



SUSTAINABILITY

REPORT

2015 - 2016

Innovation and Customer Experience



Customer Satisfaction



Our relentless customer focus bears significant influence on every employee's performance and carries a significant weight in our annual performance management balanced scorecard.

With "customer focus" and "service excellence" being two of our core organisational values, raising our service standards and setting new service benchmarks for the industry remain our key priorities. We work diligently to constantly improve the customer experience and service culture at the Bank.

The Customer Experience unit defines our service excellence strategy and framework throughout the Bank; setting and monitoring service standards, driving external and internal service excellence through efficient processes, enabling our people and adequately rewarding and recognizing their efforts. The unit also facilitates the resolution of root causes of customer complaints and promotes a customer-centric culture that builds long-term customer relationships.



Our organisation is completely customer-focused and is available to service customers through all available channels.

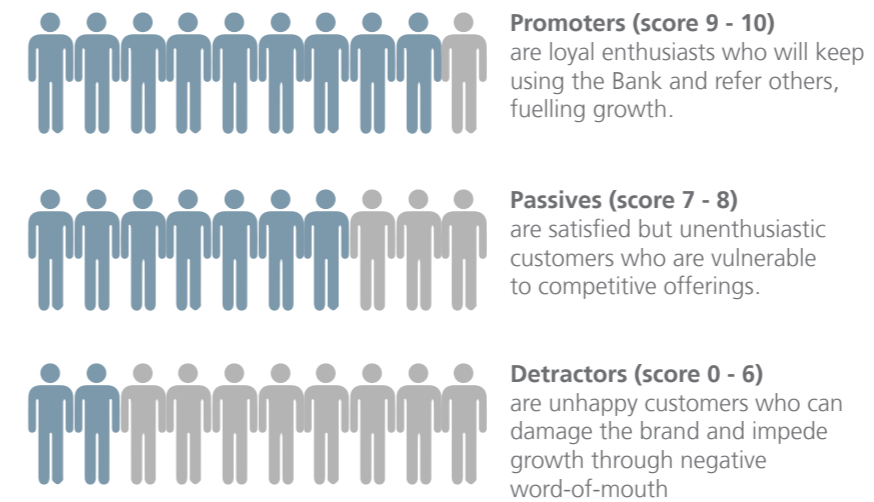
Customers can request information from	Customers can send requests through	Customers can raise complaints through
Our Branches	Our Branches	Our Branches
Call Centre	Call Centre	Call Centre
Website	Online & Mobile Banking Platforms	Online & Mobile Banking Platforms
Relationship Managers	Relationship Managers	Social Media Channels
Social Media Channels		Central Bank
		Media

