	Since 2020 3 years		<ul style="list-style-type: none"> • Chairperson and Managing Director of Easa Saleh Al Gurg Group LLC • Vice Chairperson of University of Dubai • Chairperson of the Board of Directors of Al Jalila Foundation • Board Member of Dubai Chambers • Board Member of Dubai Women's Association • Board Member of Emirates Schools Establishment • Board of Directors of Dubai Academic Health Corporation • Board Trustee for Mohammed Bin Rashid University of Medicine and Health Sciences • Board of Trustees for Ajman University • Board of Trustees of Hamdan Bin Mohammed Smart University • Honorary Pro-Chancellor at Heriot Watt University • Advisory Board of Coutts Bank, the wealth division of the Royal Bank of Scotland Group
Sheikh Hamad Bin Saleh Bin Mohamed Al Sharqi	<ul style="list-style-type: none"> • Board Member • Non-Executive Member • Independent Member 	<ul style="list-style-type: none"> • Bachelor in Business Administration & HR, Higher Colleges of Technology 	Since 2014 9 years	-	<ul style="list-style-type: none"> • Chairman of Al Sharq Health care (The Health care group of Fujairah National Group) • Chairman of Fujairah National Industries (The industries Group of Fujairah National Group) • Vice-Chairman of Fujairah National Group
Hussain Mirza Al Sayegh	<ul style="list-style-type: none"> • Board Member • Non-Executive Member • Non-Independent Member 	<ul style="list-style-type: none"> • Master Degree in International Relations - University of Southern California (UK Programme) London; • Bachelor Degree in Business Administration - University of Jordan 	Since 1992 31 years	-	<ul style="list-style-type: none"> • Chairman, Union Cement Co., Ras Al Khaimah • Deputy Chairman, Al Nasr Leisureland, Dubai • Director, Marsh Emirates Insurance Brokerage LLC, Dubai • Board Member of Tricolour Values Investment PSC

Saif Sultan Abdulla Al Salami	<ul style="list-style-type: none"> • Board Member • Non-Executive member • Non-Independent Member 	<ul style="list-style-type: none"> • Master in Computer Engineering – Florida Institute of Technology, USA • Bachelor in Electrical Engineering, – Florida Institute of Technology, USA 	Since 1999 24 years	Board Member of Fujairah National Insurance Company	<ul style="list-style-type: none"> • Group CEO of Fujairah National Group • Board member of GPS Chemoil LLC FZC
Dr. Sulaiman Mousa Al Jassim	<ul style="list-style-type: none"> • Board Member • Non-Executive Member • Non-Independent Member 	<ul style="list-style-type: none"> • PhD in Manpower development from Exeter University, UK • Master in philosophy from Exeter University, UK • Bachelor's degree in public administration sciences, UAE University • Diplomatic Certificate from Oxford University, UK 	Since 1984 39 years	-	<ul style="list-style-type: none"> • Chairman of Al Jassim Trading Group • Chairman of Al Khaleej Investment Education Services • Vice Chairman of Sultan Bin Ali Al Owais Cultural Foundation • Board Member of Abu Dhabi University • Board Member of University of Fujairah • Board Member of Abu Dhabi School of Management • Board Member of UAE Banks Federation
Mohamed Obaid Bin Majed Al Aleeli	<ul style="list-style-type: none"> • Board Member • Non-Executive Member • Non-Independent Member 	<ul style="list-style-type: none"> • Master Degree in Management Technology, University of Wisconsin, USA • Bachelor Degree in Industrial Technology, University of Wisconsin, USA 	Since 1993 30 years	-	<ul style="list-style-type: none"> • General Director -Department of Industry and Economy – Government of Fujairah • Member of the Federal Committee for Assortment and Economic Cooperation – Ministry of Economy • Member of the Federal Committee of World Trade Organization – Ministry of Foreign Trade • Member of Federal Committee of Industrial Development in the UAE • Board Member of Arab Company for Poultry Production in Fujairah

Abdulla Fareed Al Gurg	<ul style="list-style-type: none"> • Board Member • Non-Executive Member • Non-Independent Member 	<ul style="list-style-type: none"> • Master Degree in Management Concepts from Regis University, Denver, Colorado • Bachelor degree in Marketing and Management from the American University of Sharjah 	Since 2014 9 years	-	<ul style="list-style-type: none"> • Chairman of Abdulla Al Gurg Global Investments OPC LLC • CEO of Easa Saleh Al Gurg Group Private Investment • Vice President of Emirates E-Sports Association, Chairman of the Advisory Board and a Member of its Executive Office • Chairman of VITA Investment in Healthcare Enterprises & Development LLC • Board Member of Easa Saleh Al Gurg Group (ESAG) • Board Member of Al Gurg Fosroc • Board Member of Siemens Energy • Board Member of Siemens Healthineers • Board Member of Siemens Industrial • Board Member of Siemens Mobility • Board Member of Al Gurg Smollan • Board Member of Al Gurg Unilever • Board Member of Akso Nobel Decorative Paints
Ahmed Saeed Al Raqbani	<ul style="list-style-type: none"> • Board Member • Non-Executive Member • Independent Member 	<ul style="list-style-type: none"> • MBA from London Business School (LBS) • B.ENG in Civil Engineering from University College London (UCL) 	Since 2016 7 years	Chairman of Fujairah Building Industries PJSC	<ul style="list-style-type: none"> • Chairman of Fujairah Rock and Aggregate Co • Managing Director of East Coast Group • Board member of Al Taif Investment • Member of the Board of Trustees of University of Fujairah

B. Female representation on the Board of Directors in 2022

NBF promotes female representation in line with government strategy. Female participation on NBF's Board of Directors is 11 per cent. NBF is proud to have Dr. Raja Easa Saleh Al Gurg as its Deputy Chairperson.

