

CORPORATE GOVERNANCE REPORT

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

OUR CORPORATE GOVERNANCE FRAMEWORK

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, our policies and governance structures.

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 the Group.

Our approach to corporate governance is intended to ensure the highest levels of transparency and accountability. These practices are under constant review as local and global best practice expectations change.

The Board of Directors’ primary responsibility is to provide effective governance and oversight over the bank’s affairs and those of its subsidiaries, 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 regulatory requirements and 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 risk management, sustainability including environmental, societal and governance issues, the adequacy of 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 and Sustainability 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 management committees in the bank.

The bank’s corporate governance system operated effectively during 2024. 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 2024, NBF continued to review and enhance its corporate governance practices in light of changes to the business strategy, the external business environment and evolving stakeholder expectations.

The critical importance of Sustainability was underlined by the specific inclusion of Sustainability issues and governance into the Charter of the Board Risk Committee to become the Board Risk and Sustainability Committee. The members of this committee have been delegated the role of ensuring that the bank is acting to limit its impact on the environment both directly and through our financing activities and supporting

the development of projects and activities that support health, financial literacy and engaged communities.

In 2024, the bank became a member of the United Nations Global Compact as a tangible sign of this commitment.

Risk Management Approach

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 and Sustainability 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 and Sustainability 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, Liquidity, Funding (liability) and Interest Rate Risk.

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 risk:

- Information Technology Risk
- Disaster Recovery and Business Continuity Management
- Human Resources/Personnel Risk
- Processing Risks
- Insurance Risk
- 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 the bank 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 possibility 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) ensures 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 are 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 workflow 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. 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.

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

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 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.

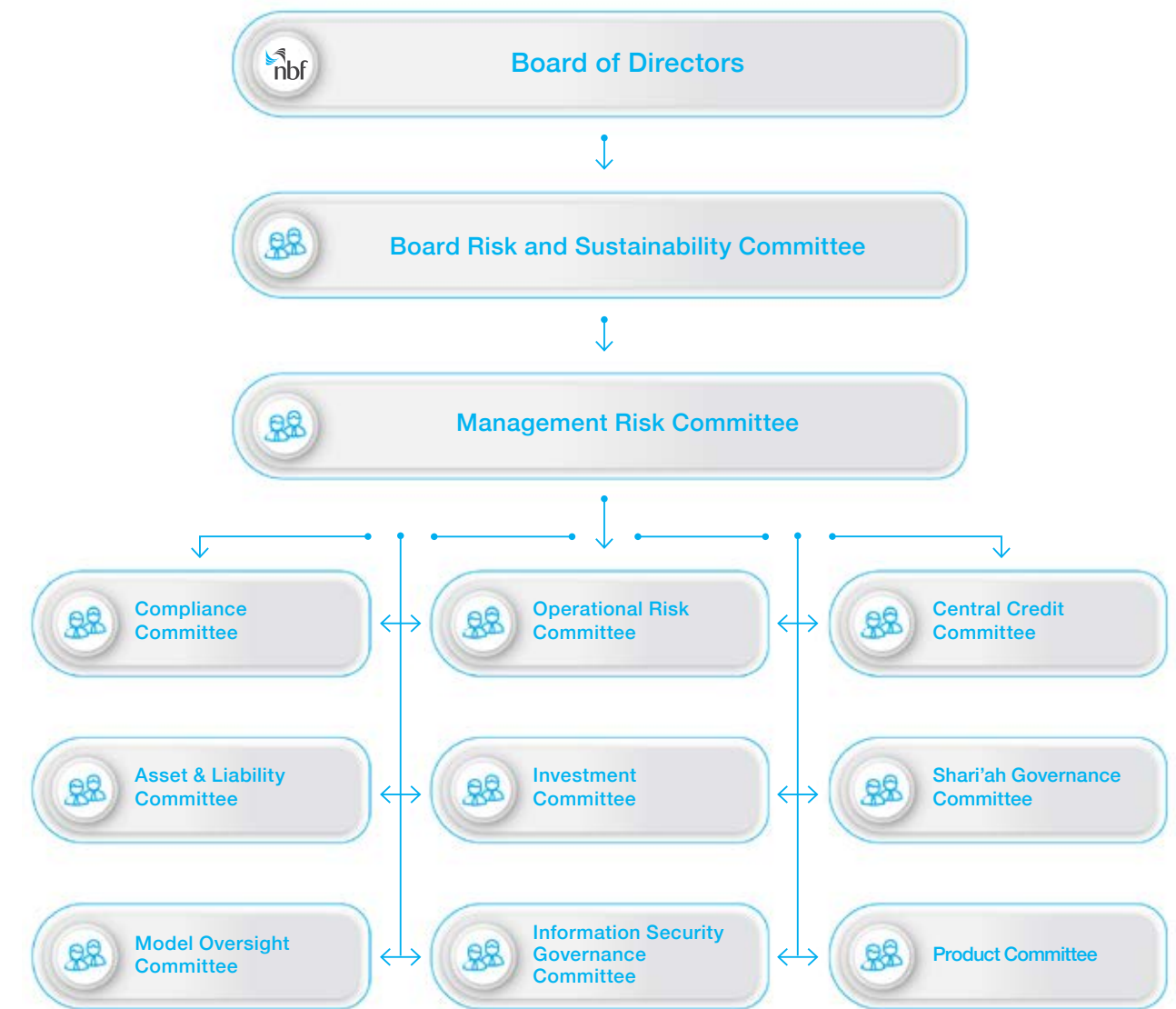
The Board has approved the Enterprise-wide Risk Management Framework document that describes how the bank manages all of its material risks.

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. These indicators are measured daily 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.

