

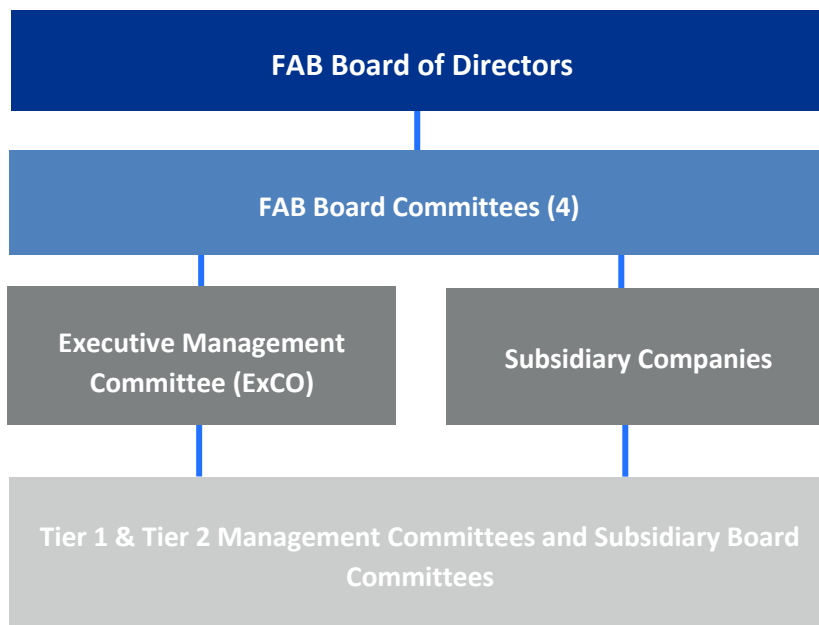
First Abu Dhabi Bank PJSC (“FAB”)
Corporate Governance Report 2017

Introduction

First Abu Dhabi Bank PJSC is a public joint stock company and is the product of the Merger (the "Merger") of National Bank of Abu Dhabi P.J.S.C. ("NBAD") and First Gulf Bank P.J.S.C. ("FGB") which was effected on 30 March 2017 (the "Effective Date"). The Merger was effected in accordance with the provisions of Article 291 of the UAE Federal Law No. 2 of 2015 Concerning Commercial Companies (the "CCL"), pursuant to which FGB was dissolved and its shares were delisted from the Abu Dhabi Securities Exchange on the Effective Date. NBAD, as the surviving corporate entity and the legal successor of FGB, automatically assumed all assets and liabilities of FGB with effect from the Effective Date.

On 24 April 2017, the shareholders of NBAD passed the necessary resolutions at its general assembly meeting to approve a change in its registered name to First Abu Dhabi Bank PJSC. On 25 April 2017, the requisite regulatory approvals to effect the change of name were received by NBAD from the United Arab Emirates' Securities and Commodities Authority. Accordingly, the change of name to First Abu Dhabi Bank PJSC became effective from 25 April 2017.

High Level overview of the FAB Corporate Governance Structure



*Indicates flow of information and not reporting lines.

**The Bank also operates Shariah Supervisory Board which advises all relevant parts of the FAB business on key aspects of its Islamic Banking activities (more details are included later in this report).

The Board of Directors

Sheikh Tahnoon Bin Zayed Al Nahyan

(Chairman of the Board of Directors)
(Non-Executive)

External appointments

- Advisor to the National Security of the United Arab Emirates
- Chairman of the Royal Group



H.E. Nasser Ahmed Khalifa Ahmed Alsowaidi

(Vice Chairman of the Board of Directors)
(Non-Executive)

Over the last 26 years, he has held positions across various economic and financial Government bodies in the United Arab Emirates, including the Executive Council, the Abu Dhabi Investment Authority (ADIA) and the Abu Dhabi National Oil Company (ADNOC). He holds a degree in Economics from the California State Polytechnic University, USA

External appointments

- Chairman of ETECH



H.E Sheikh Mohamed Bin Saif Bin Mohamed Al Nahyan

(Board Member)
(Non-Executive)

H.E Sheikh Mohamed Bin Saif Bin Mohamed Al Nahyan is a knowledgeable business professional with more than 15 years' experience.

He deals with Real Estate investments and is self-managing various related projects across the UAE. He holds a degree in International Economics and History from the American University of Paris, France.

External appointments

- Chairman of the Abu Dhabi National Insurance Company
- Chairman of the Risk Management Committee of the Abu Dhabi National Insurance Company



H.E. Khaldoon Khalifa Ahmed Alsowaidi

(Board Member)
(Non-Executive)

H.E Khaldoon Khalifa Al Mubarak is the Group CEO and Managing Director of Mubadala Investment Company.

In 2007 he was made a Commander of the Star of the Order of the Italian Solidarity for his contribution to the international reputation of Italy and its economic relationship with the UAE.

He is also Co-Chair of the Abu Dhabi-Singapore Joint Forum, established to strengthen economic and political ties between the Emirate of Abu Dhabi and the Republic of Singapore.

Beginning his career at the Abu Dhabi National Oil Company, he held a number of positions at UAE Offsets Group before assuming his current portfolio of responsibilities. He holds a degree in Economics and Finance from Tufts University, Boston.

External appointments

- Chairman of the Executive Affairs Authority of the Government of Abu Dhabi
- Chairman of the Emirates Nuclear Energy Corporation
- Chairman of the Emirates Global Aluminum (EGA)
- Board Member of the Abu Dhabi Executive Council



H.E Shaikh Ahmed Mohd Sultan S. Al Dhaheeri

(Board Member)
(Non-Executive)

H.E Shaikh Ahmed Mohd Sultan S. Al Dhaheeri is currently the Chairman of Bin Srou Engineering.

Prior to this, Sheikh Ahmed has been the Undersecretary of the Department of Social Services and Commerce Building (DSSCB) from 1996 until 2009. He holds a Bachelor degree in Civil Engineering Science.

