



SUSTAINABILITY

REPORT

2015 - 2016

Governance, Ethics & Compliance (102-16), (102-17)



Governance (102-18), (102-22), (102-23), (102-24), (102-25), (102-26), (102-28), (405-1)



Emirates NBD’s governance framework enables long-term value creation for all shareholders alongside risk reduction, while managing change so as to achieve our strategic objectives.

Sound governance policies, systems and practices are critical for running an organisation on foundations of transparency and accountability. The Board of Directors promotes governance and integrity in order to achieve performance, while conforming to all laws and regulations. The Board of Directors is governed by the corporate governance manual and uses innovative tools in its governance and compliance systems so as to be in line with best corporate practice.

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Emirates NBD fosters excellent professional relationships internally between Board Members and the Management Executive Committee, and externally with the Bank’s shareholders.

The Board

The Board of Directors for Emirates NBD Bank PJSC meets at least six times a year and is comprised of nine prominent members of the local business community, all of whom are leaders in their respective industries. Ms. Lubna Qassim is Group Chief General Counsel and Company Secretary: in her capacity as Group Company Secretary, she assists the Board in ensuring that regulatory obligations and corporate governance requirements are met. Ms. Qassim coordinates the operations of the company's formal decision-making and reporting machinery and ensures that correct procedures are followed. All members of the Board of Directors are UAE Nationals, and most are independent and non-executive.

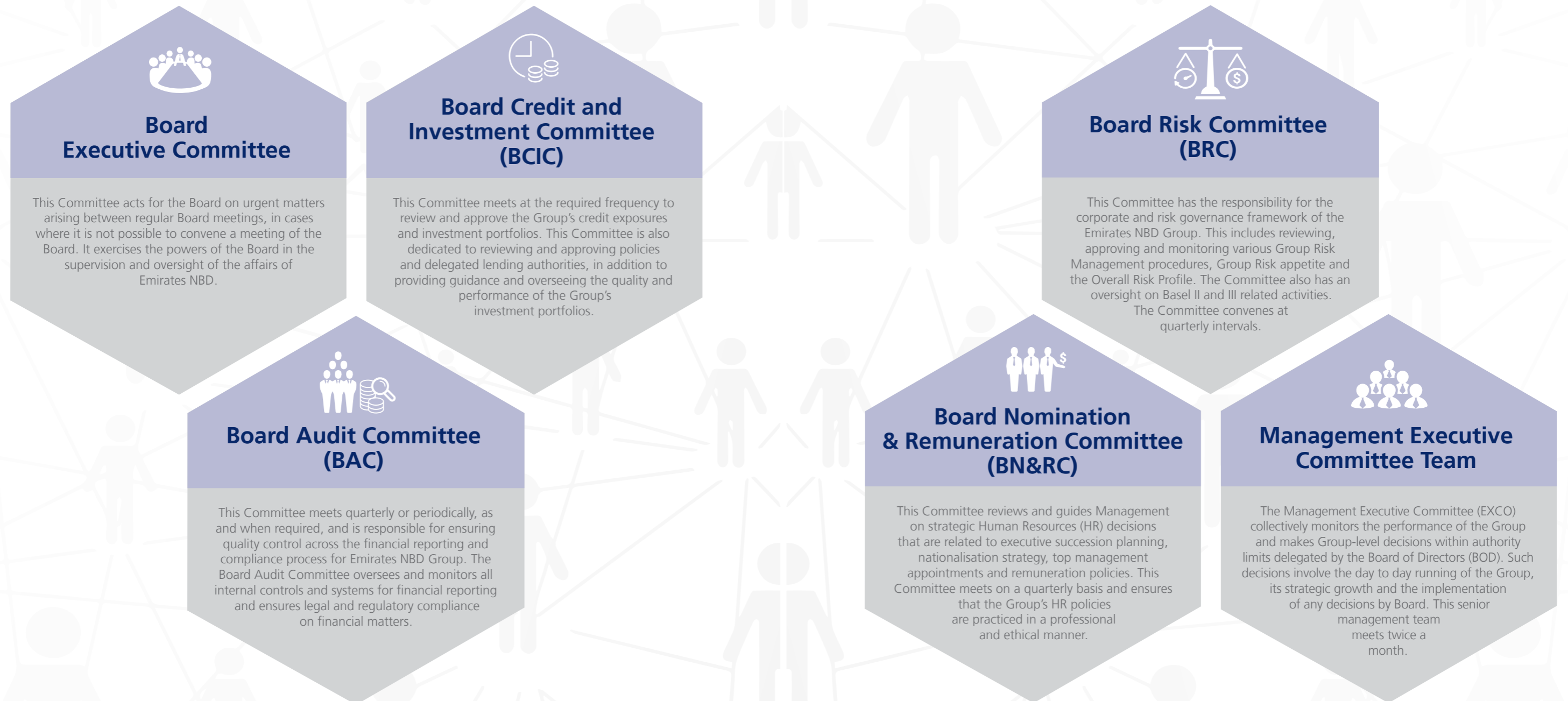
As provided in its Articles of Association, the Board is responsible for the overall direction, supervision and control of Emirates NBD. The Board's mandate covers a formal agenda for the overall strategy and oversight of the corporate structure, financial reporting, internal controls and risk management policies, as well as approval of the Annual Report and corporate dividends. Most of the members of the Board are mandated to be a suitable balance of executive, non-executive and independent directors. Emirates NBD defines 'independent' as having no perceived or actual conflicts of interest with any shareholder group or business partner.