In 2021, the Board appointed Ms. Raheema Ahmed Al Rayssi as the Board Secretary to further strengthen diversity.

C. Statement of the following:**1. Total remuneration for members of the Board of Directors in 2021**

Board Committees attendance allowances details are as follows:

Board Committees attendance allowances paid during 2022 for year 2021	Directors' fees (AED per annum)
Chairman	800,000
Deputy Chairperson	800,000
Director	400,000 (Per Person)

2. Total remuneration for members of the Board of Directors proposed for 2022

Board Committees attendance allowances details are as follows:

Board Committees attendance allowances paid during 2023 for year 2022	Directors' fees (AED per annum)
Chairman	1,000,000
Deputy Chairperson	1,000,000
Director	500,000 (Per Person)

3. Allowances paid to members of the Board of Directors for attending committee sessions in 2022:

Please refer to the table above

4. Allowances, salaries or additional fees received by a member of the Board of Directors, other than allowances for attending committees:

NIL

D. The number of board meetings held during the fiscal year 2022, with an indication of their dates, attendance for all members, and an indication of the members present by proxy (the names of the members of the board of directors must match what is mentioned in Clause (3A) above).

During 2022 there were 8 meetings held as follows:

Date of the meeting	Number of attendees	Attending through proxy	Names of the absent members
25 January 2022	8	-	H.H Sheikh Saleh Bin Mohamed Bin Hamad Al Sharqi
24 March 2022	9	-	-
26 April 2022	8	-	H.H Sheikh Saleh Bin Mohamed Bin Hamad Al Sharqi
21 June 2022	6	-	H.H Sheikh Saleh Bin Mohamed Bin Hamad Al Sharqi Sheikh Hamad Bin Saleh Bin Mohammed Al Sharqi Dr. Sulaiman Mousa Al Jassim
31 August 2022	7	-	H.H Sheikh Saleh Bin Mohamed Bin Hamad Al Sharqi Mr. Hussain Mirza Al Sayegh
28 September 2022	6	-	H.H Sheikh Saleh Bin Mohamed Bin Hamad Al Sharqi Sheikh Hamad Bin Saleh Bin Mohammed Al Sharqi Mr. Saif Sultan Al Salami
26 October 2022	7	-	H.H Sheikh Saleh Bin Mohamed Bin Hamad Al Sharqi Mr. Mohammed Obaid Bin Majid Al Aleeli
23 November 2022	9	-	-

- On 25 January 2022: H.H Sheikh Saleh Bin Mohammed Al Sharqi apologised for not attending the meeting and his absence was accepted by the Board.
- On 26 April 2022: H.H Sheikh Saleh Bin Mohammed Al Sharqi apologised for not attending the meeting and his absence were accepted by the Board.
- On 21 June 2022: H.H Sheikh Saleh Bin Mohammed Al Sharqi, Sheikh Hamad Bin Saleh Bin Mohammed Al Sharqi and Dr. Sulaiman Mousa Al Jassim apologised for not attending the meeting and their absences were accepted by the Board.
- On 31 August 2022: H.H Sheikh Saleh Bin Mohammed Al Sharqi and Mr. Hussain Mirza Al Sayegh apologised for not attending the meeting and their absences were accepted by the Board.
- On 28 September 2022: H.H Sheikh Saleh Bin Mohammed Al Sharqi, Sheikh Hamad Bin Saleh Bin Mohammed Al Sharqi and Mr. Saif Sultan Al Salami apologised for not attending the meeting and their absences were accepted by the Board.
- On 26 October 2022: H.H Sheikh Saleh Bin Mohammed Al Sharqi and Mr. Mohammed Obaid Bin Majid Al Aleeli apologised for not attending the meeting and their absences were accepted by the Board.

E. Number of Board resolutions issued by circulation during 2022 with the dates.

The Board resolved on the following matters by way of circulation which were also ratified at the subsequent board meetings:

1. CBUAE Transmittal Response – on 5 January 2022
2. Pillar III Disclosures and Formal Disclosure Policy– on 9 February 2022
3. Annual Report 2021– 18 February 2022
4. ICAAP and Annual Review of Key Risk Framework and Policies 2022 – on 21 February 2022
5. Appointment of External Auditors 2022– on 23 February 2022
6. Consumer Protection Regulation– on 9 March 2022
7. Q1 2022 Pillar III Disclosure – on 10 May 2022
8. H1 2022 Results – on 26 July 2022
9. Pillar III Disclosures Q3 2022 – on 14 November 2022

F. The duties and functions of the Board of Directors carried out by a member of the board or executive management during 2022 based on delegation from the board, with determination of the duration and validity of the delegation

The bank has an established delegation of authorities' framework for defining mandate and approval thresholds for the Board and Executive Management. This principally includes credit approval delegations and financial expenditure delegations which are reviewed and approved by the Board annually. The Board provides delegations for financial expenditure to the CEO, who further delegates to relevant staff within the bank. The principal delegated person's name with credit approval delegations are provided below:

Delegated Person's Name	Delegation Validity	Period of Deligation
Vince Cook Chief Executive Officer (CEO)	Board Approval	Annually (12months)
Adnan Anwar Deputy Chief Executive Officer	Board Approval	Annually (12months)
Ivor John Dorkin Head of Credit (HoC)	Board Approval	Annually (12months)