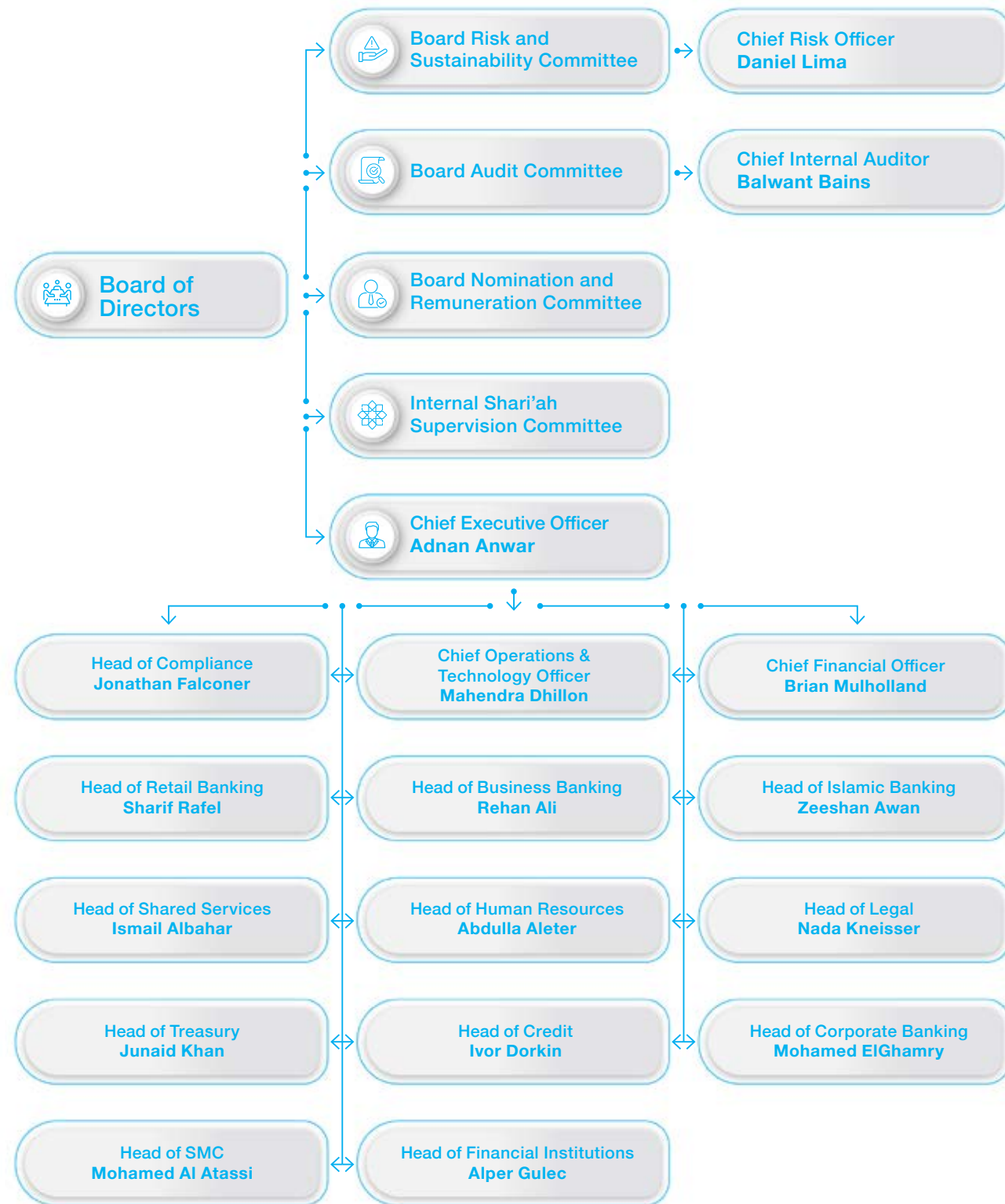
Our Risk Governance Structure is set out below:



In setting the bank's Risk Appetite, the Board considers factors that are relevant to the domestic economy, regional economy and global economy.

The bank has not entered into complex or non-transparent transactions or activities.

Our Organisational Structure



BOARD GOVERNANCE

Roles and Responsibilities

Our Board consists of nine members who are appointed for a three-year term at the Annual General Assembly Meeting.

Our Chairman and Deputy Chair are selected by Members of the Board. The Chair has a pivotal role in ensuring that the Board functions as the principal governance forum for the bank and that all important issues are properly addressed.

The Governance Charter of the Board of Directors sets the roles and responsibilities of the Board as a whole and each of the members of the Board.

The core responsibilities include

- decisions on the vision, mission, long-term objectives and strategy of the bank
- approval of the policies of the bank
- approval of authorities and powers delegated to the CEO, committees and senior management
- approval of the Bank's annual budget including specific approval of capital expenditure, investments and disposals
- reviewing and, where appropriate, approving material related party transactions which are not in the ordinary course of business
- approval of the capital management policy and the basis of allocation of capital within the bank
- decisions on the organization structure of the bank.
- ensuring that the Bank manages risk effectively
- ensuring that there is an appropriate system of internal control in the bank including approval of the structure, powers and processes of Internal Audit
- ensuring that the Board has the appropriate number and quality of directors to fulfil its responsibilities
- appointment of committees of the Board and approval of the committee Charter that contains detail of the mandate, scope, process and accountability of the committee to the Board

- approval of the appointment, dismissal, and remuneration of the CEO and Senior Management
- approval of remuneration policy and bonus pools and salary scales for employees
- approval and review of the corporate governance arrangements of the Bank

Independence

The Board ensures that its composition complies with all regulations including independence which is reviewed annually.

Conflict of Interest

The Board has in place clear policies on Conflict of Interest. No Director may take part in deliberations in respect of a matter in which he or she has a real or perceived conflict of interest, and conflicted Directors do not vote on any such resolution.

