

Innovation with Integrity

Corporate Governance Report 2023





H.H. Sheikh Mohamed Bin Zayed Al Nahyan
President of the United Arab Emirates



H.H. Sheikh Mohammed Bin Rashid Al Maktoum
Vice President and Prime Minister
of the United Arab Emirates and Ruler of Dubai



**H.H. Sheikh Hamdan Bin Mohammed
Bin Rashid Al Maktoum**
Crown Prince of Dubai



**H.H. Sheikh Maktoum Bin Mohammed
Bin Rashid Al Maktoum**
Deputy Ruler of Dubai, Deputy Prime Minister
and Minister of Finance of the United Arab Emirates

Governance At a Glance

During 2023, Emirates Islamic continued to enhance its corporate governance approach, in line with international best practices and local regulations. Strong governance, along with a culture of responsibility, accountability, transparency and fairness, enables the Bank to deliver its business strategy effectively, in line with a robust risk management framework, ensuring the creation of sustainable value for the Bank's shareholders and other stakeholders.



Board Meeting Attendance

100%

Board Independence

43%

Non-Executive Directors

100%

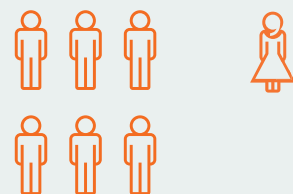
Gender Diversity in Staff

Male 64% Female 36%



Gender Diversity at Board Level

Male 85.7% Female 14.3%



Board Tenure (Number of Directors)



Number of Board and Committee Meetings

68

Regulatory Compliance

Emirates Islamic complies with the governance principles set out in the Emirates Islamic Governance Framework and with relevant local regulatory requirements, including those issued by the following regulators:

- Central Bank of the UAE ("CBUAE")
- Securities and Commodities Authority ("SCA")
- Dubai Financial Market ("DFM")

Company Secretary

Dr. Ahmed Alkhalfawi

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To view our full Annual Report, please visit our [website](#).



We Continue to Enhance Our Governance Approach

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In 2023, we continued to enhance our corporate governance approach, in line with international best practices and local regulations, embracing our core Group values of Collaboration, Ownership, Drive and Enterprising.”

Emirates Islamic Bank P.J.S.C. (“Emirates Islamic” or “the Bank”) has always embraced and embedded a strong corporate governance culture, which we believe supports long-term sustainable shareholder value within a framework of prudent and effective controls.

In 2023, we continued to enhance our corporate governance approach, in line with international best practices and local regulations, embracing our core Group values of “Collaboration, Ownership, Drive and Enterprising”. We completed several key governance initiatives during the year including restructure of Board Audit Committee and Board Risk Committee, refreshing Board Committee terms of reference and conducting an internal Board performance evaluation. For more details on our governance progress, please see the highlights section on pages 5-6. We were also pleased to welcome our new Emirates Islamic Chief Executive Officer, Mr. Farid Al Mulla, appointed in September 2023, following the retirement of the former Chief Executive Officer, Mr. Salah Amin.

Our corporate governance approach enables the Emirates Islamic Board of Directors and Senior Management to discharge their duties effectively and ensures that risks are managed prudently in accordance with a robust risk management framework, whilst delivering our business strategy in an entrepreneurial and innovative way. Our corporate governance approach also ensures:

- Responsibility for the clear division and delegation of authority.
- Accountability in the relationships between the management of Emirates Islamic and the Board, and between the Board and the shareholders of Emirates Islamic and other stakeholders.
- Transparency and disclosure to enable stakeholders to assess the financial performance and position of Emirates Islamic.
- Fairness in the treatment of all stakeholders.

Throughout the year, Emirates Islamic continued to monitor and comply with all relevant UAE regulations in the financial sector, including those of the CBUAE and the SCA. As part of our commitment to strong corporate governance, Emirates Islamic continually monitors, reviews and implements new/existing governance-related regulations and best practices, both local and international.

Emirates Islamic also keeps its policies under regular review – particularly in the areas of corporate governance, risk management, internal controls, compliance, internal audit, financial reporting, external audit and outsourcing – to ensure that they meet all relevant regulatory requirements. Updates and amendments to existing policies are approved by or on behalf of the Board of Emirates Islamic.

Looking forward to 2024, we will continue to enhance our governance approach to ensure that it remains streamlined and effective.

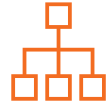
In particular, we shall:

- Continue to keep our Board and Board Committees' terms of reference and Corporate Governance policies under review.
- Carry out an externally facilitated independent Board and Board Committee evaluation.
- Embed and integrate our practices in relation to powers of attorney and delegations of authority into core business processes.