G. Details of transactions that took place with related parties (stakeholders) during 2022

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In the case of the group, related parties, as defined in the International Accounting Standard No. 24, include major shareholders of the group, directors and officers of the group and companies of which they are principal owners and key management personnel. Banking transactions are entered into with related parties on agreed terms and conditions approved by the Board of Directors. The significant transactions and balances included in the consolidated financial statements, which predominantly relate to directors and shareholders of the group, are as follows:

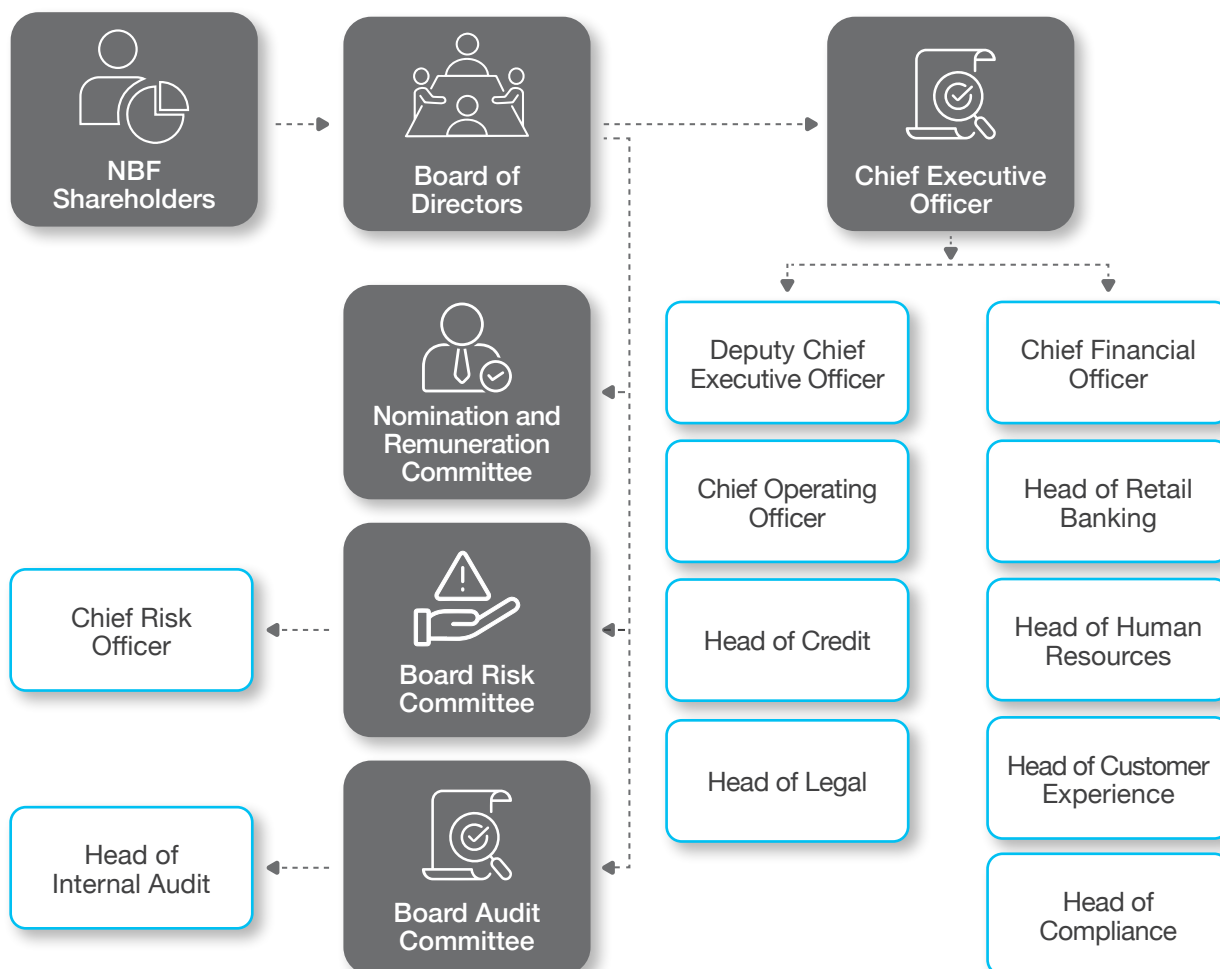
	2022 AED'000	2021 AED'000
Statement of financial position items		
Loans and advances and Islamic financing receivables	3,583,048	3,534,719
Customer deposits and Islamic customer deposits	8,814,053	7,998,573
Investments and Islamic instruments	147,650	75,449
Acceptances	21,095	33,988
Tier 1 capital securities	293,840	293,840
Contingent liabilities		
Letters of credit	56,093	65,669
Financial guarantees and other direct credit substitutes	58,085	59,572
Transaction related contingencies	269,644	276,729
Statement of changes in equity items		
Tier 1 capital securities coupon paid	17,264	17,264
Statement of income items		
Interest income and income from Islamic financing and investment activities	130,889	74,373
Interest expense and distribution to Islamic depositors	183,132	128,041
Other income	10,619	11,449
Operating expenses	29,038	17,687
Key management compensation		
Salaries and other short-term benefits	24,607	21,566
Employee end of service benefits	1,249	769
Board Committees attendance allowances	5,500	4,400

No stage 3 provisions for impairment have been recognised in respect of loans and advances and Islamic financing receivables given to related parties (2021: nil).

The loans and advances and Islamic financing receivables given to related parties amounting to AED 3,583.0 million (2021: AED 3,534.7 million) have been secured against collateral amounting to AED 2,219.0 million (2021: AED 1,862.5 million).