Voice of Customer

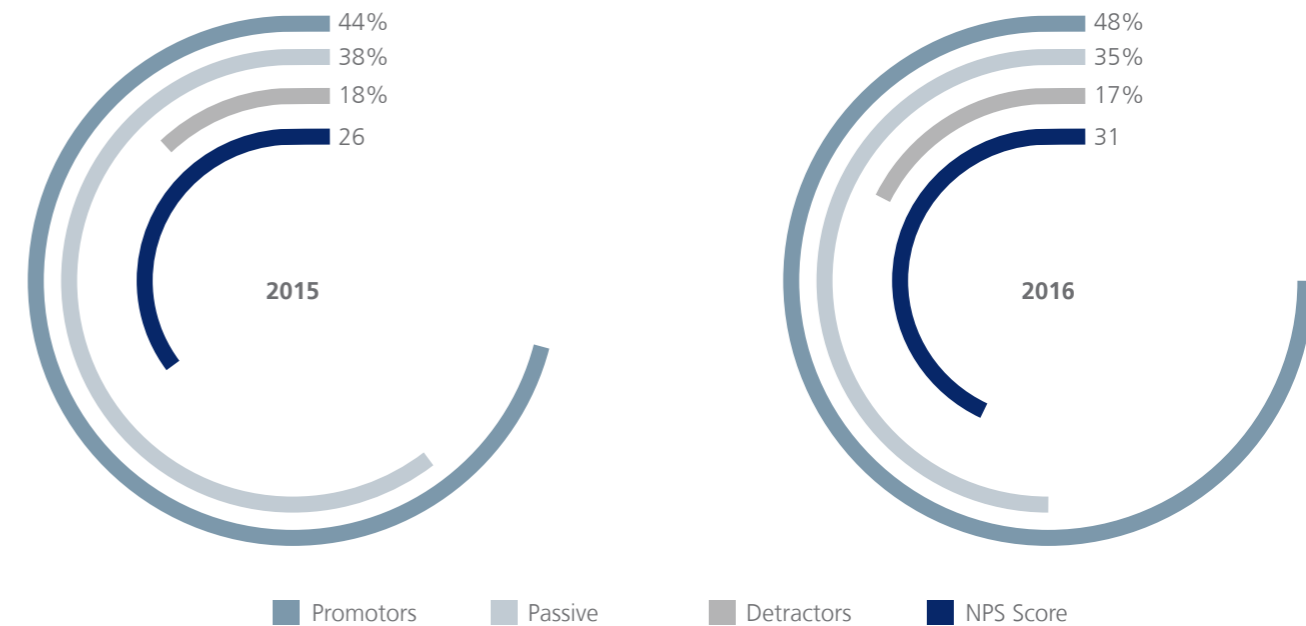
We measure customer satisfaction on a monthly basis. Our Voice of Customer programme is designed to better understand customer views on different aspects of the relationship, including recent experiences with one of the key touchpoints at the Bank. We also measure customers' perception evolution over time and identify key priorities for action to enhance the experience. Tools used to gather feedback are social media, phone, SMS, ATM machines and face-to-face.

Net Promoters Score (NPS)

The Net Promoters Score (NPS) measures customer experience and predicts business growth. NPS groups customers into three categories as follows:



Subtracting the percentage of Detractors from the percentage of Promoters yields the Net Promoter Score.





Customer Relationship Management (CRM) Governance & Workflow

Our CRM system ensures that we handle all customer concerns optimally. This is done by creating different parameters to address all types of complaints and requests. It also provides front office staff with a cockpit view of all customer interactions and financial footprints. This 360 degree view allows frontline and back office staff to resolve queries and complaints, without having to move through multiple systems.