I would like to take this opportunity to thank all my colleagues on the Board, our outstanding Senior leadership team and each and every one of our employees for their commitment, hard work and dedication towards enhancing our key governance objectives and approach during 2023. I look forward to working closely together in 2024 and beyond to build on our strong performance and the many achievements delivered this year.

Mr. Hesham Abdulla Al Qassim
Chairman

Key Governance Highlights in 2023



Corporate Governance

- Enhancing the corporate governance function within Emirates Islamic, with the addition of skilled and experienced governance professionals.
- Embedding our Emirates Islamic Corporate Governance Framework into “business as usual” operations.
- Enhancing several key disclosures for further transparency, including enhanced disclosures on Board composition and structure, related party transactions and conflicts of interest.
- Refreshing our Board Audit Committee (“BAC”), Board Risk Committee (“BRC”) and Board Nomination Remuneration and ESG Committee (“BNRESGC”) terms of reference to reflect current regulations and best practice, and to keep the composition and scope of each Board Committee under review.
- Completing Board and Board Committees’ evaluations, which confirmed that the performance of the Board and its Committees is strong, effective and diverse; that Directors have a good overall understanding of the business; and that the quantity of information provided to the Board is sufficient and aligned to Emirates Islamic’s long-term strategy.
- Enhancing and streamlining our practices in relation to powers of attorney and delegations of authority.



Human Capital, Diversity, Compensation and Incentivisation

- Conducting an extensive review of our human capital policies and practices to ensure compliance with laws, regulations and standards from various regulatory bodies.
- Establishing transparency in the identified Career Paths for employees based on skills through its Career Mobility framework.
- Streamlining, digitising and automating core Human Resources (“HR”) processes to improve employee experience and manage the amount of manual data inputs and handoffs.
- Ensuring that diversity and inclusion continued to be key focus areas and considerations for staff and clients. Further details are provided in the BNRESGC summary Page 31-32.
- Reinforcing Emirates Islamic’s leading role in Emiratisation, launching new initiatives to attract and retain UAE National talent, both within Emirates Islamic and for the benefit of the broader banking sector.
- Continuing to promote Emiratisation and the empowerment of Emiratis by providing training and hands-on experience on critical functional and leadership skills.



Technology and Digitisation Governance

- Modernising Emirates Islamic’s digital channels, core platforms, and infrastructure, significantly enhancing Straight-Through Processing capabilities through advanced automation, reengineered processes, and paperless customer interactions.
- Enhancing the IT Governance Portfolio Management Framework aligned with the changes in the agile operating model.
- Improving the features of the portfolio and project management application, incorporating capacity and capability management and establishing it as a central platform.
- Launching a major awareness campaign to highlight IT Governance’s capabilities, offering support and guidance to the employees.
- Ensuring better compliance with internal standards and ISO 9001.
- Establishing a cloud finance management function within the IT Governance department for handling all public cloud financials in the UAE.
- Sustaining the effectiveness of the annual cybersecurity culture awareness programme for all employees, stakeholders, and consumers, with a focus on AI/ML technologies and their impact on security, enhancing collaboration with third-party partners to strengthen supply chain security and foster more robust business ecosystems. More information is set out in the cybersecurity governance section below.



Cybersecurity Governance

- Recognising the rapid evolution of the digital landscape, and continuing to evolve our cybersecurity processes, policies, controls and structures to strengthen protection of Emirates Islamic’s sensitive and customer data, ensuring the security of our digital assets.
- Aligning our cybersecurity strategy with the National Institute of Standards and Technology Framework and the Information Security Forum Standard.
- Bolstering our defences by adopting a multi-layered information security approach. This strategy is managed by a coalition of specialised units which include Business units, the Group Information Security Office, Group Cyber Risk, and Group Internal Audit.
- Employing a sophisticated Threat Conditioning Framework to manage Enterprise Cyber Threats, including security controls, cybersecurity culture, business continuity, incident response, third-party assessments, vendor data management, regulatory compliance, data retention policy, audits, employee training, data breach record and customer awareness.
- Continuing to ensure that cybersecurity governance within Emirates Islamic is overseen by a Group Information Security Committee, chaired by the Group Chief Operating Officer (“GCOO”) and Head of Operational Risk.



Data Privacy Governance

- Establishing a dedicated Group Data Privacy Office to create and implement a robust data privacy framework, in line with the various data privacy regulations applicable to Emirates Islamic.
- Ensuring compliance with all applicable international and local data privacy laws.
- Driving the Data Privacy Office’s compliance efforts, developing data privacy policies and procedures governing data privacy to protect and uphold the Bank’s customers’ rights.