During the year, capital expenditure transactions with related parties amounted to AED 2.2 million (31 December 2021: AED 1.5 million).

H. The organisational structure of the bank



I. A detailed statement of senior executives in the first and second levels according to the organisational structure of the bank

The Designation	Date of Joining	Total salaries and allowances paid for the year 2022 (AED)	Total bonuses paid for 2022 (AED)*	Any other cash / in-kind bonuses for the year 2022 or future entitlements
Chief Executive Officer	6 Dec 2009			
Deputy Chief Executive Officer	17 Dec 2005			
Chief Financial Officer	18 July 2022			
Chief Operations Officer	12 Aug 2012			
Chief Risk Officer	5 Sep 2017	25,855,638.00	1,032,407.00	-
Senior Executive Officer, Fujairah Region	15 May 1994			
Head of Retail Banking	From 9 Feb 2014 till 31 March 2022			
Head of Human Resources	10 Oct 2010			
Head of Compliance	27 Sep 2020			
Head of Credit	21 May 2014			

*This reflects bonus for the year 2021 paid in 2022

4. EXTERNAL AUDITOR:

A. Presenting an overview of the bank's auditor to the shareholders.

PricewaterhouseCoopers ("PwC") is a multinational professional services network and one of the largest audit firms in the world.

PwC was appointed as external auditors for the bank and its subsidiaries by the shareholders at the Annual General Assembly Meeting (AGAM) held on 24 March 2022.

B. A statement of the fees and costs of the audit or the services provided by the external auditor

Name of the audit office and name of the partner auditor	Audit office - PwC / Partner – Stuart Scoular
Number of years spent as bank's External Auditors'	One year
Number of years the partner auditor spent in auditing the Bank's accounts	One year
Auditing fees for the year 2022	AED 545,000 plus value added tax (VAT)
Audit related services fees for the year 2022 [XBRL, review of selected returns of Central Bank of the UAE, annual audit of NBF Financial services FZC (subsidiary of NBF) and procedures in respect of pillar 3 disclosures]	AED 145,190 plus value added tax (VAT)
Total audit and related services fees for the year 2022	AED 690,190 plus value added tax (VAT)
Fees and costs for special services other than auditing the financial statements for the year 2022 if any, and in the absence of any other fees, this is expressly stated	AED 2.19 million plus value added tax (VAT) – Paid to PwC Technology Academy as part of the Bank's CSR initiatives
Details and nature of other services provided (if any), and in the absence of other services, this is explicitly stated	None
A statement of the other services that an another external auditor rather than the Bank's accounts auditor provided during 2022 (if any), and in the absence of another external auditor, this is explicitly stated	Auditor's Name: None Details of the services provided: None

C. A statement clarifying the reservations that the bank's auditor has included in the interim and annual financial statements for the year 2022, and in the absence of any reservations, this must be explicitly stated:

The Bank's auditors PwC, has provided unmodified opinions on all interim and annual consolidated financial statements. Excerpts of opinions from interim and Annual Accounts 2022 are provided below:

Interim:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the period ending 31 March 2022, 30 June 2022 and 30 September is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Annual:

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of National Bank of Fujairah PJSC (the "Bank") and its subsidiaries (together the "Group") as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows.

5. THE AUDIT COMMITTEE

A. Acknowledgment by the Chairman of the Audit Committee of his responsibility for the committee system in the bank and for his review of his work mechanism and to ensure its effectiveness

The Committee fulfilled its obligations and responsibilities in line with the mandate set out by the Board. The Committee received and considered reports and recommendations from the internal audit and the external auditors. Further, it received and considered any reports issued by the regulatory authorities and made recommendations to the Board in respect of financial reporting, systems of internal control and both internal and external audit processes.

B. Names of the members of the Audit Committee, and a statement of its functions and tasks assigned to it

The Audit Committee of the Board consists of four Board members and an independent professional as follows:

Name	Designation
Ahmed Saeed Al Raqbani	Chairman
Sheikh Hamad Bin Saleh Bin Mohammed Al Sharqi	Member
Saif Sultan Al Salami	Member
Abdulla Fareed Al Gurg	Member
T N Sekhar	Independent Professional Member

The responsibilities of the Committee include, but are not restricted to the following:

- Confirming and assuring the independence of internal auditors
- Reviewing with the Head of Internal Audit and the external auditors the scope, plan, coordination and effectiveness of internal and external audit work
- Overseeing the preparation of financial statements, including a review of the interim and annual financial statements, to monitor that such financial statements have been prepared in accordance with proper accounting rules and practices
- Reviewing the group's internal control systems for effectiveness
- Receiving key audit reports and ensuring that senior management is taking necessary corrective action in a timely manner to address control weaknesses, non-compliance with policies, laws and regulations and other problems identified by auditors and other control functions and
- Reviewing all internal audit reports concerning any investigation or significant fraud that occurs within the group

C. The number and dates of the meetings held by the Audit Committee during 2022 with dates to discuss related issues to the financial statements and any other matters, and a statement of the number of personal attendance of members at the meetings held