XCEED Incentive Programme

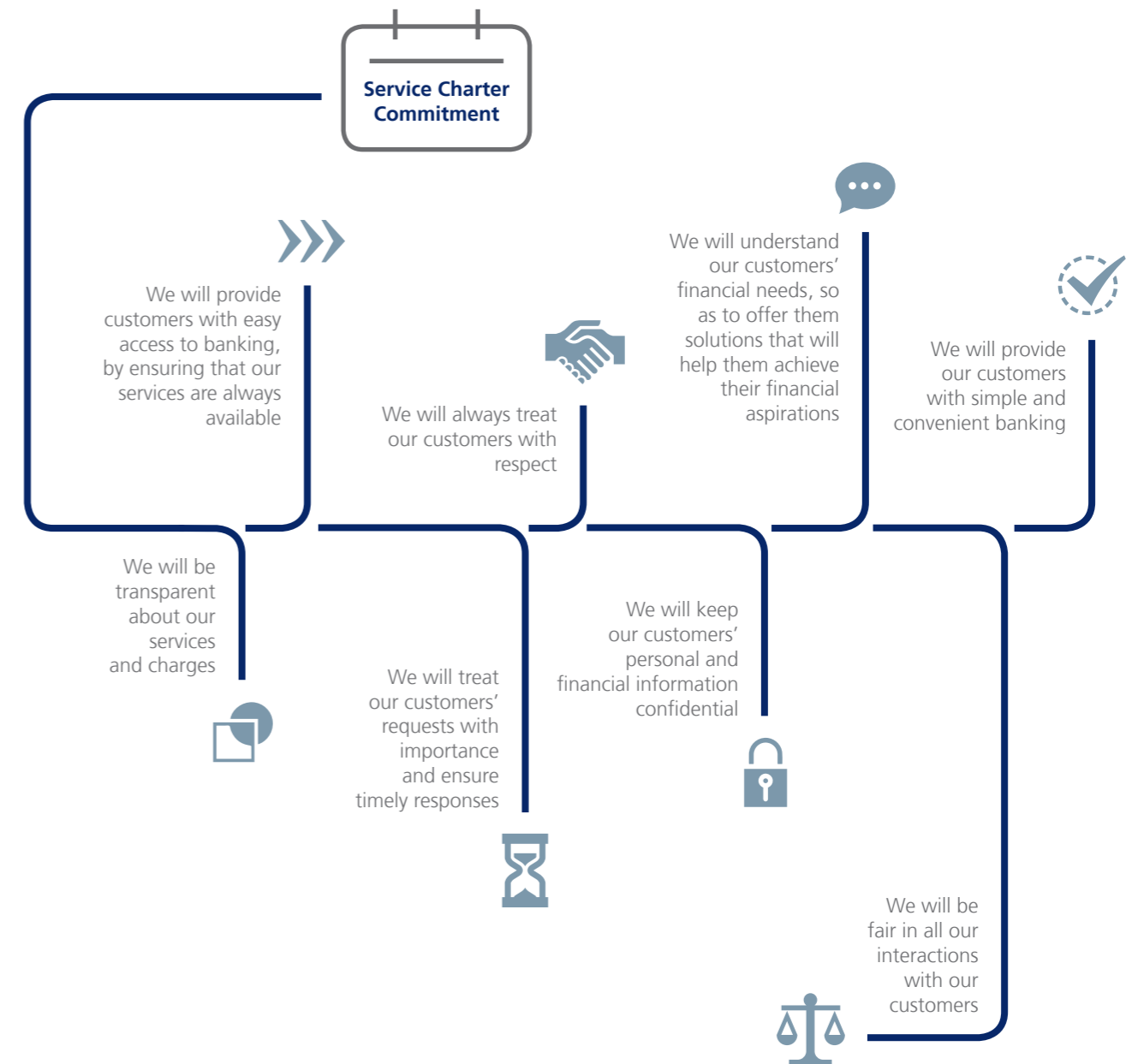
Our centralised staff performance report helps to manage the incentive and performance of ~2,700 staff across Retail Banking. The scheme, which incentivises all staff involved, is called "XCEED". The XCEED incentive programme is based on a "pay for performance" culture, through which a producer is incentivised on the value add that he/she brings to the Bank. The XCEED platform has been instrumental in driving productivity year on year. There is also a robust management information system and reporting process in place, which provides meaningful insights for top management that facilitate decision-making.

The Customer Service Excellence Programme

The Bank's customer experience proposition is built around a strategic organisation-wide platform called the 'Customer Service Excellence Programme' (CSEP). This ensures that customer experience-related initiatives are implemented and sustained across all channels while ensuring service consistency. These initiatives include 'Customer Journeys' (which involves redesigning the customer experience across segments, products and services), 'Proactive Services' and our 'TOP (Trust, Ownership, Personal Touch)' service model.

TOP and the Customer Service Academy

The key objective of the Academy is to encourage long-term differentiation and business excellence by leveraging our core values of Customer Focus, Innovation and Service Excellence. The employee training programmes offered by the academy are designed around our customer service model: Trust, Ownership and Personal Touch (TOP). The manifestations of TOP are detailed in our Service Charter Commitment:



Customer Appreciations

This programme celebrates employees who have succeeded in giving TOP Service to customers and have received an appreciation. Customer appreciations are published on our intranet and two winners are identified every month. Success stories of every appreciated employee are available for everyone to read and seek inspiration.