MEMBERS OF THE BOARD

Recruitment approach

Nomination to become a Member of the bank's Board of Directors is overseen by the Board Nomination and Remuneration Committee.

The Committee is charged with ensuring that the nominees are skilled in a diverse range of disciplines and have significant experience across key sectors of the UAE economy in order to contribute key insights into the banks strategy and operations to assist management deliver long-term sustainable value for the bank's various stakeholders.

All nominees for appointment to the Board of Directors are assessed against the requirements of the Fit and Proper policy and if successful, are presented to the Central Bank of the UAE for approval. If the 'No Objection' confirmation is received, the nominee is presented to the Annual General Assembly meeting for approval by shareholders.

During the year, one new Member of the Board of Directors was appointed following the resignation of Mr. Abdulla Fareed Al Gurg. After consideration of all relevant matters, Mr. Easa Farid Al Gurg was appointed to fill the vacancy which was confirmed by the General Assembly Meeting held on 26th June 2024.

Our Board Members

Name Category (executive and non-executive, independent)	Experiences and Qualifications	The period spent as a member of the bank's Board of Directors from the date of 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 AlSharqi • 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 41 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

<p>Dr. Raja Easa Saleh Al Gurg</p> <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 5 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 of Commerce Board Member of Dubai Women's Association Board of Directors of Dubai Health Corporation Board of Governance Deputy Chair of Mohammed Bin Rashid University of Medicine and Health Sciences Board of Trustees for Ajman University Board of Governance Deputy Chair 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
<p>Sheikh Hamad Bin Saleh Bin Mohamed AlSharqi</p> <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 11 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
<p>Hussain Mirza Al Sayegh</p> <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 33 years	-	<ul style="list-style-type: none"> Chairman, Union Cement Co., Ras Al Khaimah Board of Trustees of Mohammed Bin Rashid Humanities Society Board of Trustees of Thumbay Group

<p>Saif Sultan Abdulla Al Salami</p> <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 26 years	<ul style="list-style-type: none"> Board Member of Fujairah National Insurance Company 	<ul style="list-style-type: none"> Managing Director of Fujairah National Group Director of GPS Chemoil LLC FZC
<p>Mohamed Obaid Bin Majed Al Aleeli</p> <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 32 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 Federal Committee of Industrial Development in the UAE Board Member of the Standards and Specifications Authority, United Arab Emirates Member of Foreign Trade Committee, Ministry of Economy, UAE Board Member of Arab Company for Poultry Production in Fujairah
<p>Abdulla Fareed Al Gurg</p> <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 10 years and 4 months (Resigned on 29 April 2024)	-	<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 • 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 9 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
Khalil Ebraheim Hassan Ahmed • Board Member • Non-Executive Member • Independent Member	<ul style="list-style-type: none"> Master of Commerce, Professional Accounting- from University of Queensland, Australia Master of Commerce, Applied Finance- from University of Queensland, Australia Bachelor of Business Administration- BBA, Financial Management & Marketing from Arab Academy for Science and Technology and Maritime Transport (AASTMT), Egypt Executive Development Diploma, Business Leadership & Management from International Institute for Management Development, Switzerland 	Since 2023 2 years	Vice Chairman of Fujairah Building Industries PJSC	<ul style="list-style-type: none"> Deputy Managing Director, Port of Fujairah Board Member of Fujairah Rock and Aggregate Company
Easa Farid Al Gurg • Board Member • Non-Executive Member • Non-Independent Member	<ul style="list-style-type: none"> Bachelor of Science in Business Administration with a concentration in Management and Marketing from American University of Sharjah 	Since 2024 1 year	-	<ul style="list-style-type: none"> Group CEO of the Easa Saleh Al Gurg Group (ESAG)

Female Representation

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

In filling the casual vacancy on the Board during the year, the Nomination and Remuneration Committee considered the appointment of one further female however she did not take up the bank's approach.

Board Assessment

The Board Nomination and Remuneration Committee conducts an annual assessment of the Board's performance. The annual assessment includes Board Organisation, Structure and Objectives, Board Meeting Processes, Board Responsibilities and Performance, Board Interaction with Senior Management. In addition, an independent Board evaluation is conducted periodically in accordance with regulatory requirements. Recommendations are considered and

addressed to enhance the governance structure of the Board, and its committees and charters are updated on a yearly basis. The Board evaluation conducted in 2024 was positive with feedback that meetings devoted sufficient time to relevant topics, the Board was focused on the right topics, Board members had sufficient skills and experience to consider the relevant matters and Board materials were well prepared and distributed in a timely manner.

Our newest Director successfully completed the induction program provided by the bank and has contributed positively to the Board's role and proceedings.

Director's Remuneration

Board Remuneration paid during 2024 for year 2023	Directors' fees (AED per annum)
Chairman	1,000,000
Deputy Chairperson	1,000,000
Director	500,000 (per person)

No additional allowances were paid to Members of the Board of Directors for attendance at Committees.

Proposed Board Remuneration details that will be presented at the Annual General Assembly Meeting are as follows:

Board Remuneration will be paid during 2025 for year 2024	Directors' fees (AED per annum)
Chairman	1,500,000
Deputy Chairperson	1,500,000
Director	750,000 (per person)

Board meetings

The Board of Directors held eight meetings throughout the year. Below are the dates and summary of attendance

Date of the meeting	Number of attendees
29 January 2024	8
7 March 2024	8
29 April 2024	6
26 June 2024	8
28 August 2024	7
25 September 2024	8
29 October 2024	9
10 December 2024	9

Board Committees

The Board has delegated specific powers and authority to three sub-committees.

- The Board Audit Committee
- The Board Risk and Sustainability Committee and
- The Board Nomination and Remuneration Committee

Board Audit Committee (BAC)

Board Audit Committee (BAC) provides oversight of Internal Audit and the statutory external auditors. It seeks to provide a reasonable level of assurance on the control environment, and the governance of the bank's operations. As part of these responsibilities, the BAC provides oversight over remediation of audit and regulatory findings. The BAC oversees and considers issues relating to the bank's accounts and financial reporting.