Date of the meeting	Board of Directors in attendance	Management Team attendance	Total attendance
20 January 2022	1. Ahmed Saeed Al Raqbani 2. Sheikh Hamad Bin Saleh Bin Mohd Al Sharqi 3. Saif Sultan Al Salami 4. Abdulla Fareed Al Gurg T. N. Sekhar - Independent Professional Member	1. Vince Cook 2. Adnan Anwar 3. Balaji Krishnamurthy For Ernst and Young session only: 1. Ali Asif Sheikh Internal Audit: 1. Temi Labor 2. Mohammed Shaju External Audit - Ernst and Young: 1. Ben Wareing 2. Tanai Rai	• Board of Directors: 4 (count) • Independent Professional Member: 1 (count) • Management: 4 (count) • Internal Audit: 2 (count) • External Audit: 2 (count)
20 April 2022	1. Ahmed Saeed Al Raqbani 2. Sheikh Hamad Bin Saleh Bin Mohd Al Sharqi 3. Saif Sultan Al Salami 4. Abdulla Fareed Al Gurg T. N. Sekhar - Independent Professional Member	1. Vince Cook 2. Adnan Anwar 3. Balaji Krishnamurthy For PricewaterhouseCoopers session only: 1. Ali Asif Sheikh Internal Audit: 1. Temi Labor 2. Mohammed Shaju External Audit – PricewaterhouseCoopers (PWC): 1. Ashruff Jamall 2. Shereen Osman 3. Stuart Scoular	• Board of Directors: 4 (count) • Independent Professional Member: 1 (count) • Management: 4 (count) • Internal Audit: 2 (count) • External Audit: 3 (count)

Date of the Meeting	Board of Directors in Attendance	Management Team Attendance	Total attendance
26 July 2022	1. Ahmed Saeed Al Raqbani 2. Sheikh Hamad Bin Saleh Bin Mohd Al Sharqi 3. Saif Sultan Al Salami 4. Abdulla Fareed Al Gurg T. N. Sekhar -Independent Professional Member	For Agenda items no 1-5: 1. Vince Cook 2. Adnan Anwar 3. Balaji Krishnamurthy 4. Brian Mulholland For PricewaterhouseCoopers session only: 1. Ali Asif Sheikh Permanent Invitee: 1. Balwant Bains External Audit – PricewaterhouseCoopers (PWC): 1. Ashruff Jamall 2. Shereen Osman 3. Stuart Scoular	<ul style="list-style-type: none"> • Board of Directors: 4 (count) • Independent Professional Member: 1 (count) • Management: 5 (count) • Internal Audit: 1 (count) • External Audit: 3 (count)
30 September 2022	1. Ahmed Saeed Al Raqbani 2. Sheikh Hamad Bin Saleh Bin Mohd Al Sharqi 3. Saif Sultan Al Salami 4. Abdulla Fareed Al Gurg T. N. Sekhar -Independent Professional Member	Permanent Invitee: 1. Balwant Bains	<ul style="list-style-type: none"> • Board of Directors: 4 (count) • Independent Professional Member: 1 (count) • Internal Audit: 1 (count)
19 October 2022	1. Ahmed Saeed Al Raqbani 2. Sheikh Hamad Bin Saleh Bin Mohd Al Sharqi 3. Saif Sultan Al Salami 4. Abdulla Fareed Al Gurg T. N. Sekhar -Independent Professional Member	For Agenda items no 1-4: 1. Vince Cook 2. Adnan Anwar Permanent Invitee: 1. Balwant Bains For PricewaterhouseCoopers session only: 1. Brian Mulholland 2. Balaji Krishnamurthy 3. Ali Asif Sheikh For Agenda item no 8: 1. Jonathan Falconer External Audit – PricewaterhouseCoopers (PWC): 1. Ashruff Jamall 2. Shereen Osman 3. Stuart Scoular	<ul style="list-style-type: none"> • Board of Directors: 4 (count) • Independent Professional Member: 1 (count) • Management: 6 (count) • Internal Audit: 1 (count) • External Audit: 3 (count)
9 December 2022	1. Ahmed Saeed Al Raqbani 2. Sheikh Hamad Bin Saleh Bin Mohd Al Sharqi 3. Saif Sultan Al Salami 4. Abdulla Fareed Al Gurg T. N. Sekhar - Independent Professional Member	For Agenda items no 1-9: 1. Vince Cook 2. Adnan Anwar Permanent Invitee: 1. Balwant Bains For Agenda item no 8: 1. Jonathan Falconer For Agenda item no 9: 1. Mohamed ElKdousy	<ul style="list-style-type: none"> • Board of Directors: 4 (count) • Independent Professional Member: 1 (count) • Management: 3 (count) • Internal Audit: 1 (count) • Internal Shari'ah Audit: 1 (count)

6. NOMINATION AND REMUNERATION COMMITTEE

A. A declaration from the Chairman of the Nominations and Remuneration Committee of his responsibility for the committee's system in the bank and for his review of his work mechanism and to ensure its effectiveness

The Committee fulfilled its obligations and responsibilities in line with the mandate set out by the Board.

The Committee principally focused on the bank's succession planning of senior management, appointment of Internal Sharia'h Supervision Committee, adoption of the new corporate governance regulations of the Central Bank of the UAE, staff rewards, performance of the Board and ongoing education and development for the Board members.