External appointments

- Board Member of the National Consultative Council (NCC), Abu Dhabi
- Board Member of the Emirates Communication (Etisalat)
- Vice Chairman of the Abu Dhabi National Hotels Company (ADNH), Abu Dhabi
- Vice Chairman of the Abu Dhabi Aviation (ADA), Abu Dhabi



H.E Mohammed Thani Murshed Ghanem Al Rumaithi

(Board Member)
 (Non-Executive)

H.E Mohammed Thani Murshed Ghanem Al Rumaithi is the Head of the Commercial Arbitration Committee at the Abu Dhabi Chamber of Commerce. He is the Second Vice President of the Federation of Chambers of the Gulf Cooperation Council (GCC).



External appointments

- Chairman of the Federation of UAE Chambers of Commerce and Industry
- Chairman of the Abu Dhabi Chamber of Commerce and Industry
- Chairman of the National Marina Dredging Company
- Chairman of Arabtec Holding
- Chairman of Thani Murshed Unilever
- Board Member of Al Etihad Credit Bureau
- Board Member of the Environment Agency Abu Dhabi
- Board Member of the Constitution of the GCC Commercial Arbitration Center

H.E Khalifa Sultan Ahmed Sultan Al Suwaidi

(Board Member)
 (Non-Executive)

H.E Khalifa Sultan Ahmed Sultan Al Suwaidi is an Executive Director of the Direct Investment Department at the Abu Dhabi Investment Council (ADIC).

Prior to this, he was the Deputy Director of the External Funds (Americas) Department at the Abu Dhabi Investment Authority (ADIA). He holds a degree in Business Administration (Finance) and MSC in Finance from Seattle University, USA and is a Chartered Financial Analyst.



External appointments

- Board Member of the Union National Bank (UNB)
- Board Member of the Etihad Aviation Group
- Board Member of Barakah One

H.E Jassim Mohammed Al Siddiqi

(Board Member)

(Non-Executive)

H.E Jassim Mohammed Al Siddiqi is the Managing Director and Chief Executive Officer of Abu Dhabi Financial Group (ADFG).

He has also served as the Chief Executive Officer of Abu Dhabi Capital Group and a lecturer at the Abu Dhabi based Petroleum Institute. He holds a Bachelor degree in Electrical Engineering from the University of Wisconsin-Madison and a Master degree in Electrical Engineering from Cornell University in the United States.

External appointments

- Chairman of Shuaa Capital
- Chairman of Eshraq Properties
- Board Member of Abu Dhabi Capital Group
- Board Member of Tourism and Development Investment Company of Abu Dhabi



H.E Mohamed Saif Al Suwaidi

(Board Member)

(Non-Executive)

H.E Mohamed Saif Al Suwaidi is currently the Director General of Abu Dhabi Fund for Development.

He also served as the Director of Operations Department at the Fund for 11 years where he was in charge of all the projects financed by the Fund. He holds a Bachelor degree in Business Administration from California Baptist University in the United States.

External appointments

- Chairman of Al Ain Farms for Livestock Production
- Vice Chairman of the Arab Bank for Investment and Foreign Trade
- Board member of Center of Food Security of Abu Dhabi
- Board Member of Al Jazira Sports & Cultural Club
- Board Member of UAE Red Crescent
- Board Member of Aghtia
- Board Member of CEPESA
- Board Member of DP World



Responsibilities of the Board of Directors

The Board of Directors is the principal decision-making forum for the company and its responsibilities include approving the company's strategy; setting its risk appetite and risk management strategy; monitoring financial performance; establishing the corporate governance framework; and approving the company's corporate values. The Board is also responsible for providing oversight and challenge of senior management across a range of matters including its execution of the agreed strategy and for Board and executive management succession planning. The Board met in accordance with the Bank's Articles of Association to review a range of matters including the company's annual financial performance in 2017.

Directors are appointed for a term of three years. At the end of this period, the Board is reconstituted. Members, whose term of office is completed, are eligible for re-election. The Board may appoint members to fill vacant offices on the Board, provided that the appointment is presented to the first General Assembly following appointment for approval by way of an ordinary resolution of the shareholders. The Board reviews its current membership regularly to ensure that it has the right mix of skills and expertise to make effective decisions and staff Board committees appropriately.

Independence is critical to the ability of the directors to exercise judgment that is not adversely influenced in any way. Independence criteria are set out in the Bank's Board of Directors' Charter. The Board considers that a Director is independent if neither himself nor any of his first degree relatives have been a member of the Senior Management of FAB during the last two years or has a relationship that creates any financial transactions or deals with FAB or any of its subsidiaries totaling a value of 5% of the paid-up capital of FAB, or exceeds AED 5 million (or an equivalent amount in a foreign currency, whichever is less). Independence is tested at the time of election. Based on the above criteria and in compliance with the Securities and Commodities Authority (SCA) Regulations regarding independence of board of directors, we consider the Board members to be independent.

Although a director may be considered independent based on the adopted criteria, there may be individual situations where a conflict of interest arise in an individual matter. The Board has a Code of Conduct that addresses the process for conflicts of interest if and when they arise. The result is that a director will immediately notify the Chair and Secretary of the Board of the existence of any conflict and recuse himself from any discussion or voting on the matter. In addition to this, the Bank's Remuneration and Nomination Committee monitors the directors' external Board memberships to ensure that they are not in competition with FAB or are of a nature that might impact the director's ability to exercise independent judgment.

The Board is headed by an independent Chairman who is elected from among its members. The Chair has authority to act and speak for the Board, including engaging with the Bank's senior management. The Chair has a pivotal role in ensuring that the Board is updated on decisions and actions taken between meetings of the Board. The Chair also has oversight of the agenda, ensuring that it reflects the strategic nature of the Board's work. The Chair is also a key ambassador for the Bank, particularly in its interaction with shareholders (see below).

Following its merger the Bank is planning a number of corporate governance initiatives, including the development of an Orientation program for new board members. This will consist of a pack of key materials that can assist the new Board member to understand the Bank and its strategy, allied to meetings with key stakeholders. This will assist the new Board member to make a positive contribution to the Board's work at the earliest possible stage. In addition, the Board is committed to continuing director education and development work is taking place regarding this.