The responsibilities of the Committee include the following:

- Confirming and assuring the independence of internal auditors
- Reviewing with the Chief Internal Auditor 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
- Reviewing 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
- Reviewing all internal audit reports concerning any investigation or significant fraud that occurs within the group

The membership of Board Audit Committee is

Name	Designation
Ahmed Saeed Al Raqbani	Chairman
Sheikh Hamad Bin Saleh Bin Mohamed AlSharqi	Member
Saif Sultan Al Salami	Member
Easa Farid Al Gurg	Member
Khalil Ebraheim Hassan Ahmed	Member
T N Sekhar	Independent Professional Member

The Committee held six meetings in 2024

Date	Attendance
18 January 2024	6
27 February 2024	5
23 April 2024	6
18 July 2024	6
22 October 2024	6
13 December 2024	6

Board Risk and Sustainability Committee (BRSC)

BRSC provides holistic oversight and advice to the Board on the Enterprise-wide Risk Framework and Risk Profile of the NBF Group. The committee considers and recommends the Risk Appetite Framework in line with the business strategy and operating environment and seeks to reinforce a strong risk aware culture.

It reviews the reports on risk profile, stress testing, capital adequacy, liquidity, credit risk, and market risk.

The committee also oversees the framework and risk posture for managing other enterprise risks such as Operational, Fraud, Information security, Technology Risks, Model risk, Legal, ESG and Sustainability, Corporate Governance, Shari'ah compliance, reputation, strategic risks and endorses related Group policies and frameworks.

The responsibilities of the Committee include 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
- Review of major disclosure documentation prior to issue to the market

The members of BRSC are:

Name	Designation
Sheikh Hamad Bin Saleh Bin Mohamed AlSharqi	Chairman
Saif Sultan Al Salami	Member
Mohamed Obaid Bin Majed Al Aleeli	Member
Easa Farid Al Gurg	Member
Khalil Ebraheim Hassan Ahmed	Member
T N Sekhar	Independent Professional Committee Member

The Committee held five meetings in 2024

Date	Attendance
7 February 2024	5
20 March 2024	5
15 May 2024	5
4 September 2024	5
4 December 2024	6

Board Nomination and Remuneration Committee (BNRC)

BNRC approves and oversees the bank's Remuneration Scheme design and its implementation. It also supports the Board with recommendations for CEO and Senior Management appointments. It has a key role in assessing the performance of the Board and its Committees and considers issues of Director independence and appointment.

The responsibilities of the Committee include the following:

- Making recommendations to the Board relating to the appointment, reappointment and succession planning of the Directors
- 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
- Reviewing the performance of the Board

The members of BNRC are:

Name	Designation
H.H. Sheikh Saleh Bin Mohamed Bin Hamad AlSharqi	Chairman
Dr. Raja Easa Saleh Al Gurg	Member
Saif Sultan Al Salami	Member

The Committee held four meetings in 2024

Date	Attendance
7 March 2024	3
25 June 2024	3
25 September 2024	3
10 December 2024	3

EXTERNAL AUDIT

The bank appointed PricewaterhouseCoopers Limited Partnership Dubai Branch ("PwC") as its external auditor for 2024.

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

PwC were appointed as external auditors for the bank and its subsidiaries by the shareholders at the Annual General Assembly Meeting (AGAM) held on 7 March 2024.

The bank ensures independence of its External Auditors in line with the requirements of the Central Bank of the UAE and international accounting standards. The BAC approved the External Auditor Evaluation and Non-Audit Services Policy to ensure that independence is assessed and maintained throughout the term of the engagement.

The BAC ensures independence through ensuring that non-audit services are limited only to those acceptable under the IESBA Code and must be approved by the BAC prior to any engagement.

Selection criteria for the appointment of the External Auditor include:

- The auditor being properly constituted in accordance with relevant laws and regulations.
- The independence of the Statutory Audit firm from NBF and its ability to maintain independence throughout the engagement.
- The bank having a right to immediately terminate the service of the Statutory Auditor once their independence has been compromised.
- There being no conflict-of-interest situations that could affect the independence of the Auditor.
- Arrangements that enable partner rotation and succession planning.
- Professional competency, experience and integrity of key personnel.
- Compliance with relevant professional Codes of Ethics.
- Thoroughness of the audit approach and methodology; and
- Cost effectiveness.

The fees paid to PwC for audit and related service fees were

Name of the audit office and name of the partner auditor	Audit office - PwC / Partner – Tamsin King
Number of years spent as bank's External Auditors'	Three (3) years
Number of years the partner auditor spent auditing the Bank's accounts	Two (2) years
Auditing fees for the year 2024	AED 728,000 plus value added tax (VAT)
Audit related services fees for the year 2024 [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 152,175 plus value added tax (VAT)
Total audit and related services fees for the year 2024	AED 880,175 plus value added tax (VAT)
Fees and costs for special services other than auditing the financial statements for the year 2024 if any, and in the absence of any other fees, this is expressly stated	The External Auditor was retained to calculate and prepare a statement of changes in equity attributable to the Additional Tier 1 capital securities issuance and conversion. The fee amounted to AED 0.1 million.
Details and nature of other services provided (if any), and in the absence of other services, this is explicitly stated	None

The Bank's auditor, PwC, has provided unmodified opinions on all interim and annual consolidated financial statements. Excerpts of opinions from Interim and Annual Accounts 2024 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 ended 31 March 2024, 30 June 2024 and 30 September 2024 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 2024, and its consolidated financial performance and its consolidated cash flows.

