

**CORPORATE  
GOVERNANCE  
ANNUAL REPORT  
2020**



**Grow  
Stronger**

بنك أبوظبي الأول  
**FAB**  
First Abu Dhabi Bank



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# 1. INTRODUCTION



## A message from the Chairman of the Board of Directors

I am pleased to present 2020 Annual Corporate Governance Report of First Abu Dhabi Bank PJSC (“FAB” or the “Group” or the “Bank”). As a board, we believe that good governance will support the delivery of FAB strategy and is essential to the way in which the business operates on a day-to-day basis. The past year has been transformative and challenging for the world and the global banking industry. The Board has together with Senior Management ensured that FAB continued to demonstrate the Bank’s commitment towards the vision to “Grow Stronger” with the persistent contribution of good governance, holding our shareholders, customers, investors, employees, communities and all other stakeholder interests at the forefront. Our strong set of corporate values that defines the way FAB conducts its business and deals with its stakeholders remains as the foundation of our culture. This culture continues to support and secure effective oversight of decision-making, actions and behavior, focus on the strategy and aligns with the purpose that results in promoting all stakeholders confidence and creating long-term sustainable

growth. Our Board sets the ‘tone from the top’, leading by example to promote our values across FAB. Our culture promotes integrity and transparency in everything we do which reinforce how we conduct business and the behavior of our senior management and all our employees.

While continuing to adopt best in class governance practices, and making prudent adjustments led by the pandemic challenges, our major governance focus during the year 2020 was to ensure complete alignment with the recent enhanced requirements by our main regulator, the Central Bank of the UAE (“CBUAE”), international best practices and local regulators in the countries where we have presence and operations. Our internal policies required ensuring compliance with CBUAE Corporate Governance Regulations and Standards (the “CBUAE CG Regulations”), risk management, internal controls, compliance, internal audit, financial reporting, external audit and outsourcing have been implemented and reviewed for adequacy by the board.

We as the Board recognize the importance of our community and continues to strengthen this through corporate responsibility and ESG strategy.

With the understanding that everything in the organization links to governance, we continue to be committed to high standards of corporate governance, business integrity, professionalism and take our responsibility towards corporate governance sternly.

For 2021, the Board looks forward to working closely with FAB’s stakeholders to continue enhancing the governance structure and to ensure enhanced governance culture is embedded across FAB.

On behalf of our Board of Directors, I recognize and thank the FAB senior management and all the employees around the globe for their contribution to enhanced governance culture, which we will continue to build upon.

**H.H Sheikh Tahnoon  
Bin Zayed Al Nahyan**

CHAIRMAN



# OVERVIEW OF CORPORATE GOVERNANCE

FAB and its Group companies Recognise that a well-considered and established corporate governance framework facilitates effective decision making and builds a strong relationship with stakeholders through a transparent structure that supports high quality disclosures.

As the largest bank in the UAE, FAB is committed to achieving best practices in corporate governance, business integrity and professionalism. Its Board-approved Corporate Governance Framework is aligned with the Bank's strategic objectives and reflects applicable regulatory guidelines, including those of the Central Bank of the UAE and its other regulators. It is designed to reflect the 2019 CBUAE Corporate Governance Regulations for Banks and the accompanying Corporate Governance Standards for Banks (the "CBUAE CG Regulations").

Under Article 2 of the CBUAE CG Regulations, members of the board must ensure that a bank has robust corporate governance policies and processes commensurate with its risk profile and systemic importance.

FAB has developed a Corporate Governance Framework and a supporting Corporate Governance Policy that is designed to meet this requirement. A strong governance framework is only as good as the people who operate it. The culture in which we operate supports our commitment to adopting the spirit of the laws and regulations that govern FAB.

Our corporate values define the way we conduct our business. We strive to lead by example in demonstrating good corporate governance and recognize the importance of effective governance to our owners, our customers, employees, our communities and to us as a Bank. The Bank's overarching corporate governance protocols are overseen by the Board, which directs the Group's affairs and works closely with the Executive Management to set the Bank's strategic objectives. During the year, the Bank's Board Risk and Compliance Committee ("BRCC") approved the reviewed and updated Group Corporate Governance Framework and the Group Corporate Governance Policy, providing a clear mandate and expectations around how FAB will govern its business. It also has a closely monitored delegation of authority matrix that supports the need for independence in decision-making and escalation of reporting, clearly articulated individual and collective accountabilities; and compliance with all applicable laws and regulations.

At FAB the authority and autonomy to operate within a controlled environment is an important tool and facilitates informed decisions by subject matter experts at the appropriate levels within the Bank.



## 2. OWNERSHIP

Share Ownership of FAB Group as of 31st December 2020

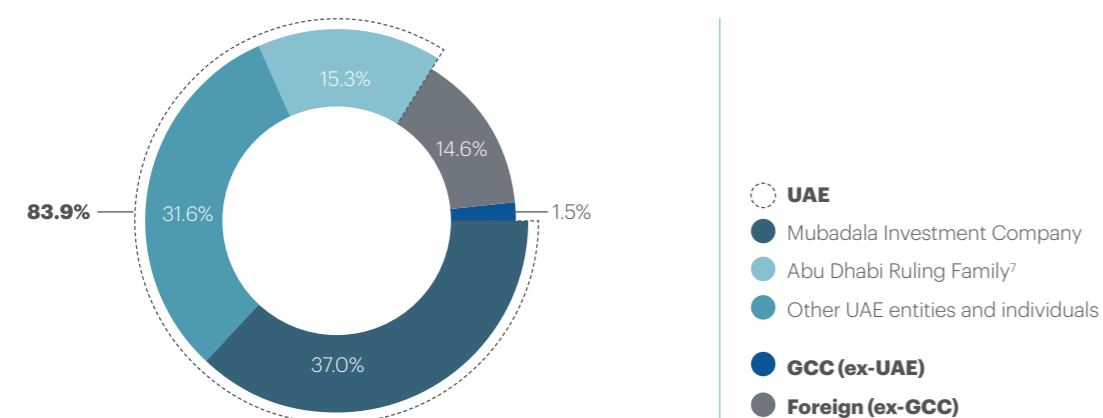
### Ownership Structure as of December-end 2020<sup>4</sup>

As of 31 December 2020, FAB's share capital stood at AED 10,920,000,000 divided into 10,920,000,000 shares of AED 1 each

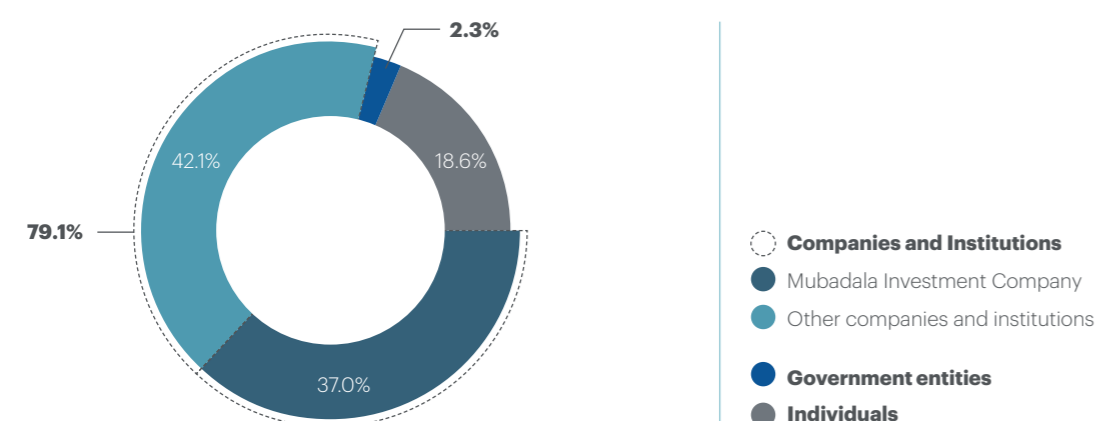
#### Major Shareholders<sup>5</sup>

Name	Number of Shares	Shares (%) <sup>4</sup>
<b>Mubadala Investment Company (MIC)<sup>6</sup></b>		<b>37.0%</b>
• Abu Dhabi Investment Council Company (ADIC PJSC)	3,634,789,745	33.3%
• Mamoura Diversified Global Holding <sup>6</sup>	401,507,065	3.7%

#### FAB Shareholding<sup>4</sup> by Nationality



#### FAB Shareholding<sup>4</sup> by Category



<sup>4</sup>Based on total outstanding number of shares (Issued less Treasury shares of 8,981,260)

<sup>5</sup>Major shareholders defined as shareholders owning 5% or more of the issued capital (as per ADX)

<sup>6</sup>MIC holding through its wholly owned subsidiaries ADIC PJSC and Mamoura Diversified Global Holding PJSC (formerly known as Mubadala Development Company PJSC). MIC is one of the wholly owned strategic investment companies of the Emirate of Abu Dhabi

<sup>7</sup>Members of/ companies owned by the Abu Dhabi ruling family. Each investor (natural or legal person) within this group, owns less than 5% of the company's shares, and is free to buy or sell FAB shares

More details about the ownership of FAB Group can be found at Investor Relations section.

## 3. CORPORATE GOVERNANCE FRAMEWORK AT FAB

The Bank is governed by a framework consisting of a Board and committees. The emphasis in 2020 was to continue to support the evolution of the committees in terms of operating procedures, including the development of defined reporting lines to the Board committees. The emphasis was also on ensuring that all committees received the right information at the right level and at the right time so that members could make informed decisions. The secretaries of the board and management committees are senior employees within the bank and subject matter experts. This has helped to enhance the administration and quality of the meetings, specifically with regard to meetings' preparation, minutes taking, record keeping and accountabilities around decisions taken.

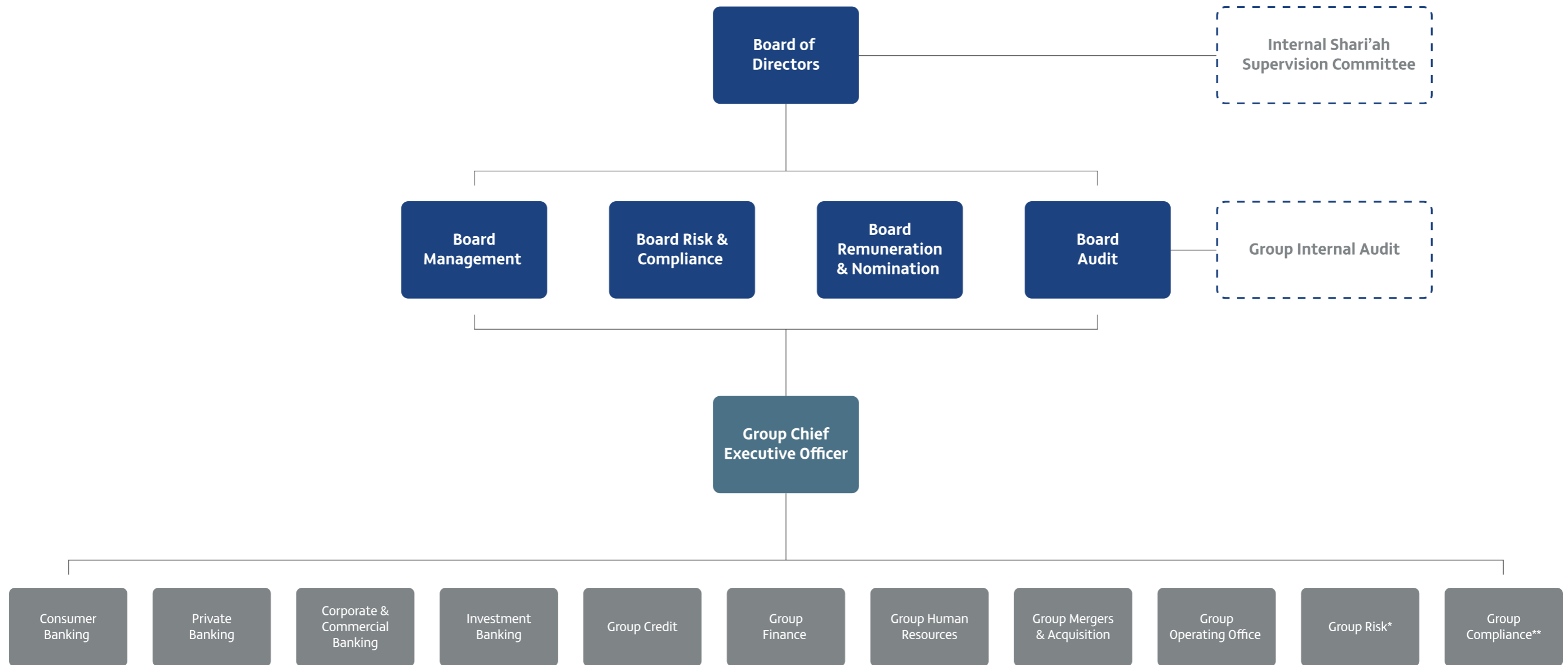
The Board and Board committee charters are updated annually and the focus in 2020 review was to further update these documents to comply with the CBUAE CG Regulations. The charters were also reviewed and updated in Q1 2021 to reflect Shari'ah Islamic Governance Standards for Banks that were issued in May 2020. The updated charters can be found in our website under "Corporate Governance Framework" section. The management committee charters are updated on a two-year cycle. The charters were reviewed in 2020 to ensure that they are aligned with the CBUAE CG Regulations and best governance practices in terms of membership and roles and responsibilities.