As a listed company on the Abu Dhabi Stock Exchange (ADX), the Bank is committed to fulfilling its obligations to its shareholders. This occurs through transparent quarterly financial reporting to the ADX and through the Bank's website, and also through the General Assembly. This an opportunity for shareholders to meet the Board and raise questions of the Board and senior management. The Bank encourages this open dialogue with shareholders as an important forum for the Bank's shareholders to have a voice in the Bank's plan to Grow Stronger.

A key component of building and maintaining the strength of an organization is to have an effective succession planning process. The Bank has a robust process for succession planning at both Board and executive management level. This is administered by the Bank's Board Remuneration and Nomination Committee (REMCO). In planning for Board succession, the REMCO evaluates the balance of skills, knowledge and experience on the Board before recommending an appointment. It also considers the need for diversity of viewpoints in assessing the attributes of a prospective board member as well as ensuring that the prospective board member has enough time available to devote to the position.

For executive management, the Board will consider the challenges and opportunities facing FAB and the skills, knowledge and expertise needed by the Group Executive to continue the success of the Bank following its merger.

The Role of Board Committees

Board Committees play a crucial part of the decision making process and they help support the Board in the execution of its responsibilities. These specialist committees help share the Board's workload and the detailed involvement of Board members allows them to get closer to the business, its activities and the bank's control framework. Relevant matters are referred by these committees to the Board. The company's Board Committees are:

- The Board Management Committee (**BMC**);
- The Board Audit Committee (**AC**);
- The Board Risk and Compliance Committee (**BRCC**); and
- The Board Remuneration and Nominations Committee (**REMCO**).

Board Committees

1. The Board Management Committee: FAB Group has a Board Management Committee ("BMC") composed of 4 Board members including the Group Chief Executive Officer of the Bank. The members of the BMC are independent directors. The BMC on behalf of the Board is responsible for overseeing the regular business of FAB Group. The BMC oversees FAB's overall management and ensures that the business policies and practices are in line with Bank's business interests and are in alignment with sound corporate governance and compliance standards including provisions of the CBUAE.

For the year 2017 (post-merger), the Committee met regularly and in accordance with its charter. Its work included regular oversight and monitoring of material Credit exposures and satisfying itself that the exposures operated within the bank's approved credit risk appetite framework. The BMC also conducted a number of reviews of the bank's financial performance prior to referral of these to the bank's Board of

Directors. The BMC also considered a range of matters in regards to the merger between NBAD and FGB ('FAB') and plans and preparations for the company's General Meeting, it also discussed the Bank's International Strategy and the risk appetite for the whole process of integration.

- 2. Board Audit Committee;** FAB has a Board Audit Committee ("AC") composed of 3 non-executive independent Board members.

The Group Chief Executive of the Bank is invited to attend as an Executive Member and the Group Chief Audit Officer of the Bank is a permanent attendee of the committee. The members of the AC hold office until the next General Assembly and are eligible for reappointment. AC is responsible for overseeing the Group's financial reporting and disclosure process, system of internal control, governance and risk management framework, internal audit process, as well as reviewing the Bank's process for monitoring compliance with laws and regulations.

For the Year 2017 (post-merger), the committee met regularly and in accordance with its charter and was briefed about the achievements of the Internal Audit function including important approvals/ discussions. The committee continued to leverage on the Audit Committee Charter, Internal Audit Charter and the bank's Group Internal Audit Manual continually align with newer challenges and updates within the Internal Audit Domain and International Standards for the Professional Practice of Internal Auditing. Further, the committee continued to monitor and follow up on several initiatives as part of the Internal Audit function's Quality Assurance & Improvement Program (QA&IP) in line with industry best practices and also endorsed bank's Risk Based Audit Plan, its operating model, budget and resource requirements. A range of internal and external factors including increased cyber threats, industry fraud risk, Regulatory changes and the integration activities were key contributors in shaping the focus of committee discussions. Management was encouraged to lift the awareness and control culture of employees through regular training and development programs in order to enhance fraud awareness as a sustainable deterrence. There was also regular coverage of asset quality matters, provisioning levels and monitoring of both the Corporate & Investment Banking and Personal Banking.

Increased cyber-security threats and tighter Regulatory changes led to the committee's focus on increased coverage of technology and information security audit engagements. Additionally, strong focus was maintained on increasing the coverage of international branches, subsidiaries and risk management functions in order to provide the committee with an acceptable level of assurance on overall controls, levels of compliance and the governance of these operations.

The committee also met with the External Auditor periodically to discuss the key findings and themes identified through its work; all relevant matters pertaining to the quantitative and qualitative aspects of the bank's financial results including financial statement disclosures; and other matters relevant to its engagement.

- 3. Board Risk and Compliance Management Committee:** ("BRCC") comprises three members of the BOD and the Group Chief Executive Officer and is responsible for recommending and setting the Group risk strategy, risk appetite, policy guidelines and subsequent monitoring adherence. The GCRO is the permanent attendee of the BRCC. Under authority delegated by the BOD, BRCC provides oversight and advice to the Group Board in relation to current and potential future risk exposures of the FAB Group. It also considers and helps direct future risk strategy, including determination of risk appetite and tolerance as well as promote a risk awareness culture among the Group. In 2017 (post-merger) the Committee met regularly and in accordance with its charter.

It was a busy and demanding year for the committee, not least given the challenges, risks and opportunities posed by range of global macroeconomic factors, in addition to the integration period post-merger of NBAD and the FGB to (FAB). These issues have been the subject of frequent discussion and debate by the committee and particularly their impact on the bank's approach to its risk management strategy, its risk appetite framework and the quantity and quality of its risk management staff. It also regularly reviewed and discussed a range of key risk indicators across the bank. The Committee considered a wide variety of other issues during the year including:

1. Revamp of Governance Mechanism (post-merger)
2. Setting up of Comprehensive Enterprise-wide Risk Management Framework
3. Roll out of Target Operating Model
4. Global & Regional Risk Outlook, Regular updates on Exposure to Qatar and Steps taken for reductions of Exposure
5. Group Risk Profile in form of Tier 1 Risk Appetite Adherence Status
6. Risk Updates: Portfolio Snapshots on Credit Risk, Market & Liquidity Risk and Operational & Fraud Risk
7. Compliance Updates: Key Regulatory Projects, New Regulations
8. Information Security Updates: NESA IA Compliance, Key Projects, Heat Map for UAE & International Locations, Regular updates on Business Continuity
9. Other Updates: IFRS9 Project, Basel II & III Compliance, CBUAE FSU Stress Testing, ICAAP Report, RAROC Methodology
10. Integration Updates: Risk System Landscape, Harmonization of Policies, SOPs, ORR Scale etc.