B. Names of the members of the Nomination and Remuneration Committee, and a statement of its functions and tasks assigned to it

The Nomination and Remuneration Committee of the Board comprises three board members as follows:

Name	Designation
H.H Sheikh Saleh Bin Mohammed Al Sharqi	Chairman
Dr. Raja Easa Saleh Al Gurg	Member
Saif Sultan Al Salami	Member

The responsibilities of the Committee include, but are not restricted to the following:

- Making recommendations to the Board relating to the appointment, reappointment and succession planning of the Directors, except for the position of Chairman
- Considering appointment, termination and succession planning for the CEO and other senior management positions
- Reviewing the remuneration policy for the Board, the CEO, senior management and employees of the Bank
- Reviewing the structure, size and composition of the Board
- Evaluating the balance of skills, knowledge and experience on the Board and
- Reviewing the performance of the Board

C. The number of meetings held by the committee during 2022 and their dates, with an indication of attendance

Date of the meeting	Board of Directors in attendance	Management Team attendance
24 March 2022	1. H.H. Sheikh Saleh Bin Mohammed Al Sharqi 2. Dr. Raja Easa Saleh Al Gurg 3. Saif Sultan Al Salami	1. Vince Cook 2. Adnan Anwar
29 June 2022	1. H.H. Sheikh Saleh Bin Mohammed Al Sharqi 2. Dr. Raja Easa Saleh Al Gurg 3. Saif Sultan Al Salami	1. Vince Cook 2. Adnan Anwar
8 September 2022	1. H.H. Sheikh Saleh Bin Mohammed Al Sharqi 2. Dr. Raja Easa Saleh Al Gurg 3. Saif Sultan Al Salami	1. Vince Cook 2. Adnan Anwar
23 November 2022	1. H.H. Sheikh Saleh Bin Mohammed Al Sharqi 2. Dr. Raja Easa Saleh Al Gurg 3. Saif Sultan Al Salami	1. Vince Cook 2. Adnan Anwar

7. A COMMITTEE TO FOLLOW UP AND SUPERVISE THE TRANSACTIONS OF INSIDERS

A. Acknowledgment by the committee chairman of his responsibility for the committee system in the bank and for his review of his work mechanism and to ensure its effectiveness

The principal stakeholders include Board of Directors, key management, personnel and related staff member of the bank.

Process for insider transactions is in place for regular reviews and changes from enhance monitoring and control prospective which operated effectively during 2022. The process is administered by the bank's Investor Relations Officer in line with the Insider policy approved by the Board.

B. Names of the members of the committee to follow up and supervise the transactions of the insiders, and a statement of its functions and tasks assigned to it

Not applicable, please refer to comments in section 7A, 7C.

C. A summary of the committee's work report during the year 2022 (in the event that the committee is not formed, the reasons for this will be explained)

The dedicated Committee has not been formed for administering insider trading and requirements are adhered through the bank's established governance framework and process. The Board are responsible for establishing and communicating corporate culture and values through measures including, but not limited to, a written code of conduct, a conflicts of interest policy, a whistleblowing policy mechanism, an insider trading policy, and a strong internal control environment. The bank limits and manages access to price sensitive information and has also established the process to report all relevant stakeholders to Insider trading list. In addition to regular monitoring, the bank has also embedded insider trading as part of the periodic compliance declaration program.

8. ANY OTHER COMMITTEE OR COMMITTEES APPROVED BY THE BOARD OF DIRECTORS

A. Acknowledgment by the committee chairman of his responsibility for the committee system in the bank and for his review of his work mechanism and to ensure its effectiveness

The Board has established Board Risk Committee to enhance oversight with formal Charter in place.

B. Name of the committee

Board Risk Committee

C. Names of the committee members, and a statement of its functions and tasks assigned to it

The Board Risk Committee consists of four Board members and an independent professional as follows:

Name	Designation
Shaikh Hamad Bin Saleh Bin Mohd Al Sharqi	Chairman
Saif Sultan Al Salami	Member
Mohamed Obaid Bin Majed Al Aleeli	Member
Abdulla Fareed Al Gurg	Member
T N Sekhar	Independent Professional Member

It oversees the risks inherent to group business, control processes, risk management and compliance. The CEO, Deputy CEO (DCEO), Chief Risk Officer (CRO) Head of Compliance and Head of Internal Audit (HOIA) are invitees. The responsibilities of the Committee include, but are not limited to the following:

- Review of the group's Enterprise Risk Management and Internal Control Framework
- Review of group risk appetite and risk policies
- Review of the credit risk rating system
- Review of policies for asset and liability management
- Review of financial and other risk exposures and the steps management has taken to identify and measure risk
- Review of appropriate transaction or trading limits
- Review of reports and significant findings from the Risk Management Division, Management Risk Committee and from the regulatory agencies relating to risk
- Review of Internal Capital Adequacy Assessment Process (ICAAP) submission to the Central Bank of the UAE
- Review of the quality, structure and adequacy of capital and economic capital allocation
- Review of the Basel III, liquidity and leverage review methodologies
- Monitoring of group compliance with legal and regulatory obligations, including customer complaints and
- Review of major disclosure documentation prior to issue to the market

D. The number of meetings held by the committee in 2022 and their dates, with an indication of attendance

Date of the Board Meeting	Board of Directors in attendance	Management Team
2 February 2022	1. Sheikh Hamad Bin Saleh Al Sharqi 2. Saif Sultan Al Salami 3. Mohamed Obaid Bin Majed Al Al Aleeli 4. Abdulla Fareed Al Gurg T N Sekhar - Independent Professional Member	1. Vince Cook 2. Adnan Anwar 3. Stuart Wright 4. Jonathan Falconer
26 May 2022 (by Circulation)	(by Circulation)	-
24 August 2022	1. Sheikh Hamad Bin Saleh Al Sharqi 2. Saif Sultan Al Salami 3. Mohamed Obaid Bin Majed Al Al Aleeli 4. Abdulla Fareed Al Gurg T N Sekhar - Independent Professional Member	1. Vince Cook 2. Adnan Anwar 3. Brian Mullholland 4. Stuart Wright 5. Jonathan Falconer
7 December 2022	1. Sheikh Hamad Bin Saleh Al Sharqi 2. Saif Sultan Al Salami 3. Mohamed Obaid Bin Majed Al Al Aleeli 4. Abdulla Fareed Al Gurg 5. Ahmed Saeed Al Raqbani (Chairman of Board Audit Committee) T N Sekhar - Independent Professional Member	1. Vince Cook 2. Adnan Anwar 3. Brian Mullholland 4. Stuart Wright 5. Jonathan Falconer