SENIOR MANAGEMENT

All Senior Management are members of the Management Committee (ManCom), which is NBF's most senior management level committee. The ManCom operates under delegated authority from the Board. ManCom and its individual members are accountable to the Board for delivery of the bank's strategic and operational plans and for ensuring that risks are only taken within the bank's Risk Appetite.

The bank's key Senior Management includes:

Name and Role	Date of Appointment	Education and Experience
Adnan Anwar Chief Executive Officer	October 2024	<p>Education</p> <ul style="list-style-type: none"> • Executive MBA - London Business School • Professional –Institute of Chartered Accountants of Pakistan • Professional Association of Chartered Certified Accountants UK • Bachelor of Commerce – University of Karachi <p>Experience</p> <ul style="list-style-type: none"> • Deputy CEO – National Bank of Fujairah (2020 to 2024) • CFO – National Bank of Fujairah (2005 to 2020) • Senior Manager – Consumer Business Finance – Standard Chartered Bank (2005 – 2005) • Manager Finance & Treasury - Saudi Orix Leasing Co. (2002 – 2005) • Assistant Manager – Taseer Hadi Khalid & Co (1997 to 2002)
Brian Mulholland Chief Financial Officer	July 2022	<p>Education</p> <ul style="list-style-type: none"> • Professional, Association Chartered Certified Accountants • Professional, Chartered Insurance Institute level 1 and 2 • Postgraduate diploma, Financial Times Non-Executive Director programme • Sheffield Hallam University, 1997 Degree- BA(Hons) Accounting and Management Control <p>Experience</p> <ul style="list-style-type: none"> • Redwood Bank-Chief Financial Officer (2017 – 2022) • Coutts & Co / Adam & Company - Finance Director (2014 –2016) • Royal Bank of Scotland - Global Head of Capital Planning, Chief Administration Officer (CAO) (2010 – 2014) • Head of Treasury Finance, and Interim Finance Director for Dunfermline Building Society (2004 – 2010)

Daniel Lima Chief Risk Officer	August 2024	Education <ul style="list-style-type: none"> Institute of Chartered Accountants England and Wales (Fellow) King's College London, M.Sci. Chemistry (Hons) Experience <ul style="list-style-type: none"> PricewaterhouseCoopers LLP - Senior Audit Executive HSBC Group PLC <ul style="list-style-type: none"> Deputy Head, Global Audit MENA Chief Risk Officer, UAE CRO Chief Risk Officer, Saudi Arabia CRO Chairman of HBSA Funds Board & Governance and Risk Advisor
Sharif Mohamed Rafei Head of Retail Banking and Senior Executive Fujairah Region	April 2023	Education <ul style="list-style-type: none"> California State University – (BA – Arts) Experience <ul style="list-style-type: none"> National Bank of Fujairah (1994 to date) <ul style="list-style-type: none"> Head of Retail and SEO Regional Manager Branch Manager ADCB – Branch Manager (1984 -1995) FCI Fujairah – Personnel and Admin Manager (1983-1994)
Mahendra Dhillon Chief Operations and Technology Officer	January 2024	Education <ul style="list-style-type: none"> University of Management and Technology Virginia 2003-2004 -Master Business Administration Masters in Cloud Computing (AWS & AZURE) 2016 – 2018 Masters in Information Technology Aptech Computer Studies 1997 Ness Wadia College of Commerce 1994 Bachelor of Commerce (Economics & Business Adm) Experience <ul style="list-style-type: none"> The Hudson's Bay Group (The Bay, Saks, Off5th, Zellers) -Chief Information Officer (Global) Toronto, Ontario (Nov 2021 to 2023) The Nationwide Group Toronto, Ontario --Chief Technology Officer Product & Software Engineering (Global) (Nov 2019 to 2021) Toronto Dominion Bank Toronto, Ontario- Director Business Banking Technology (Sep 2018 – Nov 2019) Bank of Nova Scotia Toronto, Ontario -Director Development CRM, CIM, Global Insurance & Sales Tool Technology (Apr 2013– Aug 2018) Architect Consulting Solutions Inc Toronto, Ontario -Vice President, Financial Professional Services & IT Operations (Mar 2012 – Jan 2013) Dreamzhitech Inc (Royal Bank of Canada (RBC) & Consulting) Toronto Ontario Program Management Consultant (Jan 2011 – Feb 2012) Commercial Imperial Bank of Commerce (CIBC)Toronto, Ontario CIO/Snr. Director Risk and Treasury Technology Group (Mar 2006 – Dec 2010) Bank of Nova Scotia (International Banking) Toronto, Ontario

Abdulla Mohamed Saif Aleter Head of Human Resources	October 2010	Education <ul style="list-style-type: none"> EMBA – University of Sharjah Bachelor in Accounting – UAE University Experience <ul style="list-style-type: none"> Ministry of Environment and Water – Advisor (2008 – 2010) Ministry of Environment and Water – Assistant Undersecretary for HR, Finance and IST (2000 – 2008)
Jonathan Falconer Head of Compliance	September 2020	Education <ul style="list-style-type: none"> University College London, U. of London - LLM, Banking, Corporate, Finance, and Securities Law Trinity College, Dublin - LLB, Law Experience <ul style="list-style-type: none"> EFG Private Bank - Interim Head of Compliance (2019 – 2020) SMBC Nikko Capital Markets Limited - Head of Compliance (2016 - 2019) Barclays Investment Bank – Compliance Director (2013 - 2016) Credit Suisse - Director Regional Head of AML and MLRO (2011 - 2012) Head of Non-UK EMEA Compliance (2010 - 2011) Head of Control Room IBD/Research Compliance (2007 - 2010) Fixed Income Compliance (2002 - 2007) Standard Bank – Analyst (2000 -2001)
Ivor Dorkin Head of Credit	September 2021	Education <ul style="list-style-type: none"> University of Natal – B.Com Institute of Bankers – Associate Diploma Experience <ul style="list-style-type: none"> Mubadala GE Capital – Managing director UAE SME (Feb 2012 – join date) Mubadala GE Capital – Risk director UAE SME (April 2010 – Jan 2012) CIT Group – Chief Credit Officer (2006 – 2010) General Electric – (2002 -2006) <ul style="list-style-type: none"> UK Risk Manager European Risk Manager Risk Manager - GE Capital Hewlett Packard UK – UK and Ireland Credit Manager (Feb 2000 – Sep 2002) Bank of America - Credit Manager (Jun 1998 – Feb 2002)