4. Board Remuneration and Nomination Committee: FAB has a Board Remuneration and Nomination Committee ("REMCO") composed of 3 Board members with all of the members being Independent directors including the Chairman of the committee. Along with other Board members, the REMCO also comprises the Group Chief Executive Officer of the Bank and the Group Chief People Officer of the Bank. The committee is responsible for recommending to the Board the appointment/termination of directors and where appropriate senior management of FAB and to ensure that there is a smooth succession process. The committee is also responsible for the oversight and approval of the rewards design methodology consistent with FAB's culture, values, business performance and risk strategy.

For the year 2017 (post-merger), the committee met in accordance with its charter and the following key issues were reviewed and considered:-

- The bank's Reward Strategy covering fixed, variable pay and allowances with a particular focus on key initiatives for 2017; and
- The specific people objectives in the Bank's Balanced Scorecard.

Board Committee Charters

The charter of each of the Board Committees is included in the Bank's Corporate Governance Policy Framework and on the Bank's website. The Committee charters provide the details of the roles and responsibilities of each of the committees along with the frequency of meetings, quorum requirements for each committee, membership details and the Chairman, vice Chairman and Secretary of the Committee.

Board Committee Membership

Membership details of the Board Committees are set out below:

Board Committees	BMC	AC	BRCC	REMCO
H.H Sh. Tahnoon Bin Zayed Al Nahyan				Chairman
H.E. Nasser Ahmed Khalifa Al Suwaidi				Member
H.E. Khaldoon Khalifa Al Mubarak	Chairman			Member
H.E. Mohamed Saif Alsowaidi	Member		Member	
H.E. Jassim Mohammed Al Siddiqi	Member	Chairman		
H.E. Mohammed Thani Murshed Ghanem Al Rumaithi		Member	Member	
H.E. Sh. Mohammed Bin Saif Bin Mohamed Al Nahyan	Member			
H.E. Sh. Ahmed Mohd Sultan S. Al Dhaheri		Member		
H.E. Khalifa Sultan Ahmed Al Suwaidi			Chairman	
Mr. Abdulhamid Mohammed Saeed (GCEO)	Member	Member	Member	Member
FAB Management Members (Permanent Attendees)		+1	+1	+1

Board Remuneration

As defined under the relevant UAE law, the annual remuneration of a Board of Directors can be up to 10% of a company's annual net profit. Board of Directors' remuneration paid in 2016 was 0.8% of the Bank's profit for 2016 and 0.5% of the Bank's profit for 2017. Full details regarding the level of remuneration was disclosed to the bank's shareholders and approved at its General Assembly (GA) in Abu Dhabi in February 2017. The amounts are detailed in the Bank's financial accounts for the respective years.

The Role of Executive Management and Management Committees

There is a clear division of responsibilities at the head of the company between the running of the Board and the executive team's responsibility for day-to-day management of the bank's business. The role of the CEO and the executive management team is to execute the agreed business strategy within the agreed risk appetite. It is also the responsibility of the executive team to develop a mechanism by which the company's vision, values and behaviors are successfully shared, communicated and imbedded in the business. Much of this is achieved through the work of the Executive Management Committee and its Management Committees.

FAB's Executive Management team

The Executive Management Team is also responsible for timely and accurate reporting to the Board and Board Committees and for the escalation of appropriate information or items.

Mr. AbdulHamid Mohammed Saeed

Group Chief Executive Officer

Mr. Saeed is the Group Chief Executive Officer (GCEO). He is a former FGB board member and managing director. During his 18 years at FGB, Mr. Saeed led the Bank to become one of the most prominent financial institutions in the UAE. He is also the Managing Director of Al Reem Investments and a board member of Mubadala Investment Company. Mr. Saeed also serves on the board of directors of Sky News Arabia and Abu Dhabi Financial Group. He has more than 30 years' experience in the financial institution sector. Before moving to FGB in 1999, Mr. Saeed worked at Citibank in the UAE for eighteen years where he also held various key positions.

Mr. Saeed graduated from the University of Arizona, USA with a bachelor's degree in business administration.



Mr. André Sayegh

Deputy Group Chief Executive Officer and Group Head of Corporate and Investment Banking

Mr. Sayegh is the Group's Deputy Chief Executive Officer and Group Head of Corporate and Investment Banking, before which he served as Chief Executive Officer at FGB since 2006.

He has over two decades of banking and financial services experience. Prior to his nomination as FGB chief executive officer, Mr. Sayegh had served as the chief operating officer of FGB since 1999 and was responsible for corporate banking, credit, risk and legal, operations and human resources.

Before joining FGB, Mr. Sayegh also worked with leading regional and financial institutions. He was with Citibank within corporate banking, consumer banking and private banking in various international locations. He also served with Arab Bank in Lebanon and with a leading investment firm in Canada.

Fluent in Arabic, English, French and Spanish, Mr. Sayegh holds a BBA in Finance and an MBA in Corporate Finance and Banking from the American University of Beirut, Lebanon. He has also completed a project at Columbia University, majoring in the evolution of financial institutions.