The corporate governance framework identifies the responsibilities and accountabilities for the Board and individual Board Directors; Board Committees; the Executive Committee and its supporting Management Committees; and the organization's support and control functions.

An important part of FAB's governance framework is the Bank's General Assembly Meeting (The "Meeting"). This is the opportunity for the shareholders to engage with the Board and raise questions. FAB held two meetings in 2020. The Annual Meeting was held on 24 February 2020 and has a number of purposes, including receiving the FAB Group audited financial statements for the calendar year, to re-elect the external auditors, and to amend and update the Bank's Articles of Association (most recently to reflect changes in Banking Law and the new CBUAE CG Regulations). In addition, the Board of Directors recommended a cash dividend of 74 fils per share (over AED 8 Billion of cash dividends) in accordance with the Bank's aim and strategy of aligning the Bank's long-term sustainable goals and future growth plans with the best interests of the shareholders. The shareholders have approved the Board remuneration and appoint the Board of directors on a three-year tenure. The Internal Shari'ah Supervision Committee annual report and the Internal Shari'ah Supervision Committee Members that were approved by the Higher Shari'ah Authority (HSA) of the CBUAE were also tabled and approved at the Meeting.

A special Meeting was held on 20 October 2020 and the shareholders approved the transfer of ownership of legacy First Gulf Bank Banking License to ADQ Holdings in exchange of a 10% stake in their future digital bank, and preferential access to another 10% at the time of any Initial Public Offering (IPO).

# FAB ORGANISATIONAL STRUCTURE – APRIL 2021



\*Group Risk reports functionally to the Board Risk & Compliance Committee

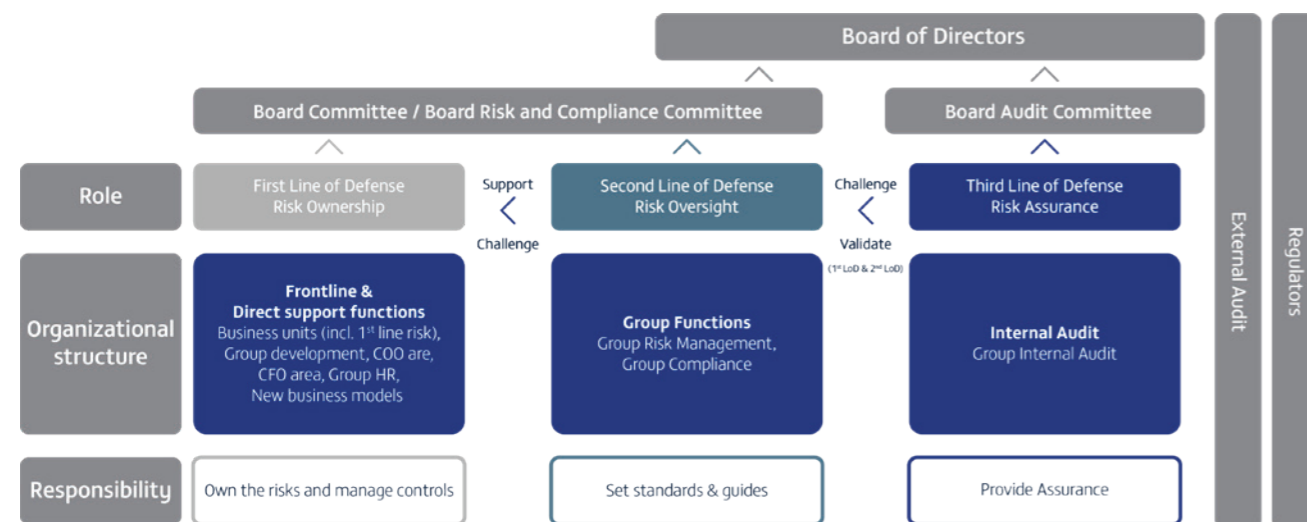
\*\*Group Compliance has a direct right of access to the Board Risk & Compliance Committee and the Board Audit Committee



## Governance, internal controls and risk management

Under the CBUAE CG Regulations, the Board has approved that risk governance framework must incorporate a “three lines of defence” approach including senior management of the business lines, the functions of risk management and compliance, and an independent and effective internal audit function. The 3 Lines of Defense (3LOD) model is a tool used worldwide by banks and other financial institutions to support how risk is managed and the roles and responsibilities of businesses, enablement functions and control functions.

- The First Line – the Business has ownership of risk and it acknowledges and manages the risk that it incurs in undertaking its activities.
- The Second Line – independent (of the business) functions, that in whole or in part oversees and specialises in risk management and/or control, including Credit Risk, Market & Liquidity Risk, Operational Risk, Group Credit, Compliance, IT Security Risk, Legal and Corporate Governance etc. (From a functional perspective, the second line of defence ensures that the first line of defence is properly designed, in place and working as intended. This is done through compliance monitoring and testing. They support the first line of defense to develop sufficient internal control and risk systems within the business).
- The Third Line – Group Internal Audit (“GIA”), which provides independent assurance to the Board and management that the Bank’s risk, control and governance frameworks are effective. From a functional perspective, it is important that the third line of defense is truly independent of the business and properly resourced and acts within recognised international standards for internal auditing. It also requires an active and effective reporting line to the appropriate independent oversight committee, which in practice is the Board Audit Committee. Third line of defense can be invited to all committees, working groups, discussion forum etc. as an observer. It is essential that Group Internal Audit do not participate in any business discussion or decision-making process in order to be independent for future challenge and/or provide assurance to FAB Senior Management or the Board.
- The 3LOD model is embedded in FAB Group’s risk governance framework:



The significant functions, which form the control system, include Internal Audit, Risk, Compliance, and Corporate Governance. Control functions within FAB functionally report to the Board or designated Committees, and administratively report to the GCEO. The CBUAE CG Regulations require that control functions operate separately from the business (which is achieved through the 3LOD) and that the Heads of the Control functions have a direct reporting line to the relevant Board Committee. For example, the Group Chief Risk Officer reports functionally to the BRCC and administratively to GCEO, which means that all risk related matters are escalated to BRCC by GCRO while staffing, competency development and budgeting etc. are referred to GCEO. Similarly, the Group Head of Compliance has a direct right of access to the BRCC and the Board Audit Committee. These reporting lines are included in the relevant Board Committee charters.

## Corporate Governance Policy

To achieve the principles for good Corporate Governance, a robust policy has been developed which includes some of the following elements:

### 1. Group Articles of Association

FAB Group Articles of Association (AOA) which is approved by the CBUAE, The Securities and Commodities Authority (SCA) and the shareholders at the General Assembly Meeting, is considered as FAB’s constitutional document that specifies the regulations for its operations and defines FAB purpose. The AOA lays out how tasks are to be accomplished within the organisation, including the process for appointing directors and the handling of financial records and business across the Group.

### 2. Licenses

FAB is registered with the Department of Economic Development (“DED”) under License Number CN-1001897, FAB is also listed as a Private Joint Stock Company with the Securities and Commodities Authority (“SCA”) and is licensed as a Commercial Bank by its main regulators the Central Bank of the UAE (“CBUAE”).

### 3. Group Board and Board Committees

Provide leadership and direction to the Group and includes; approval of the Group’s strategy and risk appetite, monitoring business performance and the risk and control framework, and providing effective challenge to the Executive Committee of the Bank.

### 4. Group and Subsidiary Management Committees

Help the Group Board and the Group Executive Committee (Group EXCO) to run and control the Bank. This includes providing oversight of financial performance and the risk and control framework across all of the Bank’s businesses and functions, including those of its subsidiary companies.

### 5. Group Delegation of Authority Framework

Defines and governs the Group’s delegations of authority across financial and non-financial delegations, powers of attorney; and the Bank’s authorised signatories.

### 6. Governance controls

The FAB Group also operates a number of policies/procedures/processes, which help determine how governance operates in the Group.

Corporate Governance Policy was restructured and approved by the Board Risk and Compliance Committee in January 2021. The Policy is reviewed on annual basis.



## 4. BOARD OF DIRECTORS



Pursuant to the FAB Group's Articles of Association and in accordance with Federal Law No. (2) of 2015 concerning Commercial Companies and its amendments, the Decretal Federal Law No. (14) of 2018 Regarding the Central Bank & Organization of Financial Institutions and Activities, and the CBUAE CG Regulations of September 2019, the FAB Board of Directors (The "Board") consists of eleven (11) members. The General Meeting in February 2020 approved the appointment of eleven directors and the Bank amended its Articles of Association accordingly. The directors were appointed on a three-year tenure. On the 2nd of April 2020, H.E. Abdulhamid Saeed, resigned from the Board as he was appointed as the Governor of the CBUAE. The General Assembly Meeting in February 2021 approved the appointment of Mr. Andre George Sayegh as a non-executive and non-independent director to replace the resigned member H.E Abdulhamid Saeed (resigned in April 2020).

The composition of the Board satisfies the generally acceptable corporate governance practice relating to the separation of Chair and Group Chief Executive and the majority membership of non-executive directors, UAE nationals and independent directors.

The Board is headed by an independent Chair who is elected from among its members. The Chair has authority to act and speak for the Board, including engaging with FAB senior management, facilitating communications between the Board and its shareholders, and meeting or send a delegate on his behalf (the GCEO) with representatives of FAB's regulators, as required, including the Central Bank of the UAE ("CBUAE") and Securities and Commodities Authority ("SCA").

The Chair provides leadership to the Board and is responsible for its overall effectiveness. The Chair ensures that Board decisions are taken on a sound and well-informed basis, encourage and promote critical discussion and ensure that dissenting views can be freely expressed during the decision-making process. In the absence of the Chair, the Board meetings are chaired by the Vice-Chair.

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.

### Board of Directors' Responsibilities

- The Board is collectively responsible for directing the First Abu Dhabi Bank and its subsidiaries (together "FAB") towards the achievement of FAB's vision. To this end, the Board ensures that FAB's strategic leadership, financial soundness, governance, management supervision and control are robust and effective.
- The Board is collectively responsible for the long term success of FAB and the delivery of sustainable value to shareholders and for ensuring effective control over the bank's entire business.
- The Board sets the Group's values and standards and ensures that its obligations to its shareholders and others are understood and met.

- Members of the Board must act with integrity, exercising their duty of care, duty of confidentiality and duty of loyalty. As part of this duty, they must act in the best interests of stakeholders whilst meeting regulatory expectations. Treating customers fairly is an integral part of FAB's governance and corporate culture.
- Members of the Board are responsible for the implementation of an effective risk management culture and internal control framework across the bank and the group. In order to promote a sound corporate culture, members of the Board must establish the "tone from the top" by:
  1. Setting and adhering to corporate values and creating expectations that all businesses must be conducted in a legal and ethical manner, and overseeing the adherence to such values by staff;
  2. Promoting risk awareness within a strong risk culture, and setting the expectation that all staff are responsible for ensuring the bank operates within the established risk governance framework, risk appetite and risk limits;
  3. Ensuring that appropriate steps have been taken to communicate throughout the bank the corporate values, professional standards and codes of conduct approved by the Board, together with supporting policies; and
  4. Ensuring that staff are aware that appropriate disciplinary or other actions will follow unacceptable behaviors and transgressions.
- The Board ensures that FAB has a fit and proper process for the selection of senior management, including the heads of the risk management, compliance and internal audit functions, and the maintenance of succession plans for senior management.
- The Board ensures FAB's compliance with Islamic Shari'ah Governance Standards and that there is a safeguard Shari'ah Governance Framework that is commensurate with the size and complexity of the operations of FAB and its risk appetite.

### Fact box



- Bank's Board comprised of 10 members, in February 2021 the 11th member was appointed.



- All members of the Board are Non-Executive.