9. THE INTERNAL CONTROL SYSTEM

A. Acknowledgment by the Board of its responsibility for the bank's internal control system and for its review of its work mechanism and to ensure its effectiveness

The NBF Board sets the risk appetite, policies and has approved the Enterprise-wide Risk Management and Internal Control Framework. The bank follows a three lines of defense structure with management control being the first, independent risk management oversight being the second and an independent audit assurance being the third. The principal responsibility for the execution and implementation of policies and procedures and internal controls rests with respective functions and departments in accordance with the approved framework. An independent Risk Management function carries out the oversight through independent review and approval of procedures, spot checks to assess adequacy of internal controls and meeting of compliance requirements, operational risk management, credit portfolio risk review and middle office activities for market and liquidity risks. An independent internal and external audit process provides an independent assurance to the Board.

The bank continued to invest in various regulatory compliance activities. The NBF Group undertook improvements to its Anti-Money Laundering (AML) / Combating the Financing of Terrorism (CFT) / sanctions control environment and also enhanced its operational risk profile and testing to ensure effectiveness of controls. NBF is committed to industry best practice compliance and AML standards, and to the protection of the UAE's financial system. We have in place a dedicated compliance function in addition to the operational risk management function to further enhance our control mechanism. To identify areas for ongoing improvement and supervision, dedicated Compliance and Operational Risk Committees are in place, which have senior management representatives from all departments.

The NBF Group has a system of internal controls adequate to enable the preparation of accurate consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), the applicable provisions of the Articles and Memorandum of Association and the UAE Federal Law No. (2) of 2015. NBF acknowledges the responsibility for the design, implementation and maintenance of internal controls.

The Board receives regular reporting on the bank's risk profile and is able to engage management directly or through the independent control functions regarding any matter of concern.

Further, the role of the Internal Audit Function within the NBF Group is to provide independent and objective assurance that the process for identifying, evaluating and managing significant risks faced by the Group is appropriate and effectively applied. In addition, it also provides an independent check on the compliance with laws and regulations and measuring compliance with the group's policies and procedures. Additionally, Internal Audit provides consulting services which are advisory in nature, and are generally performed at the specific request of the Senior Management. It is led by the Head of Internal Audit who reports to the Audit Committee of the Board. To perform its role effectively, Internal Audit has organisational independence from management, to enable unrestricted evaluation of management activities and personnel.

B. The name of the department manager, his qualifications, and the date of appointment

Name	Qualifications	Date of Joining
Stuart Wright Chief Risk Officer (Acting)	Bachelors in Law	5-Sep-2017

C. Compliance Officer Name, qualifications and date of appointment

Name	Qualifications	Date of Joining
Jonathan James Falconer Head of Compliance	Masters in Law	27-Sep-2020

D. The Internal Audit

Name	Qualifications	Date of Joining
Balwant Bains Head of Internal Audit	Bachelors of Business studies and Certified Internal Auditor	30-May-2022

E. How the Internal Control Department deals with any major problems in the bank or those that were disclosed in the annual reports and accounts (in the absence of major problems, it must be mentioned that the bank did not face any problems)

As mentioned in part A, in addition that the bank did not face any major problems.

F. Number of Reports issued by the Internal Control Department of the Board

In addition to various presentations and reporting to the Board by Risk Management and Compliance functions, Internal Audit issued 20 reports and 2 process notes to the Board and Board Audit Committee in 2022.

10. DETAILS OF VIOLATIONS COMMITTED IN 2022, THEIR REASONS, AND HOW TO DEAL WITH THEM AND AVOID THEIR RECURRENCE IN THE FUTURE

There were no material violations observed in 2022. For all non-lending losses the bank follows the process approved by the Board in its Operational Risk Policy. Investigations are carried out by Risk Management to identify the root cause of the incident and where it is appropriate, changes to standard processes and control processes are made to prevent reoccurrence.

11. CASH AND IN-KIND CONTRIBUTIONS MADE BY THE BANK DURING 2021 IN DEVELOPING THE LOCAL COMMUNITY AND PRESERVING THE ENVIRONMENT

Creating a positive impact on the environment and our community is a cornerstone of the bank's corporate culture and values and NBF has pledged to be a consistent force for improvement and change. Throughout the year a number of initiatives were launched to continue empowering our communities, looking after the planet and safeguarding the environment and a total of AED 5.7 mn investment was spent in 2022. To name a few, NBF continued to provide sponsorship to the seafarers support group, Angel Appeal, and has an ongoing partnership with Fujairah Welfare Association to help uplift communities in the Fujairah region.

The sixth NBF Fujairah Run was held in November 2022 with a record participation of 2,270 runners. Over 500 artists from across the UAE submitted artwork to the second NBF Annual Art Competition following the 'environmental and sustainability' theme. NBF's sponsorship of the International Envirocities Conference 2022 highlighted the bank's commitment to supporting sustainable, smart and resilient cities in the UAE. Held in Fujairah under the patronage of His Highness Sheikh Hamad bin Mohammad Al Sharqi, Supreme Council Member and Ruler of The Emirate of Fujairah, the 11th edition of the annual conference was held with the strategic objective of furthering knowledge of global strategies, policies and laws of smart, sustainable cities. To read more about the bank's CSR and sustainability efforts, please refer to 'NBF ESG Report 2022' on nbfae.