Mr. Zulfiqar Ali Sulaiman

Group Head of International Banking & Group Chief Operating/ Integration Officer

Mr. Sulaiman is the Group's Chief Integration Officer and Group Head of International Banking, before which he served as Chief Operating Officer at FGB with responsibility for managing FGB's support functions including IT, operations, corporate real estate services and administration. Mr. Sulaiman has more than 35 years of banking experience in the Middle East, Africa and South Asia. Prior to joining FGB, he held a number of senior positions including chief financial officer, country compliance and control head at Citibank and head of Citibank in Oman. He holds a Bachelors Degree in Commerce, majoring in Accounting and Finance from Karachi University, Pakistan as well as a Certificate in the Master of Business Administration Programme in Accounting and Finance from the Institute of Business Administration, Karachi, Pakistan.



Mr. Zulfiqar was also appointed as the Group Chief Operating Officer when former Group Chief Operating Officer, Khalaf Al Dhaheri resigned from the Bank's service in December 2017.

The current title of Mr. Zulfiqar Ali Suleiman is Group Chief Operating Officer – Group Head of International Banking and Group Chief Integration Officer.

Mr. Khalaf Al Dhaheri

Group Chief Operating Officer (Left the Bank's service on the 31st of December 2017)

Mr. Al Dhaheri was the Group's Chief Operating Officer, having previously fulfilled the same role with NBAD.

Mr. Al Dhaheri joined NBAD and was appointed secretary to NBAD's risk management committee in April 2003. In July 2012, he was promoted to his the role of chief operating officer with responsibility for a range of functions such as operations, IT, enterprise projects and architecture, and bank general services which include procurement, administration and property management.

Mr. Al Dhaheri is a member of the audit committee in Abu Dhabi National Oil Company (ADNOC) and a board member of National Takaful Company PSC, Watania, and the Emirates Institution of Banking and Financial studies (EIBFS).

Mr. Al Dhaheri graduated from the UAE University with a B.Sc Degree in Accounting and has earned an MBA from Zayed University. He is a Certified Public Accountant (California State Board of Accountancy). He is also certified by the Advanced Management Programme of Ashridge, Hertfordshire, United Kingdom, 2006.

Ms. Hana Al Rostamani
Group Head of Personal Banking

Ms. Al Rostamani is the Group's Head of PB, before which she served as head of consumer banking at FGB where she was responsible for the growth of FGB's consumer banking group in the UAE.

Previously she worked with FGB in corporate strategy, corporate communications, branding, branch management, product development, consumer credit policy, card operations management and consumer behaviour metrics. She has a Masters degree in Information Management from the George Washington University, USA and has also completed a Certificate in Bank Card Management from the Visa International Association and the U.K. Chartered Institute of Bankers.



Mr. Karim Karoui
Group Head of Subsidiaries, Strategy and Transformation

Mr. Karoui is the Group's Head of Subsidiaries, Strategy and Transformation, prior to which he served as FGB's chief financial officer.

Mr. Karoui has more than 24 years of banking experience and also has extensive experience in company audit and financial management. Before joining FGB, Mr. Karoui worked with leading regional and financial institutions, including Citibank in Tunisia for over eight years. Mr. Karoui is also a board member of the following subsidiaries of the Bank: Aseel, Dubai First and First Gulf Libyan Bank. He holds a Masters Degree in Accounting from IHEC, Carthage, Tunisia.



Mr. James Burdett
Group Chief Financial Officer

Mr. Burdett is the Group's Chief Financial Officer having held the same position at NBAD since joining NBAD from ANZ on 30 April 2014. At ANZ, Mr. Burdett also served as chief financial officer for international and institutional banking. Prior to his role at ANZ, Mr. Burdett was chief financial officer at ANZ for the Asia-Pacific, Europe and Americas regions. Mr. Burdett also spent 17 years at HSBC, initially serving as chief financial officer for various regional operations positions before undertaking the role of group head of management information, planning and analysis and a member of the finance management board chaired by the HSBC group chief financial officer. In his role as Group Chief Financial Officer, Mr. Burdett has responsibility for the Group's finance and treasury functions.



Mr. Burdett has worked for a number of international banks in Hong Kong, Australia, England, Singapore, China and Indonesia. Mr. Burdett is a Chartered Accountant and studied Accounting and Finance at the Auckland Institute of Technology, New Zealand.

P K Medappa

Group Chief People Officer (Left the Bank's service in April 2018)

Mr. Medappa was appointed as the Group's Chief People Officer on 1 April 2017, having joined FGB in January 2017 as Group Chief People Officer designate for the merged entity.

Mr. Medappa has over 30 years of human resources experience in the banking industry including holding senior human resources positions. He has previous significant experience of leading mergers from the human resources perspective in Asia.

Prior to his appointment as the Group's Chief People Officer, he served most recently as group head of human resources with Standard Chartered Bank in Singapore. He holds a Masters degree in Personnel Management and Employee Relations.

Melvin Fraser

Group Chief Human Resources Officer (Appointed in April 2018)

Mr. Fraser is the Acting Group Chief Human Resources Officer at First Abu Dhabi Bank (FAB). Melvin has responsibility for leading the implementation of the Group's people strategy to enable the growth priorities of the organisation.

A senior HR professional with a breadth of experience in regional roles across Europe, Asia Pacific and the Middle East, he has served as the Head of Resourcing and Organisation Development at FAB, before undertaking his current role in April 2018. Prior to this, he was SVP Resourcing & Development at First Gulf Bank.

Melvin spent over 10 years at HSBC as Head of Organisation Development and Employee Relations (Asia Pacific), HSBC, Hong Kong and as Regional Manager - Compensation and Projects at HSBC Bank Middle East, Dubai.



Mr. Shirish Bhide

Group Chief Credit Officer

Mr. Bhide is the Group's Chief Credit Officer having previously served in the same role at FGB.

Mr. Bhide has around 25 years of international banking experience in various leadership roles across the industry. Mr. Bhide worked with Citibank in India, South Africa and Uganda for almost 20 years in various roles before leaving to join The National Commercial Bank in Jeddah, Saudi Arabia. He joined FGB as its Chief Credit Officer in March 2013 and was subsequently appointed as acting Head of FGB's Wholesale Banking and International team in May 2016.



Mr. Bhide holds an MBA from the University of Poona, India and a postgraduate diploma in accounting and finance from the London School of Economics.