- No member can be on the Board for more than 12 consecutive years (4 terms of 3 years)



- All members of the Board are UAE nationals in 2020



- Board members re-elected at the General Assembly Meeting in 2020



- All Board members are approved by CBUAE



- Board structure has 4 Board committees



- Board carry out annual assessment



- Board and Board Committees held 18 meetings in 2020



- In 2020, 9 out of 10 Board members were independent



## Competencies

In order to ensure that the competencies of the Board are relevant for the challenges the Bank is and will face in the coming years the Board Remuneration and Nomination Committee evaluates competencies of our Board members on a yearly basis. It is important for the Bank that our Board have the right balance of skills, diversity and expertise.

All Board members are evaluated yearly by Board Remuneration and Nomination Committee on following parameters:



Management experience



Board experience



Finance, accounting and audit skills



Risk Management



IT, Digital and Technology



Public relations/ Governance



Business Acumen



Organizational skills

## Independency

At FAB, we follow the CBUAE CG Regulations to assess the Independency of our Board. According to these criteria, in 2020 nine out of ten Board members of FAB were considered independent, as they have no relationship with the Bank or Group that could lead to benefit which may affect their decisions. They are not under any undue influence, internal or external, ownership or control, which would impede the Member's exercise of objective judgment.

Following General Assembly Meeting held 28 February 2021, nine out of eleven Board members are independent. H.E. Waleed Al Mokarrab Al Muhairi and Mr. Andre George Sayegh are considered non-independent Board members based on regulation from CBUAE.

For determining independency, each Non-Executive Director is required to make at least an annual disclosure of all relevant information to the Board Secretary and to the Group Corporate Governance



## Biographies of Board members



### HH. Sheikh Tahnoon Bin Zayed Al Nahyan

- Chairman of the Board of Directors – Elected as Non-Executive member at the
- Independent Board Member
- Chairman of the Board Remuneration and Nomination Committee

#### External appointments

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



### H.E. Sheikh Mohamed Bin Saif Bin Mohamed Al Nahyan

- Vice Chairman of the Board of Directors – Elected as Non-Executive member at the General Assembly Meeting on 31 March 2017. Re-elected on 24 February 2020
- Independent Board Member
- Chairman of the Board Management Committee
- Member of the Board Remuneration and Nomination Committee

#### Overview

H.E. Sheikh Mohamed Bin Saif Bin Mohamed Al Nahyan is a knowledgeable business Professional with more than 16 years' experience. H.E deals with Financials, 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 Abu Dhabi National Insurance Company
- Chairman of the Risk Management Committee of the Abu Dhabi National Insurance Company



### H.E. Jassim Mohammed Buatabh Al Zaabi

- Elected as Non-Executive member at the General Assembly Meeting on 24 February 2020
- Independent Board Member
- Member of the Board Risk and Compliance Committee

#### Overview

H.E. Jassim Mohammed Buatabh Al Zaabi has served as the Chairman of the Abu Dhabi Department of Finance since April 2019. As one of the eminent Emirati leaders, H.E was assigned several vital positions before that, such as Chairman of the Abu Dhabi Executive Office, which is the local executive authority of Abu Dhabi. He also served as Chairman of the Executive Committee of the Executive Council of the Emirate of Abu Dhabi. H.E holds a bachelor's degree in Business Administration from Ajman University of Science and Technology and a master's degree in Business Administration from London Business School.

#### External appointments

- Director General of the National Electronic Security Authority (NESA)
- Vice President of the Abu Dhabi Development Holding Company
- Chairman of the Board of Directors of the Abu Dhabi Retirement Pensions & Benefits Fund
- Chairman of Injazat Data Systems Company
- Chairman of Al Yahsat Satellite Communications Company
- Board Member of the Advisory Council of Mohamed bin Zayed University of Artificial Intelligence
- Board Member of Emirates Nuclear Energy Corporation
- Board Member of Nigeria's Telecom Company



#### H.E. Dr. Sultan Ahmed Al Jaber

- Elected as Non-Executive member at the General Assembly Meeting on 24 February 2020
- Independent Board Member
- Member of the Board Risk and Compliance Committee

#### Overview

H.E. Dr. Sultan Ahmed Al Jaber is the Minister of State of the UAE and member of the federal cabinet. Dr. Al Jaber has extensive experience in both the public and private sector and has been responsible for overseeing, developing and enhancing strategic geopolitical, social and economic partnerships with several nations. H.E. is also the Group Chief Executive Officer of the Abu Dhabi National Oil Company (ADNOC), where he is leading the rapid and comprehensive transformation of the company at the direction of the leaders of the UAE. H.E. was the Chief Executive Officer of the 'Energy' platform at Mubadala Investment Company. Whilst at Mubadala Investment Company, he established Masdar, Abu Dhabi's pioneering renewable energy initiative. He also served as Chairman of the Abu Dhabi Ports Company from 2009 to 2019. H.E. has previously served on the United Nations Secretary General's High Level Group on Sustainable Energy for All. He has received various awards including the United Nations flagship award "Champion of the Earth" in 2012. In 2013 Dr. Al Jaber was appointed an honorary Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II. In 2019, Dr. Al Jaber received a lifetime achievement award from his Excellency the prime minister of India, Narendra Modi, for his contributions to energy security, building bridges to emerging Asian economies and reshaping of the traditional energy business model.

#### External appointments

- Chairman of Masdar
- Chairman of the Board of Trustees of the Mohamed bin Zayed University of Artificial Intelligence
- Board Member of Emirates Global Aluminium



#### H.E. Shaikh Ahmed Mohammed Sultan S. Al Dhaheri

- Elected as Non-Executive member at the General Assembly Meeting on 31 March 2017. Re-elected on 24 February 2020
- Independent Board Member
- Member of the Board Audit Committee

#### Overview

H.E. Shaikh Ahmed Mohammed Sultan S. Al Dhaheri is currently the Chairman of Bin Surour Engineering. Prior to this, H.E 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

- Vice Chairman of the Abu Dhabi Aviation (ADA)
- Vice Chairman of the Abu Dhabi National Hotels Company (ADNH)
- Board Member of the Emirates Telecommunication (Etisalat)
- Board Member of the National Consultative Council (NCC)
- Board Member of Al Dhafra Insurance
- Board Member of Al Dhaheri Group



#### H.E. Jassim Mohamed Al Seddiqi

- Elected as Non-Executive member at the General Assembly Meeting on 24 February 2020
- Independent Board Member
- Chairman of the Board Audit Committee
- Member of the Board Management Committee

#### Overview

H.E. Jassim Mohamed Alseddiqi is the Chief Executive Officer of SHUAA Capital, the leading asset management and investment banking platform, with c. USD 14 billion in assets under management. H.E is known for his dynamic and innovative approach, having pioneered many investment strategies in the region. H.E holds a BSc in Electrical Engineering from the University of Wisconsin-Madison and an MSc in Electrical Engineering from Cornell University. He has also served as a noted lecturer at the Abu Dhabi-based Petroleum Institute.

#### External appointments

- Chairman of Gulf Finance House (GFH)
- Chairman of Khaleeji Commercial Bank (Manama Bahrain)
- Chairman of SALAMA Islamic Arab Insurance Company
- Chairman of Eshraq Investments
- Chairman of the Entertainer
- Board Member of ADNOC Distributions and Dana Gas.



#### H.E. Khalifa Sultan Ahmed Sultan Al Suwaidi

- Elected as Non-Executive member at the General Assembly Meeting on 31 March 2017. Re-elected on 24 February 2020.
- Independent Board Member
- Chairman of the Board Risk and Compliance Committee
- Member of the Board Remuneration and Nomination Committee

#### Overview

H.E. Khalifa Sultan Ahmed Sultan Al Suwaidi is an Executive Director of the Direct Investment Department at the Abu Dhabi Investment Council Company PJSC (ADIC). Prior to this, H.E 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 Etihad Aviation Group
- Board Member ICE Futures Abu Dhabi





### H.E. Mohammed Thani Murshed Ghanem Al Rumaithi

- Elected as Non-Executive member at the General Assembly Meeting on 31 March 2017. Re-elected on 24 February 2020
- Independent Board Member
- Member of the Board Audit Committee

#### Overview

H.E. Mohammed Thani Murshed Ghanem Al Rumaithi has contributed to the growth of the Abu Dhabi Business community through the number of pivotal positions he has held in the Abu Dhabi Business community and is currently serving as the President of the Federation of Chambers of the Gulf Cooperation Council (GCC).

#### External appointments

- President of the Union of Arab Chambers
- Chairman of the Federation of the UAE Chambers of Commerce and Industry (FCCI)
- Chairman of Abu Dhabi Chamber of Commerce & Industry
- Chairman of National Marine Dredging Co.
- Chairman of Thani Murshed Uniliver
- Vice President of Abu Dhabi Sports Council
- Board Member, Al Etihad Credit Bureau



### H.E. Mohamed Saif Al Suwaidi

- Elected as Non-Executive member at the General Assembly Meeting on 31 March 2017. Re-elected on 24 February 2020
- Independent Board Member
- Member of the Board Management Committee
- Member of the Board Audit Committee

#### Overview

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

- Vice Chairman of Emirates Steel Industries Company
- Board member DP World
- Board member Al Jazira Sports & Cultural Club.



### H.E. Waleed Al Mokarrab Al Muhairi

- Elected as Non-Executive member at the General Assembly Meeting on 24 February 2020.
- Non-independent Board Member
- Member of the Board Management Committee

#### Overview

As Deputy Group Chief Executive Officer, Alternative Investments & Infrastructure Mubadala Investment Company, H.E. Waleed Al Mokarrab Al Muhairi has strategic oversight of the company's broad investment portfolio and special projects at the group

level while ensuring that the company's four platforms are coordinating efficiently. H.E. is also Chief Executive Officer of the Alternative Investments & Infrastructure platform and leads Mubadala's healthcare, real estate & infrastructure, and capital investment portfolios. H.E. is a member of Mubadala's Investment Committee, which is mandated to develop the company's investment policies, establish investment guidelines and review all proposed projects and investments to ensure they are in line with business objectives. He was one of the principal architects behind the Abu Dhabi 2030 Economic Vision. Prior to joining Mubadala, Waleed worked with the UAE Offsets Program Bureau as a Senior Project Manager. Past roles also include working with McKinsey & Company as a commercial and governmental consultant. H.E. holds a Master's Degree in Public Policy from Harvard University, USA, and a Bachelor of Science Degree in Foreign Service from Georgetown University, USA.

#### External appointments

- Chairman of Cleveland Clinic Abu Dhabi
- Chairman of Waha Capital
- Chairman of Global Institute for Disease Elimination (GLIDE)
- Chairman of The US-UAE Business Council
- Chairman of Mubadala Health
- Member of the Board of Trustees of Cleveland Clinic in the United States
- Board Member of Aldar
- Board Member of Abu Dhabi Global Market
- Board Member of Noon.com
- Board Member of Hub71
- Board Member of Ellipses Pharma Manager
- Board Member of Investcorp Holdings, Bahrain

H.E. Abdulhamid Saeed was appointed on the Board of Directors at the General Assembly Meeting in February 2020. On the 2nd of April 2020, H.E. Abdulhamid Saeed, resigned from the Board as he was appointed as the Governor of the CBUAE, therefore a vacancy was opened in 2020.

At the General Assembly Meeting held on 28 February 2021, Mr. Andre George Sayegh was appointed by the shareholders to fill the open vacancy on the Board of Directors. Mr. Andre George Sayegh will be considered a non-independent Board member as his tenure with the Bank ended in January 2021.



### Mr. Andre George Sayegh

- Non-Executive Member elected at the General Assembly Meeting on 28 February 2021
- Non-independent Board Member
- Member of the Board Audit Committee
- Member of the Board Risk and Compliance Committee

#### Overview

Mr. André Sayegh is a seasoned C-suite executive with over three decades of experience in banking and financial services. Most recently serving as Group Chief Executive Officer at First Abu Dhabi Bank (FAB), prior to his retirement in January 2021. André played a pivotal role in merger of First Gulf Bank (FGB) and National Bank of Abu Dhabi (NBAD) to form FAB. André served FAB and its predecessor bank, FGB, with distinction for over 20 years, assuming several senior executive positions, including Chief Executive Officer of FGB from 2006 to 2017. His previous experience includes senior positions with several leading international financial institutions, including Citibank.

André holds a BBA in Finance and an MBA in Corporate Finance and Banking from the American University of Beirut and completed a project at Columbia University majoring in the evolution of financial institutions.