Chairman	Vice Chairman	Director	Director
<p>H.H. Sheikh Ahmed Bin Saeed Al Maktoum</p> <p>June 2011</p> <p>Dubai Civil Aviation Authority President Emirates Airlines & Group Chairman & Chief Executive Dubai World Corporation Chairman The Dubai Supreme Fiscal Committee Chairman The Dubai Supreme Council of Energy Chairman The British University in Dubai Chairman Noor Investment Group LLC. Chairman Noor Takaful PJSC. Chairman Investment Corporation of Dubai (ICD) Director</p>	<p>Mr. Hesham Abdulla Al Qassim</p> <p>June 2011</p> <p>Wasl Asset Management Group/DREC CEO and Vice Chairman Emirates Islamic Bank PJSC Chairman Emirates NBD Egypt S.A.E. Chairman Dubai International Financial Centre (DIFC) Authority Board Member DIFC Investments LLC. Board Member Emirates Telecommunications Corporation (Etisalat) Board Member National General Insurance Co. Board Member Amlak Finance, Board Member Emirates Institute for Banking and Financial Studies (EIBFS) Board Member Dubai International Humanitarian City Board Member</p>	<p>H.E. Khalid Juma Al Majid</p> <p>November 2009</p> <p>Juma Al Majid Group Vice Chairman Central Bank of the UAE Vice Chairman Emirates Nationals Development Programme Member of Board of Trustees</p>	<p>Mr. Ali Humaid Ali Al Owais</p> <p>March 2013</p> <p>Al Owais Group Chairman United Food Company PJSC Chairman United Can PJSC Chairman Moderna Group LLC Chairman Modern Bakery LLC Vice Chairman Dubai Refreshment Co. PJSC. Vice Chairman Emirates Islamic Bank PJSC. Board Member Dar Al Takaful PJSC. Board Member Oman Refreshment Co. PJSC. Board Member</p>

Director	Director	Director	Director	Director
<p>Mr. Hussain Hassan Mirza Al Sayegh</p> <p>July 2007</p> <p>Jotun Powder Coatings Chairman Al Nasr Leisureland Deputy Chairman Oilfields Supply Center Ltd. Deputy Chairman Al Maktoum Foundation Director Emirates National Oil Co. Director National Bank of Fujairah Director Marsh InSCO LLC. Director Mawarid Finance PJSC. Director</p>	<p>Mr. Buti Obaid Buti Al Mulla</p> <p>July 2007</p> <p>Dubai Insurance Company PJSC. - Dubai Chairman Emirates Islamic Bank PJSC Vice Chairman Emirates Investment Bank PJSC - Dubai Vice Chairman Dubai Bank PJSC Director</p>	<p>Mr. Mohamed Hamad Obaid Khamis Al Shehi</p> <p>June 2011</p> <p>Emirates Financial Services PJSC. Chairman Emirates NBD Capital Ltd. Director Emirates Islamic Bank PJSC Director Dubai Bank PJSC Director Emirates NBD Asset Management Limited Director Dubai Real Estate Corporation – Government of Dubai Director Dubai Supreme Fiscal Committee Secretary Dubai Economic Development Committee, Sectoral Committees of the Executive Council Member Neuron LLC. Director</p>	<p>Mr. Mohamed Hadi Ahmad Al Hussaini</p> <p>June 2011</p> <p>Emirates Islamic Bank PJSC. Board Member Dubai Refreshment Co. Board Member Dubai Real Estate Corporation Board Member Etisalat Board Member Emaar Malls PJSC Board Member Emirates NBD S.A.E. Board Member</p>	<p>Mr. Shoaib Mir Hashem Khoory</p> <p>June 2011</p> <p>Dubai Bank PJSC. Chairman Lycee Francais International de Dubai Chairman International Concept Education LLC. FZ. Chairman Meydan MHK Education LLC. FZ. Chairman Emirates Islamic Bank PJSC. Board Member Dubai Real Estate Corporation Board Member Jebel Ali Cement Factory Board Member MAHY Khoory General Trading Board Member Mir Hashem Khoory LLC. Board Member</p>