Mr. Arif Shaikh

Group Chief Risk Officer

Mr. Shaikh is the Group's Chief Risk Officer, having previously served in the same role for FGB.

He has 31 years of experience in Enterprise Risk Management (ERM), Governance, Legal, Audit and Strategic Business Review functions. He has led several audit and risk assignments as Head of Audit for South Asia at Standard Chartered Bank and ANZ Grindlays Bank in India. Mr. Shaikh has worked across multiple financial institutions across the UAE, India, Hong Kong and Australia.

Mr. Shaikh is a Chartered Accountant and an Associate Member of the Institute of Chartered Accountants in India. He holds a Bachelor's Degree in Law from Government Law College, India.

Mr, Arif Held the position of the Bank's Group Chief Risk Officer on 1st January 2017 to replace Mr. Abhijit Choudhury who stepped down from his role in the Bank as Group Chief Executive Officer and Acting Chief Executive Officer.



Mr. Nurendra Perera

Acting Group Chief Audit Officer

Mr. Perera is currently acting as the Bank's Group Chief Audit Officer. Nurendra joined FGB in 2001 as Deputy Head of Internal Audit and has been Head of Group Internal Audit at the FGB since 2007. He has 30 years of banking experience and was previously with the National Bank of Umm Al Quwain, Sampath Bank and Commercial Bank pic in both the UAE and Sri Lanka. He has a Master's Degree in Business Administration with a specialization in Finance and is a Certified Internal Auditor and Certified Financial Services Auditor holding the following certifications: CIA, CFSA and CRMA from IIA USA, CISA and CRISC from ISACA USA and CIB from the UK. Nurendra is a permanent invitee/observer to FAB's Executive Management Committee and sits on the bank's Board Audit Committee.



Mr. Fadhel A.B. Al Ali

Group Chief Customer Experience and Digital Officer

Mr. Al Ali is the Group's Chief Customer Experience and Digital Officer. He joined the Group on 1 July 2017. Mr. Al Ali has an extensive experience in corporate governance and strategic commercial roles across a range of industries, including real estate, hospitality, investment and banking. Prior to joining the Group, he was appointed as chief executive officer of Dubai Holding. He has also worked at Citibank as Head of UAE distribution and spent nearly 15 years of his career at Citibank. He holds a Bachelors Degree in Industrial and System Engineering from the University of Southern California.



The business address of each member of the executive management is First Abu Dhabi Bank PJSC, FAB Building, Khalifa Business Park – Al Qurm District, P.O. Box 6316, Abu Dhabi, United Arab Emirates.

No member of the Group's executive management has any actual or potential conflict of interest between his duties to the Group and his private interests and/or other duties.

Management Committees

FAB has a number of management committees, including the Group Executive Management Committee. These management committees' structure helps drive senior level management decision making within the company across a range of matters including the management of strategic; financial; capital; risk; operational; and people issues affecting FAB. The composition, guiding principles and detailed roles and responsibilities of all FAB's management committees are set out in their respective charters. More details on the role and responsibilities of each of the management committees are set out below.

Group Executive Management Committee (ExCo)

The Group Executive Management Committee (ExCo) is FAB's most senior management level committee and it operates under a delegated authority from the FAB Board. It reviews and debates relevant items before they are submitted to the FAB Board and relevant Board Committees. The ExCo also supports the CEO to determine and implement the Bank's strategy as approved by the Board. The key responsibilities of the ExCo includes decisions on the Bank's strategy, annual budgets, capital management, risk management and FAB's more material policies and procedures. The Head of Internal Audit is a permanent non-voting attendee at ExCo meetings.

For the year 2017 (post-merger) the ExCo considered a range of issues including regular reviews of performance; a number of strategic initiatives; the bank's operating model; its people and leadership strategy; balance sheet management and control issues; and business project governance. The ExCo formally met regularly in accordance to its charter and these meetings were supported by a number of separate leadership and strategy sessions.

Tier 1 Management Committees:

1. **Group Risk and Compliance Committee:** In 2017 (post-merger), the committee met 3 times. The main responsibility of the committee is to oversee Group-wide risk strategy and exposures to enable integrated risk management in an effective manner.
2. **Group Asset & Liability Committee:** In 2017 (post-merger), the committee met 7 times. The main responsibility of the committee is to ensure that the risk within the Group's balance sheet and asset and liability risks are properly managed and controlled.
3. **Corporate and Investment Banking Credit Committee:** In 2017 (post-merger), the committee met 6 times. The main responsibility of the committee is to oversee and implement the Bank's Corporate & Investment banking business, Credit and Lending Strategies and objectives.

4. **Personal Banking Credit Committee:** In 2017 (post-merger), the committee met 3 times. The main responsibility of the committee is to assist in the development and implementation of credit strategy for Personal Banking business within FAB Group.
5. **HR Steering Committee:** In 2017 (post-merger), the committee met 4 times. The main responsibility of the committee is to assist the ExCo and the REMCO to implement strategic and operational HR initiatives to deliver the Group's long term shareholder value.
6. **Group Operations & Technology Committee:** In 2017 (post-merger), the committee met once. The main responsibility of the committee is to provide leadership and governance over the Operations and Technology activities and ensures its effective strategy and plans are implemented within the FAB Group.
7. **Real Estate Committee:** In 2017 (post-merger), the committee met 2 times. The main responsibility of the committee is to oversee the Group's real estate investments activities in line with market risk management practices and relevant Group risk's policies.
8. **Islamic Banking Committee:** In 2017 (post-merger), the committee met once. The main responsibility of the committee is to oversee the Islamic Banking business of FAB Group (including ADNIF & ASEEL) providing clear direction of the Islamic banking market and issues.
9. **International Banking Committee:** In 2017 (post-merger), the committee met once. The main responsibility of the committee is to assist ExCo in developing and monitoring the strategy for international business and drives their structure, systems and operations.
10. **Integration Steering Committee:** In 2017 (post-merger), the committee met 15 times. The committee was established to provide direction on all matters relating to the post-merger integration process. It is the main approving authority for all post-merger integration policies and procedures and, as such, all lower-level integration committees report to the Group Integration Steering Committee. The Group Integration Steering Committee meets fortnightly and is chaired by the GCEO.