## Board governance

### Appointment, Retirement and Re-Election

In order to ensure that the competencies of the Board are relevant for the challenges the Bank is and will face in the coming years the Board Remuneration and Nomination Committee evaluates competencies of our Board members on a yearly basis. It is important for the Bank that our Board have the right balance of skills, diversity and expertise.

According to the Bank's Articles of Association, Board Members are elected at the General Assembly Meeting (the "Meeting") of the shareholders every three years. Board members term of office/ appointment is for three years. At the end of this term, directors need to be re-elected at the Meeting of the shareholders by secret ballot using Cumulative Voting.

The Board may appoint members to fill vacant offices on the Board, provided that this appointment is presented to the General Assembly Meeting at its first meeting to approve the appointment or appoint other members by way of a Resolution. If the number of vacant positions amounts to a quarter of the original number of Directors, a special Meeting shall be called into session within a maximum of thirty (30) days from the date on which the last position became vacant, to elect occupants for the vacant positions.

Candidates nominated to be elected on the Board of Directors are approved by the Remuneration and Nomination Committee and pre-approved by the Central Bank of the UAE.

### Conflict of interest

Although majority of our Board of Directors are considered independent according to the criteria set by the Central Bank of the UAE, it is recognized that potential conflicts of interests may arise. It is therefore important that potential conflicts be dealt with transparently and promptly.

A Director has a duty to avoid to the extent possible any activity at FAB or elsewhere which creates or appears to create a conflict between a Director's own interests (be those as an individual or through an entity he is associated with) and the interests of FAB. In particular a Director must avoid competing directly or indirectly with FAB, including holding directorships in competing institutions. In addition a Director is prohibited from:

- providing unjustified advantages to third parties at the expense of FAB;
- taking for himself, his immediate family or a related party opportunities that are available through his position as a Director, or his use of FAB property or information; and
- Taking advantage of the position as Director to gain directly or indirectly any personal advantage which might be to the detriment of FAB.

Conflicts of interests extend to a Directors' immediate family or a related party who must not receive any improper personal benefits as a result of the position of an individual as a Director of FAB. Any offer of such improper personal benefits should be immediately notified to the Chair of the Board. If the offer relates to the Chair's immediate family or related party, he should notify the Board collectively.

Where reasonably possible, a Director should seek to limit his outside interests, activities or relationships that may create a conflict with his duties to FAB, including directorships of external commercial companies or other business, professional or economic activities that may impede their ability to perform duties independently and objectively. In the event that such an outside activity, interest or relationship creates a conflict, the Director should make the Chair aware, who will consider whether those activities will or will not create an actual or potential conflict of interest, and also that the director remains able to devote sufficient time to discharge his duties. Non-compliance with these conflict of interest provisions will be considered a breach of this breach of Directors Code of Conduct.

A Director who becomes aware of an actual or potential conflict of interest must: promptly disclose the matter to the Chair of the Board and the Secretary to the Board; and abstain from any and all involvement in that matter, including recusing himself from participating in the debate or voting on the matter or attending the relevant meetings.

## General Assembly Meeting

On annual basis the Bank holds a Shareholders' General Assembly Meeting (the "Meeting") whereby shareholders and executives interact. It is a mandatory annual meeting primarily held to allow the Bank's interested shareholders with voting rights to vote on the Bank's high level issues and to re-elect the Bank's Board of Directors. The Meeting is convened under an invitation by the Board of Directors, within four months following the end of the fiscal year, at a time and location arranged by the Group Board Secretary. Shareholders who do not attend the meeting in person may usually vote by proxy. The Meeting is also attended by a representative of the Bank's regulator the Securities and Commodities Authority ("SCA") and the Bank's external auditors.

The agenda of the Meeting covers the Board of Directors report on the Bank's activity and financial position, the external auditors' report, distribution of profits/dividend distribution, the remuneration of the Board of Directors and the election of the Board of Directors. Shareholders representing at least 10% of the share capital of the company may requisition an item to be listed on the agenda. All shareholders are entitled to address questions to the directors and the auditor. It is a key opportunity for shareholders to gain direct access to the Board and senior management. Any decisions are passed by a simple majority of shareholders present at the meeting and are binding on all shareholders whether assented to or not. The Meeting resolutions are disclosed to the Abu Dhabi Stock Exchange ("ADX") and the signed minutes of the Meeting are sent to SCA.

### Board Training

Recognizing the value and importance of continuing training for the Board and to comply with the CBUAE CG Regulations, the corporate governance team worked closely with the Board Secretary and stakeholders across the Group to prepare comprehensive continuing training materials to the Board of Directors. In 2020, the following topics were covered:

- Board Leadership – The effective Board,
- Regulatory Compliance highlights,
- ESG related financial risks and opportunities for FAB,
- Cloud Adoption and Security in FSI,
- Digital Transformation – Disruptive Digital Trends in Banking.

Feedbacks from the Board of Directors are taken into consideration to continue the enhancements of topics presented to the Board and to address regulatory matters and international trends applicable to financial institutions.

### Board Committees

Our Board Committees play a crucial part in 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 in the committees allows board members to get closer to the activities of the business. Due to their specialized nature, committees are able to conduct research and analysis of technical matters. They are empowered to make recommendations to the Board for ultimate approval. The FAB Board has established four committees. Each Committee has an independent Non-executive Director as the Committee Chair. The Committees' Charter is reviewed and approved by the Board annually. The Committees are required to meet as frequently as deemed necessary to fulfil their objectives and to allow sufficient time for discussions, presentations, deliberations and decisions to be taken.



## Board Management Committee (“BMC”)

### Overview

The BMC approves and oversees execution of FAB Group’s business plan as per the strategy approved by the Board and oversees and reviews material aspects of the business of the FAB Group. The BMC is composed of four (4) Board members with majority of the members considered non-executive independent directors including the Chair. Along with other board members, the BMC also comprises the Group Chief Executive Officer of the Bank who attends the meeting of the BMC as an Executive Member. Hence the BMC is an independent committee with 60% of the members being independent.

### Members

<b>Chairman</b>	H.E Sheikh Mohamed Bin Saif Bin Mohamed Al Nahyan
<b>Member</b>	H.E Jassim Moahmed Al Seddiqi
<b>Member</b>	H.E Mohmed Saif Al Suwaidi
<b>Member</b>	H.E Waleed Al Mokarrab Al Muhairi
<b>Executive Member</b>	Group Chief Executive officer

### Achievements

Monitoring of material Credit exposures and satisfying itself that the exposures operated within the Bank’s approved credit risk appetite framework.
Conducted a number of reviews of the Bank’s financial performance prior to referral to the Group Board of Directors.
Reviewed and approved the agenda of General Assembly Meeting and oversee the implementation of the Bank’s local and International projects and strategy in line with the market changes and challenges.
Supported in the implementation of the bank’s management to restructure Non- Performing Loans.

In 2020 BMC held 4 committee meetings with 100% attendance

## Board Remuneration and Nominations Committee (“REMCO”)

### Overview

REMCO oversees the composition of the Group Board Directors and succession planning for the Group Executive Committee members. It also reviews FAB’s reward policy framework. The REMCO is composed of three (3) Board members with all of the members considered non-executive Independent directors, including the Chair. Along with other Board members, the REMCO also comprises the Group Chief Executive Officer of the Bank who attends the meeting of the REMCO as an Executive Member and the Group Chief Human Resources Officer of the Bank as a permanent attendee (no voting rights). Hence the REMCO is an independent committee with 75% of the members being independent.

The REMCO is responsible for recommending to the Board the appointment and termination of directors and where appropriate senior management of FAB and to ensure that there is a smooth succession process. The REMCO is also responsible for the oversight and approval of the rewards design methodology consistent with FAB’s culture, values, business performance and risk strategy.

### Members

<b>Chairman</b>	H.H Sheikh Tahnoon Bin Zayed Al Nahyan
<b>Member</b>	H.E Sheikh Mohamed Bin Saif Bin Mohamed Al Nahyan
<b>Member</b>	H.E Khalifa Sultan Ahmed Sultan Al Suwaidi
<b>Executive Member</b>	Group Chief Executive Officer
<b>Permanent Attendee</b>	Group Chief Human resource Officer

### Achievements

REMCO performed a full review of the bank’s reward strategy covering fixed, variable pay and allowances with a particular focus on key initiatives to be implemented during the year.
Review of the Senior Management objectives based on the Banks Balanced Scorecard.
Approved the appointment of the Group Chief Executive Officer.
Approved Human Resources and Compensation policies.

In 2020, Board REMCO held 2 committee meetings with 100% attendance

## Board Risk and Compliance Committee (“BRCC”)

### Overview

The BRCC provides oversight and advice to the Group Board in relation to current and potential future risk and compliance exposures of the FAB Group. It also considers and helps direct future risk strategy, including determination of risk appetite and tolerance as well as promoting a risk and compliance awareness culture among the Group. The BRCC is composed of at least three (3) Board members (in 2020) with majority of the members considered non-executive independent directors and the Group Chief Executive Officer as a non-voting member. The Group Chief Risk Officer is also a permanent attendee (no voting rights). Hence the BRCC is an independent committee with 100% of the voting members being independent.

### Members

<b>Chairman</b>	H.E Khalifa Sultan Ahmed Sultan Al Suwaidi
<b>Member</b>	H.E Dr. Sultan Ahmed AL Jaber
<b>Member</b>	H.E Jassim Mohammed Buatabh Al Zaabi
<b>Member</b>	Mr. Andre George Sayegh (appointed on 28 February 2021)
<b>Executive Non-Voting Member</b>	Group Chief Executive Officer
<b>Permanent Attendee</b>	Group Chief Risk Officer

## Achievements

Macro-economic reviews and its impact on the strategy of the bank.
Continuous review of Group Risk and Compliance Profile and Risk Appetite Framework.
Discussion and review of initiatives for 2020 for Group Risk and Compliance.
Continuous review on Covid19 impact, action taken by Risk and Compliance and mitigation status.
Reviewed the readiness of Risk and Compliance for Work From Home
Keeping track of CBUAE TESS Regulations & Other Relief Measures.
Sought updates on adherence of Large exposure guidelines and potential breaches.
Reviewed the Risk Based Supervision findings and Action plan report.
Reviewed outlook on capital, liquidity, asset quality, compliance and other non-financial (operational, fraud risk and infosec) matters.
Sought updates on Assests For Sale portfolio movement amid covid-19 pandemic.
Reviewed specific updates on Reputation and Strategic Risk.
Launch of Recovery & Resolution Planning (RRP) framework at FAB.
Approval of Management Committees charters, group policies, frameworks, models etc.

In 2020, BRCC held 4 committee meetings with 81% attendance

## Board Audit Committee (“BAC”)

### Overview

The BAC ensures the quality and integrity of financial statements, and financial reporting, including oversight of the internal and external auditors, and assesses the effectiveness of internal control, risk management and governance systems including the effectiveness of Islamic Financial Institution’s (IFI) governance systems and policies. The BAC is composed of at least four (4) non-executive independent Board Members. The Group Chief Executive Officer attends the meeting as an executive non-voting member and the Group Chief Audit Officer of the Bank is a permanent attendee (no voting rights). Hence the BAC is an independent committee with 100% of the voting members being independent.

### Members

<b>Chairman</b>	H.E Jassim Mohamed Al Seddiqi
<b>Member</b>	H.E Mohamed Saif Al Suwaidi
<b>Member</b>	H.E Mohammed Thani Murshed Ghanem Al Rumaithi
<b>Member</b>	H.E Sheikh Ahmed Mohamed Sultan S. Al Dhaheri
<b>Member</b>	Mr. Andre George Sayegh (appointed on 28 February 2021)
<b>Executive Non-Voting Member</b>	Group Chief Executive Officer
<b>Permanent Attendee</b>	Group Chief Audit Officer

## Achievements

Endorsed the Bank’s Risk Based Audit Plan for 2021, budget and resource requirements. This also included endorsing the revision and update of the charters, policies and practices aligning with the UAE Standards and Regulations related to Internal Auditing and the CBUAE CG Regulations, including departmental initiatives.
Stayed abreast on the progress and the outcome of the various regulatory reviews and examinations.
Discussed the various regulations and laws having an impact on the Bank and the Group Internal Audit processes.
Discussed FAB and Internal Audit’s measured approach in managing staff, revisiting the operating model and control framework during the COVID-19 outbreak and the initiative and the strategy taken. Re-assessed the plan taking into consideration new audit engagements due to the present feasibility and practicality of continuing the pre-prescribed Audit Plan during these exceptional circumstances.
Discussed and assessed a range of internal and external factors including increased cyber threats, business continuity standards and challenges, industry operations and fraud risk, regulatory changes, integration activities and competitive business conditions; this led to the committee’s focus on increased coverage of technology, information security and compliance audit engagements.
Coverage of asset quality matters, provisioning levels and monitoring of both the Corporate & Investment Banking and Personal Banking businesses.
Oversight of international branches, control and support 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.
Met with the External Auditor periodically to discuss 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. This also included oversight of the performance of the statutory auditors and the re-appointment of the auditors at a Group level.
Discussed and assessed the outcomes and updates received as a result of the various regulatory visits/examinations and reviews at Group and International jurisdictions including the FATF UAE Mutual Evaluation.