#YouMakeUsBetter

Our employees are encouraged to seek customers' feedback and implement it. We developed the #YouMakeUsBetter hashtag to thank our customers and showcase how we are eager to implement their comments and address their concerns.



Group Complaints Management Unit (CMU)

This unit plays a critical role within the organisation. It is responsible for boosting the customer experience by:

- > Managing complaints and suggestions received through various critical channels (such as the Central Bank, Media, Social Media, Senior Management and Website) in order to ensure a swift resolution
- > Suggesting and facilitating reasonable service recovery for any complainant and ensuring that the root cause of any complaint has been addressed and rectified

Customer Days

At Emirates NBD, the focus of the organisation is steadily moving from a transactional mindset towards the enhancement of customer experience and building positive relationships with our customers. With "Customer Experience" chosen as the key differentiator, the Customer Days initiative was launched and has become a platform to connect with our customers on a regular basis. The objectives are:

- > Promote Emirates NBD as a customer-centric organisation with the focus on service excellence
- > Instantly assist customers with their frequent issues and queries
- > Manage customer relationships through constructive feedback and suggestions

Customer Days help us to optimize our customers' experience as well as to understand their needs and behaviors. A positive and effortless customer experience then results in increased customer satisfaction, loyalty, advocacy and greater customer lifetime value.

Marketing & Labelling (103-1), (103-2), (103-3)

Our growth and expansion is based on constantly innovating new products and services to better serve our clients' needs. We practice responsibility in labelling and marketing all our products and services to ensure all existing and potential customers are always accurately informed. This in turn ensures that none of our marketing efforts could be misleading or leave room for misinterpretation. If any customer raises any concern, our Complaints Management Unit immediately investigates the issue and takes necessary action. The team responsible for any inaccurate labelling or marketing efforts takes on the responsibility of addressing the issue and, if necessary, reaching out to the customer to explain what further steps will be taken to avoid such incidents.

Privacy & security (103-1), (103-2), (103-3)



“ We realise that customer privacy and security are crucial to our growth and future business stability. Confidentiality for all personal and financial data, and all dealings related to customer relationship management, is of utmost priority.



Our Group Security Unit provides the Bank with a holistic approach to security management and ensures that all branches receive specialist support related to identification, treatment of security risks and management of security related projects.