Tier 2 Management Committees

11. **Investment Management Committee:** In 2017 (post-merger), the committee met 2 times. It is a sub-committee of the Group Risk & Compliance Committee that provides oversight and guidance to Global Markets for managing business performance of trading and investment activities, as well as to Group Market Risk in respect of managing its risks activities.
12. **Valuation Committee:** In 2017 (post-merger), the committee met 3 times. It is a sub-committee of the Group Risk & Compliance Committee responsible for the governance of Valuation methodologies and for reviewing the pricing verification process to ensure accuracy and integrity of the Fair Value of financial instruments on the bank's Balance Sheet.

- 13. Operational Risk Committee:** In 2017 (post-merger), the committee met 2 times. It is a sub-committee of the Group Risk & Compliance Committee that oversees the Bank's Operational Risk Management, Business Continuity and Information Security responsibilities.
- 14. Information Technology/Information Security Risk Committee:** In 2017 (post-merger), the committee met 4 times. It is a sub-committee of the Group Risk & Compliance Committee that oversees matters relating to information security and enterprise risk management and the Group internal controls to protect the Bank's information.
- 15. Compliance Committee:** In 2017 (post-merger), the committee met 3 times. It is a sub-committee of the Group Risk & Compliance Committee that oversees the Bank's regulatory and compliance responsibilities.
- 16. Credit Execution Committee:** Consists of 4 sub-committees of the Corporate and Investment Banking Credit Committee. This Committee is responsible for the credit underwriting relating to the Corporate and Investment Banking credit proposals, granting approvals in line with the Delegation of Authority Matrix of the Bank to help support the Group strategy while ensuring standardized approach and practices across FAB:-
- **UAE Credit Execution Committee (UAE CEC Level 1):** This committee meets Bi- Weekly. In 2017 (post-merger), the committee met 59 times.
 - **International Credit Execution Committee (UAE CEC Level 1):** This committee meets Bi- Weekly. In 2017 (post-merger), the committee met 63 times.
 - **UAE Credit Execution Committee (UAE CEC Level 2):** This committee meets Bi- Weekly. In 2017 (post-merger), the committee met 58 times.
 - **International Credit Execution Committee (ICEC Level 2):** This committee meets Bi- Weekly. In 2017 (post-merger), the committee met 61 times.
- 17. Shining Star Recognition Committee:** In 2017 (post-merger), the committee met 2 times. It is a sub-committee of the Group HR Steering Committee that provides a platform for employee recognition in the form of quarterly and annual awards for individuals and teams.

Executive Management Remuneration

At FAB, we aim to attract and retain talented senior executives from across the globe. With a view to providing the environment and tools to motivate and enable our executives to excel in their goals and objectives, the Group Reward Philosophy which guides executive compensation is linked to robust and comprehensive performance indicators. These are aligned to the four quadrants of the Group Balanced Scorecard viz. Financial, Customer, Enablers and People.

An important element of the compensation structure is that it is designed to reward sustainable decision making through a mix of fixed compensation, short term variable compensation and deferred compensation. The overall framework ensures that the reward is risk adjusted and competitive.

The approach to senior executive compensation is guided and governed by the Group Remuneration and Nomination Committee led by the Chairman of the Board of Directors which meets on a regular basis to review Group performance and ensure reward is risk adjusted, competitive and appropriate.

Subsidiary company governance

Dubai First, Aseel Finance, ADNIF, First Abu Dhabi Securities are regulated subsidiary companies of FAB and each operates within the company's overarching corporate governance framework. FAB subsidiary companies operate corporate governance arrangements suitable for their business and they all have their own Board of Directors and Board Committees.

To assist guide, direct and challenge senior management of FAB subsidiary companies, the Board of Directors consist of senior professionals with substantial banking, finance and risk experience. The Board of Directors of FAB subsidiary companies have a majority of UAE Nationals as required under the UAE Commercial Companies Law and FAB is committed to developing the leadership skills of Emiratis.

Shariah Supervisory Board ("SSB")

FAB is supervised from a Shariah perspective by a Shariah Supervisory Board (SSB) who are appointed by the Board of Directors (BOD) of the Bank. The SSB consists of renowned and qualified Shariah scholars who are responsible to review and ensure that all of the Bank's Islamic banking products, services and operations are in compliance to the Shariah principles. The SSB also supervises the Bank's Islamic subsidiaries i.e. Abu Dhabi National Islamic Finance Pvt.JSC and Aseel Finance Pvt.JSC in all matters related to Shariah.

Internally and with the endorsement of the SSB, FAB has established an Internal Shariah Unit (ISU) consisting of personnel qualified in Shariah and Islamic banking. ISU is responsible to manage and perform all related Shariah functions including Shariah Review, Advisory & Structuring, Shariah Secretariat to the SSB, Shariah Research & Training, Shariah Audit and Shariah Risk Management.

During the financial year of 2017 (post-merger), the Shariah Supervisory Board has held (4) four Shariah Supervisory Board Meeting and issued more than 50 Shariah approvals and resolutions covering various business groups and product segments across the Bank and its subsidiaries.

The Bank's SSB Members are:

Dr. Mohd Daud Bakar Chairman of the Board

Dr. Daud is the founder and Group Chairman of Amanie Advisors, a global boutique Shariah advisory firm. Prior to this; he was the deputy vice-chancellor at the International Islamic University Malaysia. He received his first degree in Shariah from University of Kuwait, PhD from University of St. Andrews and Bachelor of Jurisprudence from University of Malaya. Dr. Daud is currently the Chairman of the Shariah Advisory Council of the Central Bank of Malaysia, the Shariah Advisory Council of the Securities Commission Malaysia and the Shariah Supervisory Council of Labuan Financial Services Authority. He is also a member of the Shariah Board of Dow Jones Islamic Market Index (New York), Oasis Asset Management (Cape Town, South Africa), The National Bank of Oman, Financial Guidance (USA), BNP Paribas (Bahrain), Morgan Stanley (Dubai), Jadwa-Russell Islamic Fund (Kingdom of Saudi Arabia), Bank of London and Middle East (London), Noor Bank (Dubai) and in other financial institutions both local and abroad. He has published a number of books, articles in various academic journals and has made many presentations in various conferences both local and overseas.