In 2020, Board Audit Committee held 4 committee meetings with 88% attendance

## Board Assessment

In order to continuously improve the work within Board and Board committees, a self-assessment of committee effectiveness questionnaire is submitted to board members annually. Feedback from these questionnaires is gathered and processed by Board Secretary. Based on assessment different initiatives are implemented.



## 5. SHARI'AH ISLAMIC GOVERNANCE

FAB is supervised from a Shari'ah perspective by an Internal Shari'ah Supervision Committee ("ISSC"). The appointment of the ISSC members is endorsed by FAB Group Board of Directors, approved by the Higher Shari'ah Authority ("HSA") of the CBUAE and by the General Assembly Meeting of the Bank. The ISSC consists of renowned and qualified Shari'ah scholars who are responsible to review and ensure that all FAB's Islamic banking products, services and operations are in compliance with the Shari'ah principles. The ISSC also supervises the Bank's Islamic subsidiaries i.e. First Abu Dhabi Islamic Finance and Aseel Finance in all matters related to Shari'ah.

The Bank's Islamic Banking business is governed by a Shari'ah Governance Framework that covers the core functionalities of the Islamic Banking activities. The scope of the Shari'ah Governance Framework includes the reporting framework, accountability and 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.

During 2020, the ISSC held four (4) ISSC Meetings with 100% attendance and issued various Shari'ah guidelines, approvals and resolutions covering various business groups and product segments across the Bank and its subsidiaries. The Bank through its central Shari'ah function the ISU continue to conduct the revision of its existing products, activities and services in order to comply with the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") Shari'ah Standards by 30th June 2021 as per the resolution no 18/3/2018 of the HSA of the CBUAE. The Bank has also been working to implement 2 other important regulations which are Shari'ah Governance Standard for Islamic Financial Institutions/Islamic Window issued on the 3rd of May 2020 and Regulatory requirements for Islamic Window issued on the 26th of October 2020.

The Bank has submitted its Shari'ah Governance Framework to CBUAE in November 2020 with full implementation to be in May 2021. Under the framework, a 3 lines of defense for Shari'ah compliance will be established. This requires segregation between Islamic business, Shari'ah control and Shari'ah audit through the establishment of Internal Shari'ah Control and Internal Shari'ah Audit departments that report to the Board of Directors. This will avoid any conflict of interest between the 3 important lines and put in place the required check and balance in ensuring all Islamic banking activities are done as per the relevant Shari'ah guidelines and regulations. The regulation also requires direct involvement of Board of Directors and its committees such as Board Risk & Compliance Committee and Board Audit Committee in the Shari'ah governance framework which further strengthen the effectiveness of the framework.

### Internal Shari'ah Supervisory Committee ("ISSC") Members:

At the General Assembly Meeting (the "Meeting") held on 24 February 2020, the following ISSC members were appointed:

- Dr. Mohammed Daud Bakar
- \*Dr. Mohamed Ali Elgari
- \*Dr. Abdul Aziz Al Qassar
- Dr. Salim Ali Salim Al Ali

\*Replaced at the Meeting held on 28 February 2021

### Current Members:



**Dr. Mohammed Daud Bakar (Chairman)**

Elected at the General Assembly Meeting on 24 February 2020. Re-elected on 28 February 2020. Dr. Mohammed Daud is the founder of Amanie Advisors, a global boutique Shariah advisory firm with offices located in Kuala Lumpur, Dubai and other international locations. Prior to this, he was the deputy vicechancellor at the International Islamic University Malaysia.

He has a degree in Shariah from University of Kuwait and PhD from University of St. Andrews as well as Bachelor of Jurisprudence at University of Malaya. Dr. Mohd Daud is currently the chairman of the Shariah Advisory Council of the Central Bank of Malaysia and Securities Commission of Malaysia.

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) and in other financial institutions both local and abroad. Dr. Mohd Daud received the Islamic Economy Award at the Global Islamic Economy Summit (GIES) 2015 from His Highness Sheikh Mohammed bin Rashid Al Maktoum on behalf of Amanie Advisors. Dr. Mohd Daud is currently the Chairman of FAB ISSC.



**Dr. Salim Al-Ali (Member)**

Elected at the General Assembly Meeting on 24 February 2020. Re-elected on 28 February 2021. Dr. Salim Al Ali is currently an Assistant Professor in Shariah & Islamic Studies at the UAE University and holds a Ph.D in Financial Law from the University of London and Master of Islamic Banking and Finance from International Islamic University of Malaysia.

Dr. Salim Al-Ali is a specialist in Islamic financial law, and legal and regulatory aspects of Islamic financial markets. He has participated in national and international conferences to address sharia, legal and regulatory issues related to the Islamic banks, Islamic capital markets and takaful. His has a wide experience in consulting, teaching and academic research in Islamic finance in different jurisdictions including Malaysia, the UAE and the UK. He currently seat as Internal Shariah Supervisory Committee members in various other local and international banks such as Abu Dhabi Commercial Bank (ADCB), Al Hilal Bank, Emirates NBD, HSBC, SCB, Ajman Bank and National Bank of Fujairah. Dr. Salim is an existing member of FAB Internal Shariah Supervisory Committee since July 2020.





**Dr. Mohamed Akram Laldin (Member)**

Elected at the General Assembly Meeting on 28 February 2021 Prof. Dr. Mohamad Akram Laldin is currently the Executive Director of International Shari'ah Research Academy for Islamic Finance (ISRA). Prior to that, he was an Assistant Professor at the International Islamic University, Malaysia (IIUM).

He was a Visiting Assistant Professor at the University of Sharjah, Sharjah, United Arab Emirates. Dr. Akram holds a B.A. Honours degree in Islamic Jurisprudence and Legislation from the University of Jordan, Amman, Jordan and a Ph.D. in Principles of Islamic Jurisprudence (Usul al-Fiqh) from the University of Edinburgh, Scotland, United Kingdom. At present, he is a member of Shari'ah Advisory Council (SAC) of Central Bank of Malaysia, Shariah Advisory Employees Provident Fund (EPF), HSBC Amanah Global Shari'ah Advisory Board, Yassar Limited (Dubai), EAB (London) Shari'ah Advisory Board, Islamic Advisory Board of HSBC Insurance Singapore, Shari'ah Advisory Council International Islamic Financial Market (IIFM), Bahrain, AAOIFI Shari'ah Standards Committee member and other Boards locally and internationally. In UAE, he also seats on Internal Shariah Supervisory Committee of Dubai Islamic Bank and RAK Bank.

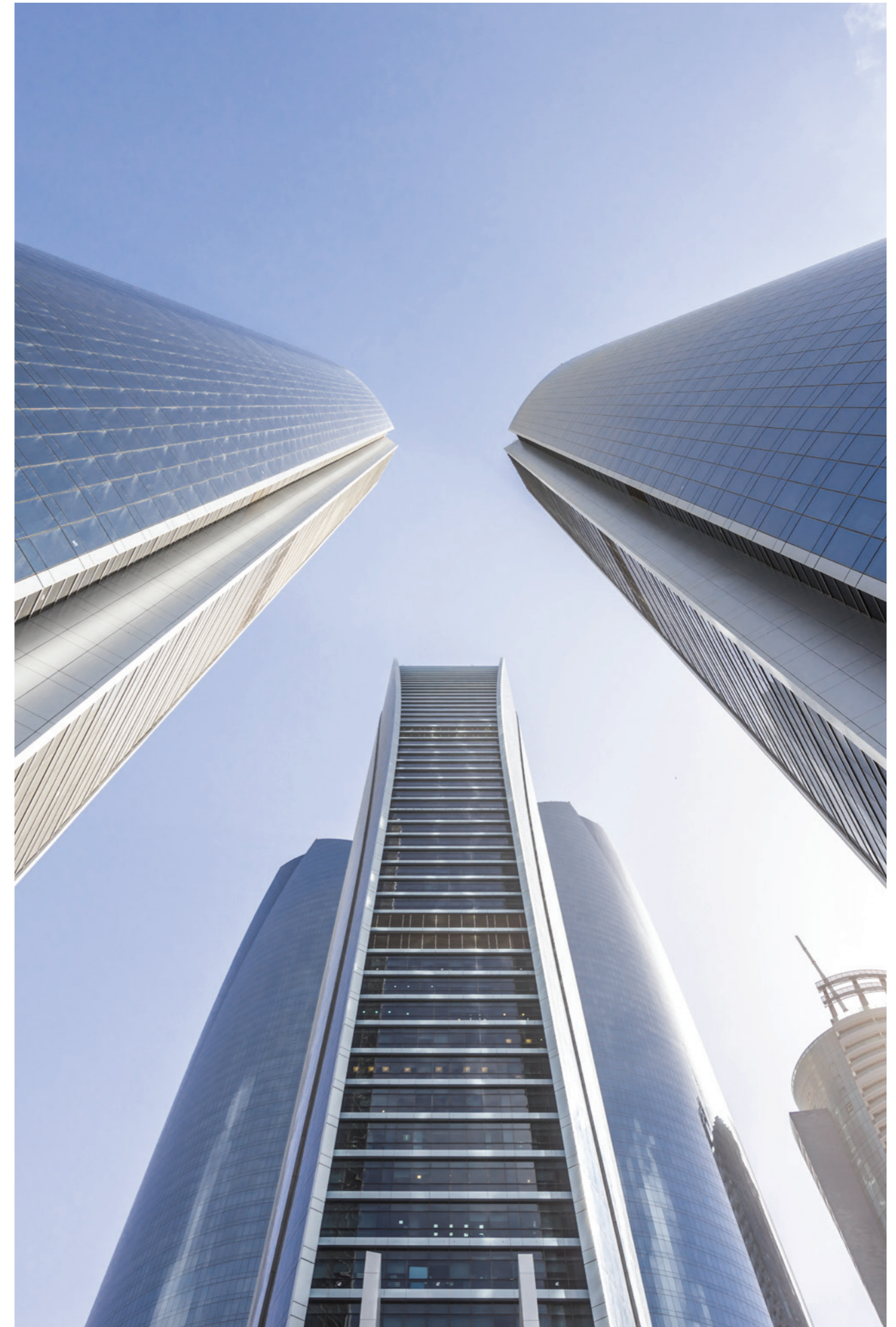


**Dr. Ahmed Rufai (Member)**

Elected at the General Assembly Meeting on 28 February 2021. Dr. Ahmed Rufai is currently the Head of Shari'ah Compliance to the International Islamic Financial Market (IIFM), Bahrain. IIFM is a global standard-setting body of Islamic financial services industry focusing on standardization of Shari'ah-compliant financial contracts and product templates.

He has contributed significantly in the development and publication of thirteen comprehensive documentation and product confirmation standards as well as related guidance notes across Liquidity Management, Hedging, Sukuk and Trade Finance. He also contributed notably in preparing discussion papers for IIFM consultative meetings, as well as in the compilation of the IIFM Annual Sukuk Reports. In addition to the active roles he plays in seminars, workshops and consultative meetings organized by IIFM in many jurisdictions worldwide.

Dr. Ahmed holds a Ph.D. in Islamic Law of Transactions, University of Malaya, Malaysia and Bachelor's Degree in Shari'ah (i.e., the Islamic Law), Islamic University of Madinah, Kingdom of Saudi Arabia.





## 6. SENIOR MANAGEMENT



**Hana Al Rostamani - Group Chief Executive Officer**

Hana Al Rostamani is the Group Chief Executive Officer at First Abu Dhabi Bank (FAB). A seasoned C-suite executive with more than 20 years of experience in banking and financial services, Hana previously served as Deputy Group Chief Executive Officer and Head of Personal Banking at FAB, responsible for leading the transformation of FAB's consumer bank, instilling a customer and digital-first mind-set.

A graduate of George Washington University in the US, Hana has served as an independent director in Emirates Integrated Telecommunication Company (Du) and was vice-chairperson of the Emirates Institute for Banking and Financial Services. She is currently a member of MasterCard Advisory. As the only female Group Chief Executive Officer of a major UAE-headquartered bank and publicly listed corporation within the UAE, Hana is recognised for her leadership skills and forward-thinking vision. Her most recent accolade includes her nomination in Forbes Middle East, being ranked third as featured in 'Middle East's Power Business Women 2021' list.