Board Committees (102-33)

The following five Board Committees meet regularly to govern the Group's activities on behalf of its stakeholders:



Ethics & Compliance (102-16), (102-17), (103-1), (103-2), (103-3), (205-1)



Compliance

Compliance risk is the risk of legal or regulatory sanctions, fines and losses associated with damage to the Bank's reputation as a result of any failure to comply with applicable laws, regulations, policies or good practices. Group Compliance is responsible for assisting Emirates NBD's senior management in designing, implementing, delivering and supporting a framework that ensures appropriate measures are in place to mitigate these risks in all jurisdictions where the Bank operates. The Bank's Compliance Charter sets out the governance framework that ensures effective management of compliance risk.

Emirates NBD is committed to operating according to international best practices. A Compliance System Roadmap (for three years) was developed to consistently improve, enhance and implement industry-leading compliance systems throughout the Group, according to increasing regulatory requirements and good business practice. In line with the Roadmap, key initiatives covering Anti-Money Laundering (AML), Sanctions, Foreign Account Tax Compliance Act (FATCA) and Regulatory Compliance have been delivered during 2015 and 2016 – with further work continuing throughout 2017. As part of the Compliance Systems Roadmap, Emirates NBD has implemented automated processes to screen and monitor customers, counterparties and transactions, so as to ensure compliance with key regulatory requirements.

Transparency and accountability are central to Emirates NBD's business, ensuring that the controls necessary for effective risk management, regulatory compliance and accurate disclosure of information to the market are in place.

Collective Responsibility to Guard Our Ethics (205-2)

During the reporting period, Compliance worked closely with the businesses and support functions to improve policies, procedures, training, systems, controls and assurance processes.

Some key initiatives included:

- > The development / update of Group Policies covering Anti-Money Laundering (AML), Sanctions, Foreign Account Tax Compliance Act (FATCA) Breaches, Personal Account Dealing and Conflicts of Interest.
- > Continued progress on the three-year Group Compliance Systems Roadmap, as planned with five different systems / modules going live throughout various countries and businesses during the year. This included state-of-the-art payment, customer screening, FATCA monitoring, AML Transaction Monitoring and Regulatory Obligation systems. The effectiveness of the new screening systems was also independently tested and benchmarked against international industry peers.
- > The completion of the Know Your Customer (KYC) Remediation Project in the UAE and transition to ongoing Customer Due Diligence (CDD) in 2017. Digitisation initiatives, including online submission of CDD documents – and Emirates ID card readers being installed on all ATMs – have greatly assisted the project and will generate future efficiencies. Project resources have transitioned into permanent CDD Management roles within each of the businesses, as well as the Tanfeeth shared service centre to undertake ongoing periodic and trigger-based CDD reviews.
- > Continued regular dialogue with regulators in all countries where Emirates NBD operates – as well as key correspondent banks – to prevent de-risking and to ensure that the Bank keeps pace with regulatory and industry developments. In 2016, the Bank continued to proactively visit major correspondent banks, both at their premises and through industry forums (i.e. SIBOS, IMF and ACAMS conferences) to discuss progress on key compliance-related initiatives. An important achievement during the year was the opening of a new USD clearing capability, particularly during a period of continued de-risking.
- > The development and rollout of improved online and face-to-face training covering Sanctions, AML and FATCA across the businesses, branches and countries. This included the rollout of a Certificate course for the development of UAE Nationals working within the Compliance department.



On joining the Bank, each new employee is required to go through an induction process, whereby he or she is introduced to the Bank's Code of Conduct, the Employee Handbook and the Bank's Compliance policies.

The Bank also operates a Whistleblower Policy which sets out collective responsibility for reporting any fraud, suspicious behaviour or unlawful actions. Any team member can raise concerns by calling a dedicated number or sending an email to a dedicated address. All such reporters have the right to remain anonymous.

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