ESG Governance

- Reinforcing the importance of Environmental, Social, and Corporate Governance (“ESG”) for Emirates Islamic and its stakeholders, led by the Group Chief Sustainability Officer and Group Head of ESG.
- Ensuring full alignment of the Group’s ESG Framework with key global and country commitments, including the United Nations Sustainable Development Goals and the UAE’s Vision 2030.
- Continuing to develop Emirates Islamic’s approach to ESG in line with evolving standards, as strategic initiatives emerge and evolve, both nationally and internationally, including in the areas of net zero, sustainability accounting, and audit and ethics standards.

For further details, please refer to the Emirates Islamic [ESG Report](#).

Board of Directors



Mr. Hesham Abdulla Al Qassim
Chairman, Non-Independent
Non-Executive Director

Date of Appointment:
25 June 2011

Career and Experience:

- Mr. Hesham Abdulla Al Qassim ("Mr. Al Qassim") is the Vice Chairman and Managing Director of Emirates NBD P.J.S.C., the Chairman of Emirates Islamic Bank P.J.S.C., one of the leading Islamic banks in the region, and the Chairman of Emirates NBD Egypt and DenizBank A.Ş Turkey, both subsidiaries of Emirates NBD P.J.S.C.
- Mr. Al Qassim is the Chief Executive Officer of Wasl Asset Management Group, responsible for leading its transformation into a world-class asset management company. He is also the Vice chairman of Dubai Real Estate Corporation.
- Mr. Al Qassim has more than 20 years' experience in the banking industry. His professional and vocational qualifications include a Bachelor's degree in Banking and Finance and a Master's degree in International Business Management and in Executive Leadership Development.

Board Appointments to other Public Joint Stock Companies:

- Director of Emirates Telecommunications Group Company (Etisalat)
- Vice Chairman and Managing Director, Emirates NBD



Mr. Buti Obaid Buti Al Mulla
Vice Chairman, Non-Independent
Non-Executive Director

Date of Appointment:
18 July 2011

Career and Experience:

- Mr. Buti Obaid Buti Al Mulla ("Mr. Al Mulla") is Chairman of Mohamad and Obaid Al Mulla Group, a Dubai-based market leader in key strategic economic sectors including hospitality, healthcare & pharmaceuticals, real estate, travel & tourism and investments.
- Mr. Al Mulla has over 33 years of professional experience that spans the banking, finance, real estate, hospitality and investment sectors.
- Mr. Al Mulla holds a diploma in Business Administration from Newberry College, Boston, USA.

Board Appointments to other Public Joint Stock Companies:

- Director of Emaar Properties
- Director of Dubai Refreshment
- Director of Emirates NBD



H.E. Mohamed Hadi Ahmed Al Hussaini
Non-Independent Non-Executive Director

Date of appointment:
25 June 2011

Career and Experience:

- H.E. Mohamed Hadi Al Hussaini ("H.E. Al Hussaini") is the Minister of State for Financial Affairs and has wide professional experience across the banking, finance, real estate and investment sectors.
- H.E. Al Hussaini is also a Board member of the Investment Corporation of Dubai, Vice Chairman of Emirates Investment Authority, Vice Chairman of the Federal Tax Authority, Chairman of Etihad Credit Bureau, Director of Dubai Real Estate Corporation and Chairman of the Development Committee of the World Bank Group ("WBG").
- H.E. Al Hussaini holds a Master's degree in International Business from Webster University in Geneva, Switzerland.

Board Appointments to other Public Joint Stock Companies:

- Director of Emirates NBD



Mr. Ali Humaid Ali Al Owais
Independent Non-Executive Director

Date of Appointment:
27 March 2013

Career and Experience:

- Mr. Ali Humaid Ali Al Owais ("Mr. Al Owais") is Chairman and a Board Member of various companies, instrumental in bringing about major changes through his entrepreneurial skills and business contacts.
- Mr. Al Owais holds a Bachelor's degree in Business E-Commerce.

Board Appointments to other Public Joint Stock Companies:

- Chairman of United Food Company
- Vice Chairman of Dubai Refreshments Co.
- Director of Oman Refreshments
- Director of Emirates NBD



Mr. Salem Mohammed Obaidalla
Independent Non-Executive Director

Date of Appointment:
23 February 2019

Career and Experience:

- Mr. Salem Mohammed Obaidalla ("Mr. Obaidalla") is Senior Vice President – Commercial Operations Americas for Emirates Airline.
- Mr. Obaidalla has extensive professional experience and contributed to the success of launching various destinations, such as Amsterdam, Prague, