



Emirates NBD



SUSTAINABILITY

REPORT

2015 - 2016

About this Report (102-50), (102-51), (102-52), (102-54)



The report has been prepared in accordance with the GRI Standards: Core option.

This is Emirates NBD's first GRI Sustainability Report, covering performance across the calendar years 2015 and 2016. From 2017, we shall be reporting annually, per calendar year. This report has been prepared in accordance with the GRI Standards: Core option. Additionally, we have referred to the GRI G4 Financial Services Sector Disclosures and referenced a set of United Nations Global Compact (UNGC) Principles that are related to our report's content.

We have followed the GRI principles of sustainability context, stakeholder inclusiveness, materiality and completeness – and have reported on periodical information which is reliable and accurate.

We have aimed in this report to offer stakeholders a clear, transparent and comprehensive review of our sustainability performance. This includes our social, ethical, corporate governance and environmental performance. The content of the report has been defined through a meticulous materiality process involving all stakeholders; this is explained in detail in the body of the report.

Whenever comparable data has been available, we compared results between indicators across the years 2015 and 2016. However, since this is the Bank's first report, we will not be comparing across all indicators.



Scope of the Report (102-48), (102-49)

This report covers the sustainability performance for the calendar years 2015 and 2016.

The intention is to showcase the Bank's performance in a straightforward, transparent and informative manner. Providing a historical context for our performance will also help us set ambitious sustainability targets for coming years.

This is the Bank's first GRI Sustainability report, therefore, no significant changes in material topics or topic boundaries have occurred yet. All restatements are noted. The report provides data only on the Emirates NBD Bank in the UAE. The report's scope does not include impacts stemming from the Bank's overseas operations, subsidiaries, partners, sister companies within the Emirates NBD Group or from third party suppliers. However, for the Financial Performance, and the Economic Impact figures, the scope included the Emirates NBD Group globally and a statement has been added to imply so. For more details on our reporting boundaries for material aspects, please check the "Materiality" section in the report.

All monetary values in this report are expressed in Arab Emirates Dirhams (AED), unless otherwise stated.

External Assurance (102-56)

For our first sustainability report, we have opted to follow an internal assurance process, through which our team has reviewed all necessary information to provide management, shareholders and stakeholders with confidence in all data disclosed. We chose not to invite an external party to audit our non-financial data for this report, but will consider it for future reports.

The Bank's financial statements were independently audited by Ernst & Young. Our Financial Statements and Annual Reports can be found under the "About Us" section on www.emiratesnbd.com

Contact Point (102-53)

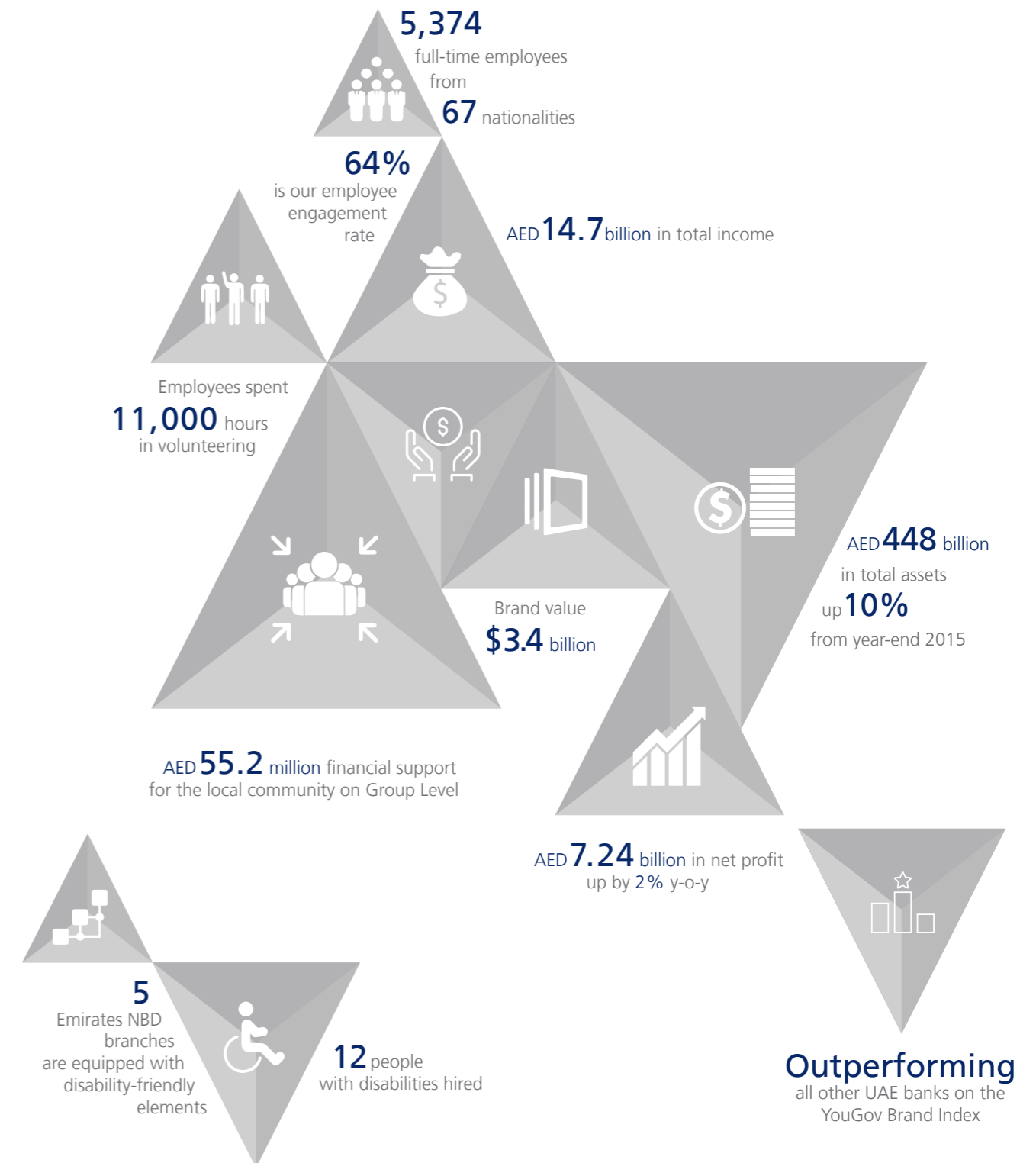
This sustainability report is our way of communicating our performance beyond the strictly financial arena. It also embodies our call to receive opinions on how we could further grow in this area through expanded partnerships and other initiatives.

For more information on our sustainability programmes, or ways to get involved, please contact:

Moadh Bukhash

Chief Marketing Officer
Emirates NBD

Key highlights



Message from the Chairman ⁽¹⁰²⁻¹⁵⁾



H.H. Sheikh Ahmed Bin Saeed Al Maktoum
Chairman, Emirates NBD

Dear Stakeholders,

On behalf of the Board, it is my pleasure to present Emirates NBD's first Sustainability Report, which confirms our commitment to being an ethical and responsible bank, and records our performance across material economic, social and environmental sustainability indicators in a transparent and diligent manner.

Our commitment to sustainability stems from the belief that our responsibility does not stop at creating financial prosperity for our shareholders. It extends to creating shared value for all our stakeholders. This commitment was reiterated in October 2016, when Emirates NBD became one of 11 financial institutions in the country to have signed the "Dubai Declaration of Financial Institutions in the United Arab Emirates on Sustainable Finance." Our participation in this declaration is a testimony to our commitment to align the Bank's activities with the UAE Vision 2021, the UAE Government's commitment to the Paris Climate Agreement, United Nations Convention for the Rights of Persons with Disabilities, the United Nations' Sustainable Development Goals and the UAE Green Agenda 2015-2030.

Within this context, Emirates NBD seeks to identify initiatives that enable sustainable development and the establishment of a climate-resilient, inclusive green economy in the UAE, to create significant socio-economic benefit for all stakeholders.

In terms of economic sustainability, we continued to fulfil our responsibility to supporting the national economy, despite challenging market conditions, recent volatility in oil prices and global political uncertainty. 2016 marked another successful year for Emirates NBD characterised by improved profitability and a stronger balance sheet. It was also a year of digital innovation as the Bank made bold strides in advancing its digital banking capabilities. The effort paid off substantially, as Emirates NBD received the award for 'Bank of the Year' in the UAE, for the second consecutive year from The Banker, recognising Emirates NBD's strong financials and pioneering approach to the digitisation of banking.

In the new financial year, amidst an environment that remains challenging both globally and locally, we are committed to maintaining our position as the most innovative bank in the region and further demonstrate the UAE's regional leadership in business innovation and global best practice. Simultaneously, our customer-first ethos will continue to guide new initiatives, provide a superior customer experience and increase shareholder value.

Emirates NBD's programme to empower UAE Nationals is a key sustainability initiative that has delivered promising results. Today, we are proud that Emiratis represent 20% of our workforce and 30% of our top management.

Emirates NBD has also built on its partnership with Dubai Government's Community Development Authority to provide value to the communities it serves. Most importantly, we are focused on working with people with disabilities (PwD) and those who lack financial literacy with the objective to create an inclusive banking environment for all, and align with the government's initiative to make Dubai disabled-access friendly by 2020.

Emirates NBD is aware of the critical significance of instilling and embedding sustainability through every aspect of our operations, and we invite all our stakeholders to engage in an open conversation on our sustainability credentials.

Message from the CEO ⁽¹⁰²⁻¹⁵⁾



Shayne Nelson
Group CEO, Emirates NBD

Dear Stakeholders,

The rapid pace of transformation led by the social and technological revolution within financial services, has meant that financial institutions must become intrinsically sustainable for survival and growth. We have incorporated sustainability as one of our key growth deliverables, and are proud to be a regional leader in innovation by developing smart and user-friendly products and services. We have acted with integrity and transparency towards all stakeholders including shareholders, customers and employees, and used our leadership and expertise to address various social and environmental challenges which positively contribute towards the communities we serve.

We are happy to present Emirates NBD's first Sustainability Report, which has been drawn up in line with Global Reporting Initiative Standards, and covers our economic, social and environmental progress and performance through 2015 and 2016. Our commitment to innovation and customer experience underpinned our strong financial performance in 2016, enabling us to close the year with a net profit of AED 7.24 billion, up 2% from the previous year, despite challenging market conditions. Our solid set of results is further strengthened by asset growth, a control on expenses and an improved cost of risk. The operating performance was also helped by further recoveries from legacy impaired loans, which offset lower non-interest income.

We enhanced our governance and compliance systems through the development of a three-year Compliance System Roadmap, which strengthened our capabilities relating to Anti-Money Laundering, Sanctions, the Foreign Account Tax Compliance Act and Regulatory Compliance.

Customer focus, innovation and service excellence are among the core organisational values at Emirates NBD. We continuously aim to enhance the customer experience through ongoing employee training programmes, such as the Customer Service Academy. Having already witnessed exceptional achievements in digital transformation, we continue to deliver on our promise to invest AED 500 million over the next three years in digital innovation. Recent successes include Future Lab, a strategic think tank and testing centre; EVA, the region's first intelligent, voice-based Virtual Assistant for banking; and Pepper, an artificial intelligence robot that interacts with customers in an engaging way to understand their needs.

Our continued growth is testimony to the exceptional dedication, talent and diversity of our staff who come from 67 nationalities. We are pleased that the Bank's annual employee engagement

survey reported higher engagement scores as compared with our peers in both GCC and global commercial banks. Through our award-winning Leadership and Management Development programme, we also invest heavily in the learning and development of our employees.

Emirates NBD's ongoing commitment to community support takes many forms. During 2015 and 2016, we have contributed over AED 59 million to assist people with disabilities, to fund programmes on financial literacy, women's empowerment, health and wellness, community development and the environment. Under the #TogetherLimitless advocacy platform for people with disabilities, we focus on inclusive education, equal employment opportunities and universal accessibility, aligning with the government's initiative to make Dubai disabled-access friendly by 2020. We have transformed five branches to be more accessible for people with physical disabilities and will improve accessibility in more branches. The Bank also launched Careers Network, which facilitates employment opportunities for people with cognitive disabilities, resulting in 12 persons being hired.

The second pillar of our Social Investment Framework is #moneywise, the Financial Literacy platform through which the Bank educates and empowers employees, customers and the public to effectively manage their own personal finances.

As part of our environmental stewardship, we launched The Go Green Initiative, with aims to decrease paper usage at the Bank by 15% by April 2017. Today, the programme addresses other environmental issues including water consumption, energy reduction and waste management.

Established in 2015, Exchanger, our unique, award-winning corporate volunteering programme, has seen a 61% increase in the number of volunteers over the last year, and has directly impacted more than 45,000 members of the public. We continue to establish partnerships with local non-profit organisations which provide employees with more opportunities for supporting our Social Investment programme.

We go into 2017 with a renewed commitment to sustainability, creating shared value and practicing conscientious corporate citizenship. We invite all our stakeholders to join us in this journey by opening doors for partnerships, environmental awareness and affirmative action.

www.emiratesnbd.com