Dr. Mohamed A. Elgari

Board Member

Dr. Elgari is a former Professor of Islamic Economic at King Abdulaziz University, Jeddah, Saudi Arabia and former Director of the Center for Research in Islamic Economics, in the same university. He is an Expert at the Islamic Jurisprudence Academy of the OIC and the Islamic Jurisprudence Academy of the Islamic World League. Dr. Elgari holds a PhD from the University of California and was born in Makkah, Saudi Arabia in the year 1949. He is also a member of editorial board of several academic publications in the field of Islamic Finance and Jurisprudence. Dr. Elgari seats on numerous Shariah Boards of Islamic Banks and Takaful Companies worldwide. He authored several books in Islamic finance and published tens of articles on the subject both in Arabic and English. Dr. Elgari is also a frequent speaker in conferences worldwide. Dr. Elgari is the recipient of the Islamic Development Bank prize in Islamic Banking and Finance, KLIFF Islamic Finance Award for Most Outstanding Contribution to Islamic Finance (Individual) and Euromoney's Award for Outstanding Contribution to Islamic Finance.



Professor Dr. Abdul Aziz Al Qassar

Board Member

Dr. Abdul Aziz Al Qassar is a Professor of Comparative Jurisprudence at the Faculty of Sharia and Islamic Studies at Kuwait University; he received a doctorate degree in comparative jurisprudence from the Faculty of Sharia and Law, Al-Azhar University, Cairo. As a faculty member at the Faculty of Sharia and Islamic Studies at Kuwait University from 1997 to this time, he served as Associate Dean for Academic Affairs and Graduate Studies and Research at the Faculty of Sharia and Islamic Studies at Kuwait University from the period 2001-2005, and a member of the Fatwa and Shariah in many institutions and Islamic banks in Kuwait and abroad, a lecturer in Islamic finance, has many research and religious studies in Islamic jurisprudence and contemporary financial transactions. Dr. Abdul Aziz also seats on various other Shariah Boards of banks and financial institutions globally.



Shariah Governance Framework

The Bank's Islamic Banking business is governed by a Shariah Governance Framework that covers the core functionalities of the Islamic Banking operations. The scope of the Shariah Governance Framework include the reporting framework, accountability & responsibilities of all relevant key stakeholders involved in all activities relating to the Islamic banking business as well as adherence to the CBUAE Islamic Banking regulations.

Distribution of Late Payment Amount

From a Shariah perspective, the Bank is allowed to impose late payment charges to clients who delay or default in payments. The late payment charge is a mean of deterrent for defaulters and a protection for the Islamic banking business from being abused. However, Shariah does not allow the late payment charge to be recognized as a source of income for the Bank except for some amount that can be claimed by the Bank to compensate actual costs and/or losses due to the delay or default in payment (excluding cost of fund or opportunity loss). The late payment charges (after deduction of the said actual and/or losses and after obtaining SSB approval) shall be channeled to charitable organizations or programs in accordance with the Bank's policy. In 2017, the Shariah Supervisory Board has approved the allocation of an amount of AED 6,948,297.05 from the late payment amounts for the purpose of distribution to charitable causes.

Regulatory Compliance

FAB is regulated by the Central Bank of the UAE and is therefore required to comply with Central Bank regulations, circulars and notices issued from time to time. In addition, FAB is required to comply with all applicable laws and regulations of the UAE, including without limitation, the UAE Commercial Companies Law, rules and standards established by the Securities and Commodities Authority (SCA) of the UAE and the Bank's Articles of Association. It is also mandated to comply with all international regulations in all jurisdictions where the Bank operates. Senior management has the responsibility to ensure compliance with applicable laws and regulations and report on such matters to the Board.

The Board provides guidance and oversight in terms of risk appetite, significant compliance and risk strategies and dealing with compliance and risk outcomes.

Code of Conduct

The Board has mandated Codes of Conduct, which apply to Directors, employees and subsidiaries of FAB. The codes encourage appropriate behaviour, define inappropriate behaviour and the process and outcomes for the identification and reporting of such behaviour. Consistent with FAB's approach to employing high standards for transparency and disclosure for the benefit of shareholders and other stakeholders, FAB publishes a wide range of reports containing financial and non-financial data through its Investor Relations function, in addition to disclosures required for regulatory purposes.

FAB has established a number of functions committed to engagement and communication with external stakeholders. These include investor relations, sustainability, and Corporate Governance. In addition, internal transparency and disclosure is considered from operational, ethical and regulatory perspectives, ensuring that staff are aware of FAB developments, strategies, risks and their personal responsibilities and duties, whilst protecting customer and personal data confidentiality, sensitive information and confidential commercial information. Shareholder rights and interests include reserved powers in the UAE Commercial Companies Law and FAB Articles of Association and are supported by the duty of the Board to act in the interest of the Company. FAB acknowledges that there are diverse interests within the shareholder base and that the Board considers such interests when determining the objectives and strategies for the Group.

In addition to the directors conflicts of interest mentioned earlier in this report, management and staff are also bound within the Code of Conduct to avoid situations where a conflict could interfere with their ability to perform their duties effectively. The Code also encourages and guides staff on ethical behavior and integrity. Where these standards are not adhered to, the Bank has a separate Whistleblowing Policy that guides staff on when to report a breach of the Group's Code of Conduct and explains the process for reporting such a breach. The policy includes confidentiality of disclosure as well as protection for the whistle blower.

Recognition and Achievements

Despite all the challenges and integration phases the Bank passed by in 2017, FAB was on the top 10 companies in the Re-Balanced Hawkamah Pan Arab ESG Index among 100+ listed organisations from various industries in the Middle East and Africa region on its environmental, social and corporate governance practices. The Bank in conjunction with the UAE Banks Federation "UBF" is in discussion to contribute to the up-coming Central Bank of the UAE Corporate Governance Regulation.