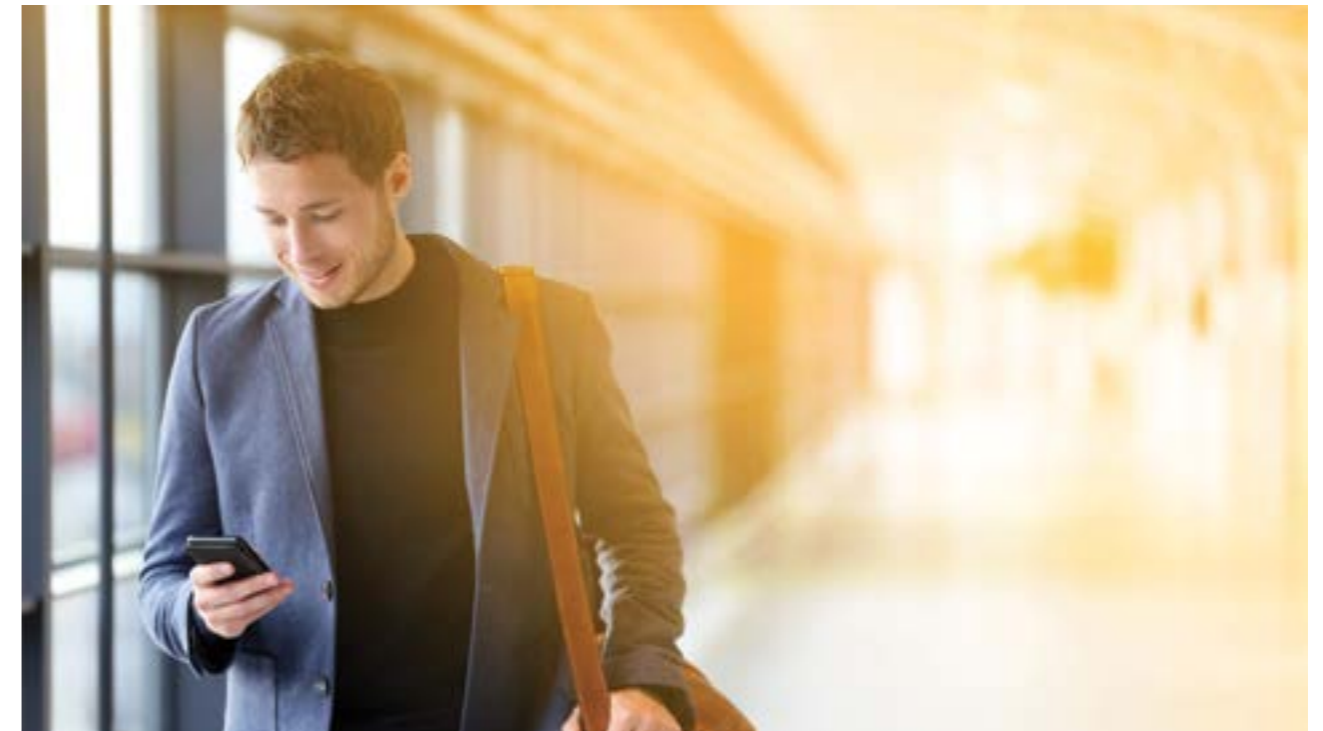
All processes and practices related to customer privacy and security are strictly regulated through the Bank's Code of Conduct. We comply with all policies and regulations mandated by the UAE Central Bank for customer privacy and security. We also align with global standards and best practices to safeguard our customers' information and privacy. Such standards include (but are not limited to) ISO 27001: 2013, the Open Web Application Security Project (OWASP), the National Institute of Standards & Technology (NIST), the Center for Internet Security (CIS) and SANS.

Our Group Security Unit provides the Bank with a holistic approach to security management and ensures that all branches receive specialist support related to identification, treatment of security risks and management of security related projects. This applies to all stages from design and implementation to maintenance of systems and operations-related activities. We have a layered information security structure, managed by security professionals within Group Information Security Management, Group Operational Risk and Group Internal Audit. All key security decisions affecting customer data privacy and security are taken jointly by a group of members belonging to these units.

We invest heavily in security technologies, software and physical infrastructure. We also conduct ongoing internal tests to ensure that our system is immune to attacks and that our customers' data is completely safeguarded. We use the Defence in Depth Approach which deploys multiple layered technologies and processes to protect customer and data

privacy. Typical technologies include (but are not limited to) Firewalls, Intrusion Prevention Systems, Malware Detection and Event Management Systems. We constantly communicate with our customers to ensure they also take part in actively protecting their own data. We keep track of the latest global trends in fraud attempts, phishing, vishing, viruses and malware, and communicate warnings to our customers simultaneously. The Bank's Vulnerability and Threat Management Programme consists of exercises that assess potential weaknesses in Emirates NBD's infrastructure and application and thus provide insights on emerging security threats.

The latest security focus of Emirates NBD is to align, and be compliant with, the Information Assurance (IA) standards mandated by the National Electronic Security Authority (NESA) -- a government body tasked with protecting the UAE's critical information infrastructure and improving national cyber security.



Customer Friendly Security Initiatives

During the reporting period, we introduced simpler and more secure customer-friendly initiatives as follows:

- > Online submission of identification documents for updating Know Your Customer (KYC) details
- > Smart Pass – a secure and convenient way of authorising digital banking transactions via a soft token without the hassle of waiting for the SMS Authentication Code
- > Enhancement of mePay which makes cash transfers quick and easy. Using any Emirates NBD ATM or their mobile banking app, customers can now transfer cash to anyone in the UAE using only the recipient's mobile number

Shared Responsibility

Engaging our employees and customers during the reporting period, we have further enhanced our communication of security awareness threats to customers, by informing them of recent threats.