Balwant Bains Chief Internal Auditor	May 2022	<p>Education</p> <ul style="list-style-type: none"> • Certified Internal Auditor • London Guildhall University BA Business Studies – 1995 <p>Experience</p> <ul style="list-style-type: none"> • Al Ahli Bank of Kuwait – Group Chief Internal Auditor and Board Member ABK Egypt – 2008 to 2022 • National Bank of Kuwait – Head, Market & Operations Risk Management Division – 2005 to 2008 • Head of Banking Operations Audit -2005
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REMUNERATION

The Board Nomination and Remuneration Committee approved the 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. 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 individual and departmental objectives and are not determined by the profitability of the bank.

Overall, remuneration levels are set in order to remain competitive with our industry and market position with variable elements set to reflect risk management and performance.

Total Remuneration in aggregate for all 20 members of Senior Management (including those that retired or resigned through the year) was:

Position	Appointment Date	Total salaries and allowances paid for 2024 (in AED)	Total Bonuses Paid for 2024 (Bonus) (in AED) *	Any other cash / In kind Bonuses for 2024 or Due in the future
Chief Executive Officer (Retired on 30 September 2024)	6 Dec 2009			
Deputy Chief Executive Officer	17 Dec 2009			
Chief Financial Officer	18 July 2022			
Chief Operations Officer (Resigned November 2024)	12 Aug 2012			
Chief Risk Officer (Acting)	5 Sep 2017			
Chief Risk Officer	5 Aug 2024			
Head of Retail and SEO, Fujairah Region	15 May 1994			
Chief Technology Officer	9 Jan 2024			
Head of Human Resources	10 Oct 2010			
Head of Compliance	27 Sep 2020			
Head of Credit	21 May 2014			
Chief Internal Auditor	30 May 2022			
Head -Business Banking	31 March 2003			

Head of Treasury	7 March 2005			
Head of Legal	28 Feb 2022			
Head - Corporate Banking	28 Sept 2023			
Head - Islamic Banking	2 July 2013			
Head - Financial Institutions	8 Jan 2014			
Head - Property & Services	1 March 2022			
Head of Strategic Marketing & Communications	18 June 2017			
Total		24,430,162	18,720,728	3,205,206

* This reflects bonus for the year 2023 paid in 2024.

The aggregate amount of variable salary (bonus) payments to all staff in 2024, reflecting performance in 2023 was AED 72.5 million which was 10% of the bank's net profit.

Delegation of Authority

The Board sets the strategic objectives and risk appetite of the bank and oversees delivery and implementation by Senior Management. The Board reserves certain powers for itself and delegates certain authority and responsibility for day-to-day management of the bank and the execution of its strategic priorities to the CEO and other management through specific written delegations of authority.

The CEO may in turn delegate further certain authorities and responsibilities to Senior Management through written delegation letters. Irrespective of any delegation by the CEO, the CEO remains accountable to the Board for the exercise of delegated power and management's performance.

Management Committee Structures

The bank uses committees to focus attention on governance over specific topics. Its committee structure centres around the Management Committee (ManCom) and its sub-committees and the Management Risk Committee (MRC) and its sub-committees.

ManCom Committees

Committee	Responsibilities	No. of 2024 meetings
Customer Service Quality Committee	To drive excellence in service quality across the Bank within the broad context of achieving external and internal customer satisfaction and loyalty.	12
Human Resources Committee	To promote internal equity of compensation and evaluation of new jobs or jobs which have evolved and changed.	12
Business Development and Marketing Forum	To spread information regarding the key areas of the UAE economy to drive marketing and promotional activity to maximise sales.	3
Sustainability Steering Committee	To guide the focus of Corporate Social Responsibility (CSR) actions. The Sustainability Committee seeks to develop the Bank's internal capacity to achieve sustainable finance and risk management in line with the best practices in the industry.	4
Data Governance Committee	To facilitate an accelerated and sustainable data capability across the bank by elevating data to a strategic asset, overseeing the people, processes and information technology required to create consistent and proper handling of data across the bank.	9
Eureka Committee	To evaluate and promote innovation driven by staff observation and ingenuity.	10
IT Steering Committee	To provide oversight for the strategy and management of the bank's technology infrastructure. The committee is the guiding body for the prioritization and implementation of integrated, bank-wide information technology and communications projects.	12
Vendor Management Group	To streamline the Vendor Management process and achieve efficiencies and economies for project and non-recurring spend are concerned and to bring transparency into the vendor evaluation and selection process for project spend.	4