12. GENERAL INFORMATION**A. A statement of the bank's share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2022**

NBF share prices for the year 2022 were as follow:

Month	Closing price	Highest price	Lowest price
January 2022	5	5	5
February 2022	5	5	5
March 2022	4.99	4.99	4.60
April 2022	4.99	4.99	4.99
May 2022	4.99	4.99	4.99
June 2022	4.99	4.99	4.99
July 2022	4.99	4.99	4.99
August 2022	4.99	4.99	4.99
Spetember 2022	4.99	4.99	4.99
October 2022	4.99	4.99	4.99
November 2022	4.99	4.99	4.99
December 2022	4.99	4.99	4.99

B. A statement of the comparative performance of the bank's share with the general market index and the sector index to which the bank belongs during the year 2022

Bank Sector	Price to Book Ratio	Price to Earnings Ratio
NBF (Dec 2022)	2.27	37.68
Industry (Sep 2022)	2.22	19.17

C. A statement of the distribution of shareholders' ownership as at 31 December 2022 (individuals, companies, governments) classified as follows: local, Gulf, Arab, and foreign

Shareholder classification	Percentage of shares owned			
	Individuals	Companies	Governments	Total
Local	6.27%	38.24%	55.49%	100%
Gulf	-	-	-	-
Arab	-	-	-	-
Foreign	-	-	-	-
Total	6.27%	38.24%	55.49%	100%

D. A statement of the shareholders who own 5 per cent or more of the bank's capital as on December 31, 2022

Name	Number of shares owned	The percentage of shares owned from the bank's capital
Department of Industry & Economy-Government of Fujairah	817,254,658	40.86%
Easa Saleh Al Gurg LLC	429,723,768	21.49%
Investment Corporation of Dubai	174,749,424	8.74%
Fujairah Investment Company	101,967,111	5.10%

E. A statement of the method of distributing the shareholders according to the size of ownership as at 31 December 2022

Shares ownership (share)	Number of shareholders	Number of shares owned	The percentage of shares owned in the capital
Less than 50,000	50	962,513	0.05%
50,000 to less than 500,000	46	8,754,783	0.44%
From 500,000 to less than 5,000,000	29	53,100,659	2.7%
More than 5,000,000	26	1,937,182,045	96.9%

F. A statement of the procedures that have been taken regarding investor relations controls, with a statement of the following

Name of the Investor Relations Officer	Shahrazad Hamroun- Sr. Manager – Financial Control & Investor Relations.
Contact information with Investor Relations	Tel: 09-2029210 , 09-2029208 Fax: 09-2029403 e-mail: NBF-investorrelations@nbf.ae, s.hamroun@nbf.ae
The electronic link for the investor relations page on the Bank's website	https://nbf.ae/en/about-us/investor-relations

The procedures that have been taken regarding investor relations controls:

- Appointment of an official officer responsible for all tasks related to the Investor Relations Management
- Investor Relations page on the Bank's website, which includes: Contact information with Investor Relations (email - phone - mobile - fax)
- Hosting of quarterly and annual consolidated financial statements on the ADX and Group's website and sharing these with SCA
- Establishing a disclosure policy to ensure compliance with all applicable laws and regulations concerning disclosure of material non-public information, including International Financial Reporting Standards (IFRS), the rules of the UAE Central Bank and its Basel II Pillar 3 guidelines and the listing requirements of the Securities and Commodities Authority (SCA) and ADX
- Availability of uncollected dividends information and the mechanism of collecting it by the shareholders
- Publication of the annual report and
- Investor presentations

G. A statement of the special decisions that were presented at the General Assembly held during the year 2022 and the measures taken in their regard

In the Annual General Assembly Meeting held on 24 March 2022 there was no agenda for special resolutions.

H. The name of the reporter for board meetings and the date of his appointment

Name	Date of appointment
Ms. Raheema Ahmed Al Rayssi	7 June 2021

I. A detailed statement of the material events and important disclosures that the bank encountered during the year 2022

The bank's material events and important disclosures related to its quarterly and annual earnings were announced in the market in accordance with the requirements of SCA and ADX.

J. A statement of the transactions carried out by the bank during the year 2022 that are equal to 5 per cent or more of the bank's capital

Statement of Financial position line item	AED mn	# of transactions
Loans and advances and Islamic financing receivables	334.20	1
Due from banks and financial institutions	26,954.63	55
Customer deposits and Islamic customer deposits	9,345.99	21

K. Statement of the percentage of Emiratisation in the bank by the end of 2020, 2021 and 2022

The bank is fully committed towards the development and promotion of Emiratisation. The bank's Emiratisation percentage for year ended 31 December 2020 was 45.14 per cent, for year ended 31 December 2021 was 46.52 per cent and for year ended 31 December 2022 was 40.2 per cent.

L. A statement of the innovative projects and initiatives undertaken by the bank or under development during the year 2022

The bank as part of its digitalisation strategy has been implementing a number of innovative projects and initiatives to service the needs of the customers. Please refer to the Directors' Report on page 7 for further details.

Sheikh Saleh Bin Mohammed Al Sharqi

Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee
25 January 2023



Ahmed Saeed Al Raqbani

Chairman of the Board Audit Committee
25 January 2023



Stuart Wright

Chief Risk Officer (Acting)
25 January 2023