We also invested in our employee awareness programmes by enrolling employees, contractors and consultants throughout the Bank on security awareness simulation courses via innovative gaming concepts.

In addition, we conducted classroom security awareness sessions that depict real life and actual attack scenarios.

We also communicate regularly with our customers through social media, and especially through our innovative YouTube videos on banking security.

Fraud Prevention & Investigations

The Bank is determined to build and maintain a credible defence to the threat posed by fraud. The Fraud Prevention and Investigations Unit provides a specialised service for interdiction of fraud perpetrated against the Bank. In addition to providing fraud awareness training by developing the function, the Fraud Prevention and Investigations team collaborates closely with management in the identification and mitigation of fraud risks.

Emirates NBD has a number of policies and procedures in place to ensure compliance with prevailing legislation and limiting risk, including the risk of fraud. The anti-fraud policies are published to ensure that Bank employees have access and that awareness is created.

The Whistleblower Policy for reporting of malpractices is designed to encourage employees to feel confident in reporting suspected internal fraud and other breaches, while safeguarding them from retribution.

Technology & Innovation

Technology has revolutionised the banking industry and drastically transformed the ways in which banks do business. This wave of innovation offers a number of opportunities for those who are able to move quickly, and a set of challenges for those unable to move as fast. Willingness and the ability to innovate as an industry are key to delivering banking services adaptable to customer needs. They protect the industry from becoming obsolete or redundant, and ultimately contribute significantly to the survival and long-term growth of banks.

Implementing a proactive approach towards global trends and reiterating the Bank's commitment to support the Dubai Smart City vision, we continuously innovate new products, solutions and services that are customer-centric and are designed to make our customers' lives simpler. Our dedication in running an efficient organisation has led to many initiatives focusing on streamlining our organisational setup and eliminating overlaps.

Supporting the Bank's digitisation journey, these initiatives have paved the way in enhancing the customer experience across multiple channels through projects such as Automation of Audit Letters, KYC remediation through installation of Emirates ID card readers on ATMs (EIDA readers) and enabling document upload to our website, Smart PDF for Bulk telegraphic transfers and Account Maintenance and introduction of Biometric Signatures on the mobile banking app.

In 2016, IT landscape optimisation was a major focus area to increase organisational agility and further enable digital banking. We pledged to invest AED 500 million over the next three years for digital innovation and multichannel transformation of processes, products and services. We also launched the UAE's first digital bank, targeted directly at millennials. This will be a first-of-its-kind 'by the customer, for the customer' initiative, using digitisation and social input as key enablers. The new digital bank will offer customers the next generation of self-service money management with useful tools and applications. It will reinforce the Bank's position as a digital pioneer in the GCC region and as a key player in the emerging global digital banking industry.

Our Multichannel Transformation Programme puts significant emphasis on digital channels, to offer products and services never seen before in the region. It is designed to maximise efficiency and improve service delivery by


optimising the Bank's distribution mix. We will continue to work on our multichannel integration in order to deliver a superior customer experience. We will also extend servicing of products through online, mobile and social channels, whilst prudently investing in new digital products and capabilities.

Infosys, our strategic implementation partner, awarded Emirates NBD its 'Client Innovation Award' in 2016 for the Emirates NBD Pay, EIDA Integration and Open API projects in customer service innovation.




Emirates NBD Mobile App


Emirates NBD's mobile banking app is consistently ranked #1 in the Finance category in the UAE App Store, with an average of 4.5 stars/5 stars for customer satisfaction and over 810,000 downloads. The app is available on all major operating systems including iOS, Android, Windows and BlackBerry, both for smartphones and tablets.