MRC Committees

Committee	Responsibilities	No. of 2024 meetings
Central Credit Committee	To independently assess and monitor the credit risks of the Bank against the Bank's credit policies, the Bank's agreed risk appetite and the best credit risk management practices.	15
Operational Risk Committee	To ensure that the Bank's Operational Risks including Information Security Risk and Business Continuity Risk are maintained within risk appetite through providing timely review of incident root cause, and control failure and through oversight and review of control improvement action plans for remediation.	12
Compliance Committee	To assess compliance risks inherent in the businesses of the Bank and its subsidiaries.	12
Asset and Liability Committee	To independently assess and manage the Balance Sheet structure of the Bank, both conventional and Islamic, against the Bank's market risk (Foreign Exchange rate, Equity prices, Interest rate and, Basis Risk), liquidity risk, treasury, investment, capital and dividend policies against the bank's risk appetite.	12
Investment Committee	To independently manage the Bank's Proprietary Investments, and to govern the activities carried out through the Bank's Investment Solution Product Offerings.	12
Information Security Governance Committee	To establish and implement continually improving Information Security, Physical Security and Data Privacy across NBF and its subsidiaries.	12
Shari'ah Governance Committee	The Committee reports to the Internal Shari'ah Supervision Committee and to the Management Risk Committee and independently assesses and manages Shariah compliance risks for the Islamic products of Bank.	4
Model Oversight Committee	To independently assess and monitor all Risks in new and existing Models based on the Bank's policies and the enterprise-wide risk appetite as established by the Board of Directors (Board).	3
Product Committee	To consider the approval of proposals for New Products and Materially Changed Products, consider the approval of Annual Product Reviews, and approve the retirement of existing products that no longer meet customer needs, financial requirements or strategic goals.	4

RELATED PARTY TRANSACTIONS

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. Further, the bank has adopted the definition in the Corporate Governance Regulations and Standards issued by the Central Bank of the UAE which includes major shareholders of the group, directors and officers of the group and companies of which they are principal owners and key management personnel and the first-degree relatives of each. Banking transactions are entered into with related parties on agreed terms and conditions approved by the Board of Directors. The bank is required to enter into transactions with related parties on an 'arm's length basis'. The significant transactions and balances included in the consolidated financial statements, are as follows:

	2024 AED'000	2023 AED'000
Statement of financial position items		
Loans and advances and Islamic financing receivables	3,971,914	3,583,682
Customer deposits and Islamic customer deposits	10,589,657	9,948,263
Investments and Islamic instruments	139,261	136,332
Acceptances	208,870	34,780
Tier 1 capital securities	-	293,840
Contingent liabilities		
Letters of credit	130,064	115,179
Financial guarantees and other direct credit substitutes	36,212	36,870
Transaction related contingencies	621,819	596,391
Commitment for capital expenditure	6,369	9,496
Statement of changes in equity items		
Tier 1 capital securities coupon paid	36,621	17,264
Statement of income items		
Interest income and income from Islamic financing and investment activities	205,865	198,287
Interest expense and distribution to Islamic depositors	489,969	427,680
Other income	12,104	14,263
Operating expenses	42,049	31,838
Key management compensation		
Salaries and other short-term benefits	24,430	28,037
Employee end of service benefits	2,043	1,007
Board members' remuneration	8,250	5,500

Stage 3 ECL, amounting to **AED 282.6 million**, has been recognized pertinent to related parties (31 December 2023: nil). Further, stage 1 and 2 ECL amounted to **AED 18.2 million** (31 December 2023: 15.9 million).

The loans and advances and Islamic financing receivables given to related parties have been secured against collateral amounting to **AED 2,430.8 million** (2023: AED 2,220.2 million).

During the year, capital expenditure transactions with related parties amounted to **AED 3.0 million** (2023: AED 3.2 million).

SHAREHOLDINGS

Each share carries one vote for resolutions put to shareholders at a General Assembly Meeting.

The Shareholders who hold 5% or more of the bank's capital at 31st December 2024 were

Name	Number of shares owned	The percentage of shares owned from the bank's capital
Department of Industry & Economy-Government of Fujairah	1,269,198,474	49.19%
Easa Saleh Al Gurg LLC	478,282,553	18.54%
Investment Corporation of Dubai	194,496,108	7.54%

Distribution of Shareholding was as follows

Shares ownership (share)	Number of shareholders	Number of shares owned	The percentage of shares owned in the capital
Less than 50,000	44	655,020	0.03%
50,000 to less than 500,000	64	11,128,430	0.43%
From 500,000 to less than 5,000,000	30	57,527,982	2.23%
More than 5,000,000	27	2,511,100,849	97.31%

The distribution of shareholder ownership on 31st December 2024 was:

	Individuals	Companies	Governments	Total
Local	6.47%	31.72%	61.81%	100%
Gulf	-	-	-	-
Arab	-	-	-	-
Foreign	-	-	-	-
Total	6.47%	31.72%	61.81%	100%

Share Transactions of the Board of Directors and their Spouses and Children in 2024

Name	Position	Shares owned on 31/12/2024	Total sale Transaction	Total Purchase Transaction
Sheikh Saleh Bin Mohamed Bin Hamad AlSharqi	Chairman	-	-	-
Dr. Raja Easa Saleh Al Gurg	Deputy Chairperson	53,680	Nil	Nil
Sheikh Hamad Bin Saleh Bin Mohamed AlSharqi	Member	-	-	-
Hussain Mirza Al Sayegh	Member	-	-	-
Saif Sultan Al Salami	Member	-	-	-
Mohamed Obaid Bin Majed Al Aleeli	Member	484,189	Nil	Nil
Ahmed Saeed Al Raqbani	Member	-	-	-
Khalil Ebraheim Hassan Ahmed	Member	-	-	-
Easa Farid Abdulla Al Gurg	Member	-	-	-

NBF share prices for the year 2024 were as follow

Month	Closing price	Highest price	Lowest price
January 2024	4.99	4.99	4.99
February 2024	4.99	4.99	4.99
March 2024	5.29	5.29	5.29
April 2024	5.29	5.29	5.29
May 2024	5.29	5.29	5.29
June 2024	5.29	5.29	5.29
July 2024	5.29	5.29	5.29
August 2024	5.29	5.29	5.29
September 2024	5.15	5.15	5.15
October 2024	4.64	4.64	4.64
November 2024	3.99	3.99	3.99
December 2024	3.78	4.69	3.78

The comparative performance of the bank's shares with the general market index and the sector index to which the bank belongs during the year 2024 was