**Fadel Al Ali - Deputy Group CEO and Group Chief Operating Officer**

Fadel Al Ali is the Deputy Group CEO and Group Chief Operating Officer at FAB.

Prior to joining First Abu Dhabi Bank in 2017, Fadel was the CEO of Dubai Holding. Under his leadership, Dubai Holding recorded its highest ever profit since inception. During his tenure, he was responsible for overseeing Dubai Holding's financial, legal and operational strategies. Fadel was also responsible for successfully issuing multi-currency multiple tenor bonds worth US\$ 2.25 billion for Dubai Holding Commercial Operations Group and repaid them successfully through internal resources.

In addition to being a member of the Executive Committee of the Bank, Fadel is also on the board of Dubai Financial Services Authority, FAB (Suisse) Private Bank SA, Abu Dhabi Capital Group and Abu Dhabi Financial Group. He holds the position of Chairman of Board of Directors of MIRA Bank-Serbia, and the H Hotel & Resort Management. Fadel started his career at Citibank in 1989, and later, was appointed as the UAE Head of Distribution, before joining Dubai Holding in 2005.

Fadel holds a Bachelor of Science in Industrial and System Engineering from University of Southern California and a degree in High Performance Boards, International Institute of Management Development, Lausanne.



**Karim Karoui - Group Head of Mergers and Acquisitions (M&A)**

Karim Karoui is the Group Head of Mergers and Acquisitions at First Abu Dhabi Bank (FAB).

Karim started his career at FAB in 2001 as Senior Vice President for Business Planning And Financial Control. He was appointed as Chief Financial Officer in 2008 and held this role until 2017, when he was appointed Group Head of Subsidiaries, Strategy and Transformation. In April 2020, he was appointed in his current role as the Group Head of Mergers and Acquisitions.

He began his career at Industrie Cosmetique Internationale (ICI) and Citibank Tunisia where he held a variety of senior positions including Country Financial Controller.

Karim holds a Masters in Accounting from IHEC, Tunisia and serves as a Board Member in two associate companies of FAB: Fab Islamic an Islamic finance company and First Gulf Financial Services, an equity brokerage company.



**James Burdett - Group Chief Financial Officer**

James Burdett is the Group Chief Financial Officer at First Abu Dhabi Bank (FAB) and is responsible for leading the Group Finance & Treasury.

James joined FAB from Australia and New Zealand Banking Group (ANZ) where he served as Chief Financial Officer, International and Institutional Banking. Prior to this position, he was Chief Financial Officer Asia Pacific, Europe and America at ANZ. Before joining ANZ,

James spent 17 years at HSBC working in various larger country Chief Financial Officer positions before undertaking the role of Group Head of Management Information, Planning and Analysis. During his time at HSBC he also served as a member of the Finance Management Board chaired by the HSBC's Group Finance Director.

James is a qualified Chartered Accountant and studied at the Auckland Institute of Technology.



**Shirish Bhide - Group Head of Corporate, Commercial and International Banking**

Shirish Bhide is the Group Head of Corporate, Commercial and International Banking at FAB.

He joined the Bank in 2013 as Chief Credit Officer, and has also served as acting Head of Wholesale Banking and International.

Prior to joining FAB, Shirish worked for The National Commercial Bank in Jeddah (Saudi Arabia) where he spent four years heading up international risk, integrating Turkiye Finans Katilim Bankasi into the NCB family and credit approving KSA project finance proposals for NCB in his capacity as a Senior Credit Officer.

He has 28 years of international banking experience in a variety of leadership roles across Consumer Banking, Corporate and Investment Banking product and business roles and Risk Management. He worked with Citibank for almost 19 years in India and across Africa.

Shirish holds a post graduate Diploma in Accounting & Finance from the London School of Economics (UK) and an MBA in Marketing from the University of Poona (India).



**Pradeep Rana - Group Chief Risk Officer**

Pradeep Rana is the Group Chief Risk Officer at First Abu Dhabi Bank (FAB) and is responsible for implementing the bank's risk framework and corporate governance globally.

Pradeep is an international banker with over 20 years of experience in roles that have spanned global and regional leadership. Prior to joining FAB, he served as the Group Head of Corporate Credit Risk Management and Chief Risk Officer of Wholesale Banking for Danske Bank in Denmark.

He brings strong Emerging Markets experience having worked with ABN AMRO and Standard Chartered in international locations namely India, Hong Kong, South Korea, Singapore, The Netherlands and the UK; covering a variety of leadership roles in Fixed Income Syndication, Wholesale Credit, Strategic and Reputational Risk, Trading Risk Management, Market, Liquidity and Operational Risk, Retail Credit, Compliance and Enterprise Risk Management.

Pradeep holds a B.Eng. (Hons) in Mechanical Engineering from University of Surrey, United Kingdom and an MBA from Erasmus University School of Management, Netherlands.



**Nurendra Perera - Group Chief Audit Officer**

Nurendra Perera is the Group Chief Audit Officer at First Abu Dhabi Bank (FAB). Nurendra is responsible for providing independent assurance to the Bank's Board of Directors and Senior Management on the quality and effectiveness of Group's Internal Control environment covering its Systems & Processes, Risk Management & Governance Framework.

Nurendra has more than 30 years of banking experience and has held senior positions in Governance, Risk Management, Compliance and Internal Audit in prominent UAE and international banks.

Nurendra holds a Masters Degree in Business Administration, having majored in Finance from University of Leicester (UK) including the following internationally accredited qualifications: CIA, CFSA and CRMA from the Institute of Internal Auditors (USA), CISA and CRISC from ISACA (USA), CIB from the Chartered Institute of Bankers (UK), and is an INSEAD alumni.

**Notes**

- H.E. Abdulhamid Saeed was appointed as Board member on 24 February 2020; resigned as Board member on 2 April 2020 after being appointed as the Governor of the Central Bank of the UAE.
- Mr. Andre George Sayegh resigned from his position as Group Chief Executive Officer in January 2021.
- Mr. Arif Shaikh resigned as Group Chief Risk Officer on 30 June 2020.
- Mr. Pradeep Rana took over as Group Chief Risk officer in 2020.
- Mr. Zulfiqar Ali Suleiman former Group Chief Operating Officer and Head of International resigned from the Bank's service on 16 July 2020.
- Mr. Peter Baker resigned from the Bank's service in February 2021 as Group Chief Human Resource Officer. Mr. Melvin Fraser was appointed as Acting Group Chief Human Resources Officer on 25 February 2021.
- Ms. Futoon Al Mazrouei was appointed as Acting Head of Consumer Banking UAE on 11 February 2021.
- Mr. Joyseej Mukherjee was appointed as Acting Head of Products, Marketing and International for Consumer Banking on 11 February 2021.
- Mr. Rajesh Deshpande was announced as Acting Group Chief Credit Officer on 8 April 2021.



# 7. MANAGEMENT COMMITTEES

FAB has a number of management committees, including the Group Executive Committee (“Group EXCO”) which is the FAB Group’s senior management level committee and it operates under a delegated authority from the FAB Board. It is responsible for identifying matters required or appropriate for escalation to the Group Board or Board Committees. The Group EXCO also supports the Group CEO to determine and implement the Bank’s strategy as approved by the FAB Board.

The Group EXCO has established additional management committees to help execute agreed objectives of the Group EXCO and assist in the efficiency and effectiveness of running, controlling and monitoring the business of the FAB Group efficiently and effectively. Each committee has an approved charter that outlines its authority, responsibilities, meeting frequency and practices, reporting and self-evaluation. All Tier 1 committees operate under a delegated authority from the Group EXCO.

The 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; information technology and people issues affecting FAB.

The majority of the management committee charters were reviewed and updated in Q1 2020 to accurately reflect the strategic objectives, scope and operations of the committees. The rest were reviewed in accordance with their respective charter review period in the latter part of year 2020.

Note that following organisational change in April 2021 membership of management committees has changed

## Group Executive Committee (EXCO)

### Description

Key responsibilities of the Committee include decisions on the Bank’s strategy, annual budgets, capital management, risk management and FAB’s more material policies and procedures. The Group EXCO may delegate certain authorities and powers to management committees and individuals, but it reserves the authority to deal with strategy, annual budget and structure; financial reporting and controls; capital management; risk and internal control; contracts; corporate governance matters; executive remuneration, human resources policies, group policies, general meeting of shareholders and any other matters in its discretion.

### Members in 2020

<b>Chair</b>	Group Chief Executive Officer
<b>Vice Chair</b>	Deputy Group CEO and Head of C&IB
<b>Member</b>	Deputy Group CEO and Head of PB
<b>Member</b>	Group Chief HR Officer
<b>Member</b>	Group Chief Credit Officer
<b>Member</b>	Group Chief Financial Officer
<b>Member</b>	Group Head of M&A
<b>Member</b>	Group Chief Technology Officer
<b>Member</b>	Group Chief Risk Officer
<b>Permanent Attendee</b>	Group Chief Auditing Officer

### Achievements

Discuss assessment and review of Management committees
Review of talent pool
Approve Data and AI roadmap
Business Continuity Actions related to COVID-19
Approval of Branch Network Transformation Plan
Approval of Data Strategy
Approval of International Banking strategy
Strategical approvals related to relevant business units
Approval of relevant entity setup

In 2020, Group Executive Committee held 16 committee meetings with 97% attendance

## Group Risk Committee (GRC)

### Description

Oversees the Group-wide risk strategy and exposures to enable integrated risk management in an effective manner. Defines, develops and periodically monitors the Group’s risk appetite along with its related methodology, parameters, targets, and tolerances taking into account the Bank’s strategy and business planning. The GRC will report relevant matters to the Group EXCO, and as appropriate to the BRCC, advising and informing them as required on the Group’s risk appetite and framework.

### Members in 2020

<b>Chair</b>	Group Chief Executive Officer
<b>Vice Chair</b>	Group Chief Risk Officer
<b>Member</b>	Group Chief Financial Officer
<b>Member</b>	Group Chief Credit Officer
<b>Member</b>	Deputy Group CEO and Head of C&IB
<b>Permanent Invitee</b>	Deputy Group CEO and Head of PB
<b>Observer</b>	Group Chief Auditing Officer

**Achievements**

Continuous discussion on Macro-economic Environment and its impact on FAB group's risk profile
Discussion and review of Initiatives for 2020 for Group Risk Management
Continues monitoring on Group Risk Profile and Risk Appetite Framework
Continuous discussion on Covid19 impact, action taken by GRM and mitigation status.
Reviewed the readiness of Group Risk management for Work From Home ("WFH") norms
Keeping track of CBUAE TESS Regulations & Other Relief Measures
Sought updates on adherence of Large exposure guidelines and potential breaches
Reviewed the Central Bank of the UAE Risk Based Supervision ("RBS") findings and Action plan report
Introduction of Environmental, Social & Governance (ESG) Risk framework at FAB
Launch of Recovery & Resolution Planning (RRP) framework at FAB
Approvals of various frameworks and policies

In 2020, Group Risk Committee held 4 committee meetings with 95% attendance

**Group Compliance Committee (GCC)****Description**

Assists the BRCC in fulfilling its objective of overseeing the Bank's regulatory responsibilities as well as ensuring the Bank's compliance with the applicable laws and regulations issued by various regulatory authorities across the Group. The Committee also oversees that the relevant policies and procedures, including, but not limited to, the Group Code of Ethics are complied with across the Group.