Establishing the Future Lab

The Future Lab is the first of its kind in the UAE banking sector, where it acts as a strategic think tank and testing centre for innovative ideas, products and services for the Bank's retail and wholesale customers. The three focus areas are:

- Digital First:** To explore how digital channels can truly impact the present and future of banking and offer a differentiated, more seamless and convenient banking solution to the customer
- Self-service:** To encourage the adoption of digital products and services by enhancing their user-friendliness and engagement value
- Process Innovation:** To achieve operational efficiency by optimising and aligning internal processes





Emirates NBD Pay

Emirates NBD continued to lead the mobile application space in the region by introducing Emirates NBD Pay, a contactless payment app, plus enhancements to the mePay platform. These offer local funds transfer via ATM or the app to any recipient in the UAE, including non-customers, in addition to cardless ATM cash withdrawals via the app. Our mobile banking app has earned international and regional accolades from Global Finance Magazine, Asian Banker, Smart Cards & Payments Middle East, and Shortlist magazine's App Awards, among others.

Cheque Clearing System (ICCS)

Our Wholesale Banking clients can deposit cheques from the convenience of their scanner through our Image-based Cheque Clearing System (ICCS). This system allows for better management of cash flows and is ideal for any business that handles a high volume of cheques.





Launch of Mobile Cheque Deposit Facility

Emirates NBD became the first bank in the Middle East, Asia and Africa to offer a Mobile Cheque Deposit facility, allowing our Private Banking and Priority Banking customers to deposit a cheque (issued by Emirates NBD) via our mobile banking app. Customers can capture the image of the cheque and then upload it via the Bank's mobile app, saving them the hassle of visiting a branch or a Cheque Deposit Machine (CDM). In addition, the Bank has introduced the 'Mobile Queuing Ticket' service, a functionality that enables all our customers to obtain a queuing ticket for their branch transactions via the mobile app, even before reaching a branch, thus reducing the waiting time on arrival.



Introducing an Interactive Teller Machine (ITM)

The ITM elevates the traditional ATM experience by incorporating a real-time video connection that enables customers to interact with a teller, similar to a branch experience, without timing limitations or queuing. In addition, the ITM offers significantly enhanced services with a human touch, including the option to use Emirates ID to conduct transactions.



EVA - Emirates NBD's Virtual Assistant

'EVA™', is the region's first intelligent voice-based and chatbot Virtual Assistant for banking in the Middle East and North Africa (MENA). Emirates NBD Future Lab is currently piloting EVA™'s voice capabilities via a select customer user group for calls to its customer service centre. The beta version includes chatbot capabilities via the Bank's Facebook messenger, soon to be extended to its popular mobile banking application. The pilot enables the user group to interact and receive assistance from EVA™ using natural or conversational English, offering a more intuitive and personalised customer experience based on artificial intelligence algorithms.




Introducing Pepper

'Pepper' is an artificial intelligence robot that will interact with customers to understand visitation needs and present alternative products and services in an engaging way, assisted by the Bank's staff. Pepper will not deal with core banking functions. However, as the world of artificial intelligence and robots evolves, the Bank will continue to engage with these technologies to make banking simpler and more convenient.



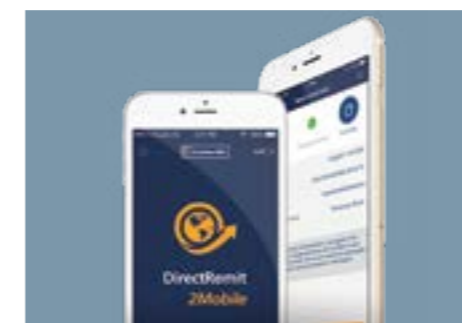
Mobile Banking App links to Dubai Government's Smart Dubai Happiness Meter

The strategic partnership between Dubai Government and Emirates NBD underwrites the Bank's goal of providing superior customer experience through its digital services. The Smart Dubai Happiness Meter is a scientific approach to measuring happiness. Emirates NBD customers have been given the choice to choose between three ratings: happy, unhappy and neutral depending on the quality of their experience with the Bank's mobile banking app, thus creating a direct link for feedback between the Bank and its customers.