Bank Sector	Price to Book Ratio	Price to Earnings Ratio
NBF (Dec 2024)	1.42	12.94
Industry (Sep 2024)	5.99	6.36

Investor relations and controls

Name of the Investor Relations Officer	Shahrazad Hamroun - Sr. Manager – Financial Control & Investor Relations.
Contact information	Tel: 09-2029210 , 09-2029208 Fax: 09-2029403 e-mail: NBF-investorrelations@nbf.ae, s.hamroun@nbf.ae
Website	https://nbf.ae/en/about-us/investor-relations

The procedures that have been taken regarding investor relations controls:

- 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
- Investor presentations

Details of Special Resolutions presented to the General Assembly in 2024

In the Annual General Assembly Meeting held on 26 June 2024, the shareholders considered and approved the special resolution for issuance of Additional Tier 1 capital securities ("AT1 capital") for an amount up to USD 275 million (AED 1.01 billion) for the purpose of supporting the bank's capital. The issuance was a private placement with the Government of Fujairah. The AT1 capital included the right of conversion into ordinary shares, at a conversion ratio of AED 2.85.

At 31st December 2024, the AT1 securities had been successfully converted.

The Board Secretary

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

Material events and important disclosures in 2024

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.

Transactions carried out by the bank during the year 2024 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	2,056.40	5
Due from banks and financial institutions	35,394.22	79
Customer deposits and Islamic customer deposits	3,450.09	6

Emiratization in the bank by the end of 2022, 2023 and 2024

The bank is fully committed towards the development and promotion of Emiratization. NBF was awarded with the NAVIS Gold Award in 2024 for outstanding achievement in Emiratization in the Private Sector.

The bank's Emiratization rates for the year ending 31 December 2022 was 40.2 per cent, for the year ending 31 December 2023 was 41.1 per cent and for the year ending 31 December 2024 was 42.7 per cent.

SHARI'AH GOVERNANCE

The bank provides Islamic Financial Services through its Islamic window called NBF Islamic which is supervised from the perspective of compliance with the principles of Islamic Shari'ah by our Internal Shari'ah Supervision Committee (ISSC). The appointment of the ISSC members is approved by the Board of Directors after confirmation by the Higher Shari'ah Authority (HSA) of the CBUAE and by the shareholders at the AGAM of the bank.

Our ISSC consists of qualified Shari'ah scholars who are responsible to review and ensure that Islamic banking products, services and operations are in compliance with the principles of Islamic Shari'ah.

NBF Islamic's business is governed from a Shari'ah compliance perspective by the Shari'ah Governance Framework. The Shari'ah Governance Framework outlines the reporting framework, accountability, responsibilities of all relevant stakeholders involved and also depicts a clear segregation between the three lines of defence of Shari'ah compliance in all activities relating to the NBF Islamic's operations and business.

Our ISSC Members are:

Name	Date of Appointment	Education and Experience	Other Positions Held
Moosa Khoory	June 2024	<ul style="list-style-type: none"> Master's in International Business Law (LLM) - MBRCLD Master's in Shari'ah and Islamic Studies University of Sharjah PhD Candidate Durham University 	<ul style="list-style-type: none"> Chairman, Fatwa and Sharia Supervisory Board DFM Member, Consultancy Council, College of Shari'ah and Islamic Studies at University of Sharjah ISSC Member CBD ISSC Member UAB ISSC Member Amlak Finance ISSC Member Aman Insurance Member, Dubai Future Council for Humanitarian Affairs
AbdulRahman Al Saadi	March 2024	<ul style="list-style-type: none"> Ph. d Mohammed Bin Saud Islamic University 	<ul style="list-style-type: none"> ISSC Member Sharjah Islamic Bank ISSC Member CBD ISSC Member J Equity Partners Bahrain ISSC Member Muzn Bank AAOIFI Shari'ah Board Rapporteur
Ashraf MD Hashim	August 2024	<ul style="list-style-type: none"> PhD University of Birmingham, United Kingdom 	<ul style="list-style-type: none"> Chairman of the Central Bank of Malaysia's Shari'ah Advisory Council Member of the Shari'ah Advisory Council Securities Commission of Malaysia Member of the Shari'ah Committee for International Islamic Liquidity Management Cooperation Chairman of Shari'ah Committee of Bursa Malaysia Member of ISSC Standard Chartered Member of ISSC ADIB
Trainee Members			
Mohamed El Bedwawi	January 2025	<ul style="list-style-type: none"> PhD Mohamed Bin Zayed University for Humanities PhD Candidate University of Dundee 	<ul style="list-style-type: none"> Advisor to the Islamic Cultural Centre and the London, Central Mosque in Britain Preacher at Islamic Affairs and Charitable Activities Department

In 2024, the ISSC held 4 meetings and issued 68 decisions, relating to deal structure approvals and resolutions covering various products and investments. *

ATTESTATION

During 2024, the bank made significant progress in strengthening governance across key areas, including risk management, compliance, sustainability, people and culture, consumer protection, and governance. We are reviewing governance practices and processes to ensure that proper consideration of all relevant matters have been undertaken and that outcomes deliver long-term value to our stakeholders. Updated governance procedures will ensure that regulatory and community expectations are met in the areas of AML, KYC, and financial crime prevention as well as conduct and consumer protection.

All internal policies required to ensure compliance with the Central Bank's Regulations and Standards on corporate governance, risk management, internal controls, compliance, internal audit, financial reporting, external audit and outsourcing have been implemented and reviewed for adequacy by the Board within the last year. We have identified areas for improvement in AML, KYC, and Sanctions, Operational Risk and Resilience. The Board expects that areas of improvement identified in these reviews will be implemented by the end of 2025.

Sheikh Saleh Bin Mohammed AlSharqi
Chairman

*Please refer to pages 47 to 50 for the complete Shari'ah Compliance Statement