**Members in 2020**

<b>Chair</b>	Group Chief Executive Officer
<b>Vice Chair</b>	Group Chief Risk Officer
<b>Member</b>	Deputy Group CEO and Head of C&IB
<b>Member</b>	Deputy Group CEO and Head of PB
<b>Member</b>	Group Head of Compliance
<b>Permanent Invitee</b>	Group Legal Counsel
<b>Permanent Invitee</b>	Group Technology Officer
<b>Observer</b>	Group Chief Auditing Officer

**Achievements**

Reviewed and approved all applicable Compliance Policies and Procedures which were amended, either on the basis of an annual cycle of updates or as a result of a material change in Regulatory and/or Legal requirements, and oversaw their timely implementation
Considered the suitability, operation and effectiveness of the Compliance Framework, through the review of internal and external reports and examinations, and associated actions to address findings, including CBUAE Financial Crime Review, Thematic review of Sanctions Systems, Corporate Governance requirements and Conduct
Oversaw the progress and completion of key regulatory projects and initiatives to improve the effectiveness and efficiency of compliance with regulatory requirements - this included the delivery of target compliance systems in the UAE and across the network, as well as timely updates of customer due diligence files and the progress/ completion of International remediation activities
Reviewed the results of Compliance Enterprise Wide Risk Assessments, System Risk Assessments, Monitoring reports, GIA reviews, RCSA assessments as well as external reviews conducted by Regulators and other parties. Oversaw actions to address findings, in particular approving risk acknowledgements for GIA issues to agree delivery extensions where dependencies impacted original closure dates
Considered customers, products, services, systems & controls both generally and in relation to specified transactions and customers from higher risk countries in the context of Compliance Risk Appetite, and provided approval for specific strategies
Assessed the contents, risks and priorities identified in periodic reports and MI including the bi-annual Group MLRO report and provided guidance
Provided direction to businesses in relation to their strategy and regulatory impacts, in particular in relation to new and amended products and services such as digital banking
Discussed and provided direction on material regulatory requests, reviews and initiatives e.g. FATF and RBS
Considered management of material conflicts of interest and provided guidance and/or approval as applicable e.g. Control Room development and implementation

In 2020, Group Compliance Committee held 7 committee meetings with 95% attendance

**Group Asset and Liability Committee (G-ALCO)****Description**

The driving force and key decision maker behind the structure and quality of the balance sheet. It is directly accountable to the BRCC for ensuring that the risks within the Group's asset and liability position are prudently managed by way of strong bank policies and procedures and an appropriate risk framework. The G-ALCO must be constantly aware of and actively manage these risks and their potential impact on the Bank's business and strategic objectives.



**Members in 2020**

<b>Chair</b>	Group Chief Executive Officer
<b>Vice Chair</b>	Group Chief Financial Officer
<b>Member</b>	Deputy Group CEO and Head of C&IB
<b>Member</b>	Deputy Group CEO and Head of PB
<b>Member</b>	Group Chief Risk Officer
<b>Member</b>	Group Chief Credit Officer
<b>Member</b>	Group Head of Global Markets
<b>Member</b>	Group Head of Market and Liquidity Risk
<b>Member</b>	Group Treasurer
<b>Observer</b>	Group Chief Auditing Officer

**Achievements**

Successfully managed the liquidity position of FAB throughout the crisis
Improved the risk appetite framework
Enhanced and approved all key funding, liquidity, capital and interest rate risk in the banking book policies
Established a robust strategy to enhance and protect Net Interest Income
Ensured that all key capital and liquidity metrics were maintained throughout the year

In 2020, Group Asset and Liability Committee held 12 committee meetings with 91% attendance

**Group Corporate and Investment Banking Credit Committee (CIBCC)****Description**

Assists in the development and implementation of the Bank's Corporate & Investment Banking business, credit and investment strategy and the related policies and procedures. It oversees the credit and lending strategies and objectives of the FAB Group.

**Members in 2020**

<b>Chair</b>	Group Chief Executive Officer
<b>Vice Chair</b>	Group Chief Credit Officer
<b>Member</b>	Deputy Group CEO and Head of C&IB
<b>Member</b>	Group Chief Risk Officer
<b>Observer</b>	Group Chief Auditing Officer

**Achievements**

Enhance Social Housing program size and approve Risk Acceptance Criteria for standardized decision making
Quarterly Portfolio Review for better portfolio management
Revisions of the Hong Kong Addendum to CIB policy to comply with local regulators
COVID situation - Preventive Actions on Country Limits -30 Apr – Effective Portfolio Manage MT
Approval of Loan Syndication Product Program to enhance GCF capability
Approval of CIB Group Credit Policy for Singapore to comply with local regulators
Defence Policy Renewal to enhance product offering

In 2020, Group Corporate and Investment Banking Credit Committee held 4 committee meetings with 100% attendance

**Group Personal Banking Credit Committee (PBCC)****Description**

The committee ensures a holistic overview of the business strategies across the personal banking businesses of the FAB Group. It ensures a seamless coordination across these businesses to meet customer requirements within the framework of the FAB Group strategy. Its purpose is to oversee the credit and lending strategies and objectives of the FAB Group.

**Members in 2020**

<b>Chair</b>	Group Chief Executive Officer
<b>Vice Chair</b>	Group Chief Credit Officer
<b>Member</b>	Deputy Group CEO and Head of PB
<b>Member</b>	Group Chief Risk Officer
<b>Observer</b>	Group Chief Auditing Officer

**Achievements**

Crisis management by adjusting the lending policies to impacted sectors and promoting acquisition of UAE Nationals e.g. MBRHE, pre-approved campaigns.
Deployed additional collection tools e.g. early alerts, external agencies to control impairment in the changed economic environment.
Re-engineered process of monitoring rentals to control the source of payment for high ticket mortgage loans to prevent defaults.

In 2020 Group Personal Banking Credit Committee held 4 committee meetings with 100% attendance

### Human Resource Steering Committee (HRSC)

#### Description

Assists the Group EXCO and the REMCO to implement strategic and operational HR initiatives to deliver the Group's long term shareholder value. It provides a forum to discuss and approve HR initiatives and policies to ensure that the needs of the organization from an employee's perspective are considered and changes are approved or are submitted for approval to the relevant governance body. The Committee will be the formal sponsor of all material HR initiatives across the Bank in line with the Bank's Employee Value Proposition

#### Members in 2020

<b>Chair</b>	Group Chief Executive Officer
<b>Vice Chair</b>	Group Chief HR Officer
<b>Member</b>	Deputy Group CEO and Head of C&IB
<b>Member</b>	Deputy Group CEO and Head of PB
<b>Member</b>	Group Chief Financial Officer
<b>Observer</b>	Group Chief Auditing Officer

#### Achievements

- Ensuring that all decisions of the management are based on with three key strategic pillars - Culture, Talent and Emiratization
- Approving a new framework that focuses on creating an employee centric culture
- Ensuring that actions of the bank are aligned to creating a good employee experience while at the same time orienting employee actions to the vision and mission of the bank
- Ensuring that the national agenda of making the banking sector a key destination for Emiratis is brought to life through a strong framework that includes creation of a Emirati Talent pipeline, Internal mobility, Skill Development and On-the-Job exposure
- Making strategic changes to create a framework for robust succession planning including ensuring employee focus on gaining new skills and experiences in order to grow their careers so as to align talent development to aid succession
- Ensuring adequate focus of talent assessment is on the skills that the bank needs to succeed in the future – Customer Focus, Accountability, Trust, Innovation and transformation, Self-Awareness and Ability to develop Talent.
- Ensure that the Reward framework is fit for purpose and appropriate governance mechanisms are in place given the increased regulatory oversight

In 2020 Group HR Steering Committee held 2 committee meetings with 100% attendance

### Group Operational Risk Committee (GORC)

#### Description

Assists the BRCC and the GRC in fulfilling their objectives of overseeing the consolidative Bank's Operational Risk Management. Responsibilities include defining guidelines to identify and manage operational risk in all new products, processes and activities; Defining scope, policy, objectives, assumptions and roles / responsibilities of the Group's Operational Risk Policy; other responsibility areas include management and reporting of the Bank's operational risk profile, ratifying and recommending relevant Operational Risk & Fraud Risk strategies.

#### Members in 2020

<b>Chair</b>	Deputy Group CEO and Head of C&IB
<b>Vice Chair</b>	Group Chief Risk Officer
<b>Member</b>	Group Technology Officer
<b>Member</b>	Head of Business Management CIB
<b>Member</b>	Head of Business Management PB
<b>Observer</b>	Group Chief Auditing Officer

#### Achievements

- General enhancement and strengthening of framework
- Review and revamped the New Products Approval Policy framework bringing-in adequate governance oversight
- Implementation of industry leading Operational Risk practices such as Dynamic Risk Profiling
- Implementing seamless movement to work from home set-up and processes

In 2020, Group Operational Risk Committee 6 meeting with 100% attendance

### Information Security Committee (ISC)

#### Description

Assists the BRCC and GRC in overseeing, reviewing and taking decisions on the implementation of FAB's security controls to ensure that information assets of the Bank are adequately protected. It also serves as an independent and objective governance forum which ensures the adequacy and effectiveness of the Bank's information security framework



**Members in 2020**

<b>Chair</b>	Group Chief Risk Officer
<b>Vice Chair</b>	Group Technology Officer
<b>Member</b>	Group Chief Security Officer
<b>Member</b>	Head of Business Management CIB
<b>Member</b>	Head of Business Management PB
<b>Observer</b>	Group Chief Auditing Officer

**Achievements**

Continuous discussion on Information/ Cyber security its impact on FAB group's risk profile
Discussion and review of cyber Security Initiatives for 2020 for Group Security
Continues monitoring on Security Risk Profile and their remediation
Continuous discussion Data privacy & Residency and its impact
Reviewed the security control and recommendation on the Work From Home / VDI access
Continuous update on the current status of bank on Work From Home and later Return to Normal (RTN)
Keeping track of CBUAE NESA compliance and action plan
Reviewed the new project risks findings and Action plan
Continuous update on third party/ vendor Risk and its impact
Introduction of Data privacy and Digital Risk framework at FAB
Launch of Business Application criticality Framework
Approvals of various policies

In 2020 Group Information Security Committee held 6 committee meetings with 95% attendance

**Group Technology Steering Committee (GTSC)****Description**

The Committee was established in year 2019 to assist in fulfilling Group EXCO's corporate governance and oversight responsibilities of all technology and information systems across the FAB Group and support the work of the Board Risk and Compliance Committee ("BRCC") in its oversight of the Group IT governance framework. The GTSC makes recommendations to Group EXCO regarding significant technology investments in support of the Group's strategy. The GTSC ensures alignment of business strategies with technology priorities and acts to protect and enhance the shareholders' investment in technology.

**Members in 2020**

<b>Chair</b>	Group Chief Executive Officer
<b>Vice Chair</b>	Group Technology Officer
<b>Member</b>	Deputy Group CEO and Head of C&IB
<b>Member</b>	Deputy Group CEO and Head of PB
<b>Member</b>	Group Chief Financial Officer
<b>Permanent Invitee</b>	Group Chief Risk Officer
<b>Observer</b>	Group Chief Auditing Officer

**Achievements**

Executing of the Fix IT and initiatives to focus on the improvement of technology resilience, stability, operations and risk profile.
Development and delivery of a Cloud-first Group Technology Strategy aligned to and enabling of the Business Strategy that will "future proof" the business.
Transformation of the Technology Organisation operating model closer to and aligned with the Business to facilitate closer collaboration in more modern agile ways of working.
Approvals and monitoring the execution of the modernisation plans of the technology stack to increase agility in delivery and in service.
Oversight and challenge of the Technology Service Management and improvement plans to ensure highest levels of customer service.
Oversight, prioritisation and direction of progress within the (significant) Technology Investment portfolio focusing on Top 12 Strategic projects for 2020.

In 2020 Group Technology Steering Committee held 11 committee meetings with 94% attendance

**Self-assessment of management committees**

In order to ensure continues improve and effectiveness of management committee, each committee has a self-assessment process at the end of the calendar/fiscal year that assesses the performance and dynamics of the committee. Feedback from the self-assessment is used to implement relevant changes and actions and to enhance effectiveness of the committees.

Assessment of management committees in 2020 was conducted in January 2021. All committee members participated in the assessment. The overall average rating of the assessment across the committees was 3.48 on rating scale of 1 to 4 where 1 is low and 4 is high.

## 8. FAB UAE AND INTERNATIONAL SUBSIDIARIES, BRANCHES AND REPRESENTATIVE OFFICES

FAB operates a number of subsidiary companies, branches and representative offices both in the UAE and internationally, spanning jurisdictions in Europe, Africa, Middle East and South Asia. These provide a range of client facing services.

All of the Group's international subsidiary companies, branches and representative offices are required to comply with the FAB Group Corporate Governance Policy and with the applicable laws and regulations that apply in their jurisdiction. FAB UAE subsidiaries are locally regulated subsidiary companies of the Group. Each operates within the Group's overarching corporate governance framework along with corporate governance arrangements suitable for their business with Group's oversight and control. FAB international subsidiaries have their constitution as locally incorporated entities in their jurisdiction.

International and local subsidiaries have their own Board of Directors and Board Committees where required by law or regulation and have ultimate reporting responsibilities to the Group. To assist, guide, direct and challenge senior management of these subsidiary companies, the Board of Directors consists of senior professionals with substantial banking, finance and risk experience.