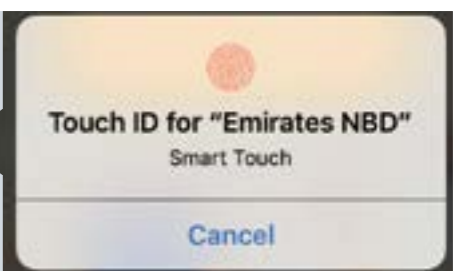
Banking via Twitter

This first-to-market banking service will allow Emirates NBD customers to simply tweet enquiries about their current or savings account or their credit cards, and also to perform transactions such as balance enquiries, viewing the previous five transactions or requesting the previous month's e-statement. The Bank will be able to respond to queries instantly, via a direct message, in order to safeguard customer privacy.



DirectRemit

Sending money to India, Philippines, Pakistan and Sri Lanka instantly.



Smart Touch on Mobile App

Viewing accounts using only a fingerprint.



The FinTech Challenge

Launched in February 2016 in partnership with the Berlin-based Open Bank Project, the Emirates NBD Global Innovation programme is considered a first by any bank from the Middle East. The 2016 FinTech Challenge invited FinTech experts, start-ups and individual developers/innovators from across the globe to present their big idea on financial technology: the winners were selected by the senior management of Emirates NBD and Emirates Islamic.

Ethical Collections



During the Global Financial Crisis between 2007 and 2009, Emirates NBD's retail banking had one of the lowest payment default rates in the UAE.

As a key operation in every bank, the Collections Unit ensures a healthy financial standing and assures that customers are empowered through facilitated lending and collection tools.

All the Bank's teams are fully trained on our ethical collection policy and follow a well-studied process that ensures the customer is always treated in the most effective ethical manner.

For our Retail Clients, the ethical guidelines that govern our collections operations are given below:



Customer segmentation: Loan customers are segmented, based on their behaviour when it comes to paying off their loans under the headings Platinum, Gold, Silver and Bronze. Our team follows a different outreach process based on each segment. For example, Platinum customers tend to pay on their own without reminders while Bronze customers tend to need several reminders before making a payment.

Pre-default date reminder: Clients who are expected to default receive a reminder through SMS or a telephone call.



Respecting time: Customer calls take place during official working hours only, unless a customer has indicated his/her availability after working hours. No calls are made on holidays, on Fridays or during Iftar in the holy month of Ramadan.

After default date: Customers are informed that their credit ratings will be affected negatively through the Credit Bureau; they are reminded again of pending payments. Customers may also receive a formal letter reminding them of the due payment.



Monitoring quality: All collection calls are monitored for quality assurance and training purposes, and to ensure the collections process has been implemented ethically and according to the Bank's guidelines.

Empowering the collections team: All collection targets for employees are logical and attainable. This ensures that our team members are comfortable achieving these targets and thus do not feel the need to pressure the customer or escalate matters beyond the Bank's guidelines.



Escalation Guidelines

- > We use every possible collections tool before having to escalate or engage law enforcement authorities. It is considered the very last resort and cases are filed only after a certain number of days have passed beyond the default date without any payment.
- > If a police case is filed, and the customer then settles the payment, we update our records immediately so that the customer does not have to engage further with the police or receive more collection reminders from the Bank.

Facilitation

- > In case a customer is deceased, the Bank freezes all future interest amounts on the loan. The Bank then reaches out to family members to provide documents for insurance claims, so as to close the liability and to provide the family with insurance benefits where applicable.
- > The Bank is proactive in providing solutions for customers under financial stress, like restructuring their liability, offering upfront settlements, enabling the customer to repay his/her liability in instalments or in one lump sum.

Training & Development

- > Our Collections team is empowered through a three-week induction training course on how to be efficient and ethical collectors. The induction training covers the Bank's vision, mission, values and necessary soft skills. It also focuses on the importance of listening to our customers and engaging with them. We have also developed 24 learning modules that cover different critical situations and highlight the quality-centric collection skills needed for our different products.

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