During year 2020, the Board exercised adequate oversight over the Group while respecting the independent legal and governance responsibilities that apply to the individual entities. The Board received reports regarding its group structure through the Board Risk and Compliance Committee.

**The Bank's complete list of subsidiaries is included in the FAB Group Annual Report.**

The Bank has, however, constituted the majority of its international presence through branches and representative offices, providing operations and services at a local level and supported by regional and

Group management as appropriate. This includes significant operations in U.K. and Egypt, as well as operations in Asia and several GCC countries. In 2020, the Bank continued to enhance the international governance model developed in 2019 that sets out for each location the International Banking Governance Framework ("IBGF"), including the senior management organisation structure, committees and decision-making forums and reporting lines. A network of regular reporting and oversight consolidated these governance IBGFs. This included regular reporting to and from Group level, with two-way dialogue along defined functional reporting lines; provision by the subsidiaries and branches of key performance indicators on governance matters, including reports on board and committee meetings, reinforced by conference calls between Group and each location to provide oversight and guidance; and support on emerging governance issues as necessary. The emphasis is on ensuring that each location has in place the appropriate governance mechanisms that meet local regulatory requirements and is consistent with the Group approach.

In addition to our local subsidiaries, our International Banking subsidiaries are based in Switzerland, United State of America and Kingdom of Saudi Arabia.

**First Abu Dhabi Bank Suisse (SA) ("FAB Suisse"):** is a Société anonyme subsidiary of First Abu Dhabi Bank PJSC, incorporated under the laws of the Swiss Financial Market Supervisory Authority ("FINMA"). The subsidiary is managed by a Board of Directors and management committees. The Board of Directors is composed of (6) members. The Board has formed 3 Board committees; the Board Audit Committee, the Board Risk and Compliance Committee and the Remuneration and Nomination Committee.

**First Abu Dhabi Bank USA (NV) ("FAB USA"):** is a limited liability subsidiary of First Abu Dhabi Bank PJSC, incorporated under the laws of Central Bank of Curacao. The subsidiary is managed by a supervisory Board of Directors, Managing Board of Directors and management committees. The Supervisory Board of Directors is composed of (3) members.

**First Abu Dhabi Capital Financial Company (FAB Capital KSA)** is a closed joint stock single shareholder subsidiary of First Abu Dhabi Bank PJSC, incorporated under the laws of Kingdom of Saudi Arabia – Competition and Market Authority ("CMA"). The subsidiary is managed by a Board of Directors. The Board is composed of (6) members. The Board has formed 2 Board committees; the Board Audit Committee and the Board Remuneration and Nomination Committee.

During 2020, the Bank's International Subsidiaries and branches held Board and Management Committees meetings in accordance with its charters.





ENTITY	REGULATORY AUTHORITY	BOARD AND BOARD COMMITTEES FREQUENCY AND NUMBER OF MEETINGS HELD IN 2020					MANAGEMENT COMMITTEES NUMBER OF MEETINGS HELD IN 2020				
		Board	Board of Managing Directors	Board Audit Committee	Board Risk and Compliance Committee	Board Remuneration and Nomination Committee	Executive Committee	Asset and Liability Committee	Risk and Compliance Committee	Risk Committee	Compliance Committee
First Abu Dhabi Suisse (SA)	Financial Market Supervisory Authority ("FINMA")	4	N/A	4	4	2	9	10	10	N/A	N/A
First Abu Dhabi Bank USA	Central Bank of Curacao	4	4	N/A	N/A	N/A	12	11	N/A	9	12
FAB Capital KSA	The Competition and Markets Authority ("CMA")	5	N/A	**	N/A	**	N/A	N/A	N/A	N/A	N/A

ENTITY	REGULATORY AUTHORITY	MANAGEMENT COMMITTEES NUMBER OF MEETINGS HELD IN 2020							
		Executive Committee	Asset and Liability Committee	Risk and Compliance Committee	Risk Committee	Compliance Committee/ Governance & Control Committee	Customer Complaints Committee	Customer Service Committee	Internal Complaints Committee
Singapore	Monetary Authority of Singapore ("MAS")	12	12	12	N/A	N/A	N/A	N/A	N/A
Labuan	Financial Services Authority ("FSA")	3	9	12	N/A	N/A	N/A	N/A	N/A
Hong Kong	Hong Kong Monetary Authority ("HKMA")	12	11	12	N/A	N/A	N/A	N/A	N/A
India	Reserve bank of India ("RBI")	12	12	12	N/A	N/A	N/A	**	1
United Kingdom	Financial Conduct Authority ("FCA")- Prudential Regulations Authority ("PRA")	11	10	N/A	11	11	N/A	N/A	N/A
France	French Prudential Supervision and Resolution Authority ("ACPR")	17	11	N/A	N/A	N/A	N/A	N/A	N/A
Egypt	Central Bank of Egypt ("CBE")	12	12	12	N/A	N/A	N/A	N/A	N/A
Kuwait	Central Bank of Kuwait ("CBK")	11	6	10	N/A	N/A	N/A	N/A	N/A
Oman	Central bank of Oman ("CBO")	12	10	10	N/A	N/A	3	N/A	N/A
Bahrain	Central Bank of Bahrain (CBB)	12	8	12	N/A	N/A	N/A	N/A	N/A
Kingdom of Saudi Arabia	Saudi Arabian Monetary Agency ("SAMA")	12	10	N/A	10	3	N/A	N/A	N/A

\*\* Committee was established late 2020.

## 9. THE GROUP'S DELEGATION OF AUTHORITY ('DOA') FRAMEWORK

The DOA framework is managed and overseen by the Group Corporate Governance function. Its principles help the Bank effectively manage and safeguard its resources and ensure FAB operates in compliance with respective laws and regulations.

**All delegations are granted based on job role and functional requirements. The different delegation types are as follows:**

- Power of Attorney ("POA"), granted to those roles that require such authority to act on behalf of the Bank. The Board of Directors have delegated authorities to the Chairman of the Board to act on behalf of the Bank. Executives in consultation with the Legal Department made a decision to cascade these authorities across the Group through POAs to the Group Chief Executive, the Deputy Group Chief Executive and Head of Group Corporate and Investment banking, the Group General Counsel and the Group Chief Credit Officer. Local and International POAs were issued in 2020 to address business requirements.
- Signatory Authority ("SA"), granted to those roles that require such authority to sign on behalf of the Bank, such as formal instructions and other general correspondences with third parties and the process is managed by the Group Human Resources division ("GHR"). The signatories are also registered with the Central Bank and on [www.signature.net](http://www.signature.net). The list was updated in 2020 to reflect organisational changes.
- Financial and non-Financial authorities (in the form of a 'DOA' matrix), granted to roles with specific delegations tailored to divisional activity requirements, that includes capex/opex, special powers, etc., and is managed by the Group Finance division. The matrix was updated in 2020 to address business requirements.





## 10. REMUNERATION

Recognizing strong contributions and paying for performance is at the heart of our Rewards strategy. This helps FAB achieve sustainable business growth and protect stakeholder value. This was especially important in 2020 as we navigate through the pandemic and work towards achieving our strategic goals. In line with our Rewards philosophy, our compensation structure contains a healthy mix of fixed and variable pay.

- Fixed pay is aligned to external market to ensure that senior leadership is adequately compensated and that there is relative stability at those levels. For performance year 2020, fixed pay for Members of the Group Executive Committee - who served full year (9 individuals) – amounted to 59.5% of their total compensation.
- Variable pay is linked to performance – achievement of results as per the elements of the balanced scorecard (Financial, Customer, Process and People) to create strong alignment between rewards and the interests of our stakeholders. To ensure sustainable growth, there is a strong emphasis on ‘how’ the business growth is achieved in addition to ‘what’ was achieved. This achieved through demonstration of appropriate behaviors in line with Bank’s stated values. For performance year 2020, variable pay for Members of the Group Executive Committee mentioned above, amounted to 40.5% of their total compensation.

Additionally, appropriate deferrals are applied to the variable compensation to drive responsible decision making rooted in long term sustainability of the organization. The deferrals are commensurate to the value of variable pay and reflects the level of decision making and impact on the business outcomes. Part of the deferred variable pay is subject to organizational performance over the vesting period. In the event performance thresholds are not achieved, the performance based deferral for the year is subject to forfeiture. In all cases, variable pay (paid and deferred amounts) is subject to claw-back and malus to achieve risk alignment. In 2020 Executive Management was compensated according to the above mentioned processes followed by FAB. Of the variable pay for each Group Executive Committee member mentioned above, 27% to 40% was deferred, based on her or his role and impact on the business.

The Bank has developed multiple proposals to align with the CBUAE guidelines (covering provisions around compensation for senior management and material risk takers) with emphasis on rewarding sustainable risk taking and variable pay delivery commensurate to the time horizons of risk. As part of this process, the Bank is finalizing the changes to Group Rewards Policy, which articulates the Bank’s rewards mechanism, and contains a number of principles that outlines the Bank’s compensation philosophy aligned to internationally accepted practices in addition to statutorily mandated practices.





## 11. RELATED PARTY TRANSACTION

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties comprise major shareholder, directors and key management personnel of the Group. Key management personnel comprise those executive committee members of the Group who are involved in the strategic planning and decision making of the Group. The terms of these transactions are approved by the Group's management and are made on terms agreed by the Board of Directors or management.

	2020			Total AED'000	2019 Total AED'000
	BOD AED'000	Major Shareholders AED'000	Senior Management AED'000		
<b>Balances with related parties at the reporting date are shown below:</b>					
Financial assets	10,900,287	62,692,025	16,111	73,608,414	50,378,990
Financial liabilities	33,528,213	31,574,675	27,887	65,130,775	44,841,529
Contingent liabilities	3,015,537	16,660,432	-	19,675,969	12,977,634

Transactions carried out during the year ended with related parties are shown below:

	2020			2019	
	BOD AED'000	Major Shareholders AED'000	Senior Management AED'000		Total AED'000
Interest & Other Income	803,582	1,760,949	331	2,564,862	1,849,534
Interest expense	646,065	94,070	433	740,568	583,033

## 12. IMPLEMENTATION OF CBUAE CORPORATE GOVERNANCE REGULATION AND STANDARDS FOR BANKS

The CBUAE CG Regulations are prescriptive and there is a three-year implementation period until 2022. However, all banks were required to submit a Board approved action plan with implementation timelines to the CBUAE in early 2020. The Bank conducted an extensive gap analysis to assess its compliance against the Regulations. The Bank is largely compliant, having adopted many of the processes required by the Regulations in advance of the release. For those areas that are non-compliant, the Bank set out its action plan to ensure compliance within set timescales according to the plan that was shared with the CBUAE in January 2020.

Corporate Governance is working closely with all stakeholders across the Group to ensure the Bank's compliance with the action plan. The Bank has closed more than 90% of the actions agreed and is ahead of the execution plan.

## 13. DISCLOSURE AND TRANSPARENCY

To comply with the CBUAE regulations on "Disclosures and Transparency", Corporate Governance worked closely with all stakeholders across the Group and confirmed that all internal policies required to ensure compliance with CBUAE CG Regulations, risk management, internal controls, compliance, internal audit, financial reporting, external audit and outsourcing have been implemented and reviewed for adequacy by the board during 2020.





# 14. SUSTAINABILITY

We recognise the importance of integrating sustainability in our corporate culture and business strategy. Our focus is to generate long-term stakeholder and shareholder value. We will continue to strengthen our ESG performance, demonstrate leadership and implement best practice throughout our organisation.

Our dedicated Corporate Sustainability team Oversees our sustainability framework, strategy and policies and priorities several sustainability initiatives. Our strategy is aligned with the United Nations Sustainable Development Goals and the Abu Dhabi Economic Vision 2030. Key highlights of 2020 include:

- Women represent 40% of our total workforce and held 30% of senior and middle management positions
- Increased from a 'B' to an 'A-' score by CDP for our climate change response, once again demonstrating our environmental leadership among UAE banks
- We are rated #4 on FTSE4good, and #3 on MSCI ESG Leaders in the Middle East and North Africa (MENA) region
- We expanded our Green Bond Framework to create a Sustainable Finance Framework. This framework will be applied to any type Sustainable Financing Transaction that will be used to fund projects that will deliver environmental and/or social benefits
- We issued a new Green Bond, a Hong Kong Dollars (HKD) 750 million five-year Green Bond and have been recognized as the first MENA issuer denominated in HKD and the first Green Bond in HKD by an offshore financial institution
- Our employee wellbeing program was launched to provide support during COVID-19, this will continue into 2021 and beyond

Further details are available in our 2020 ESG Report and on the website: <https://www.bankfab.com/en-ae/about-fab/sustainability>



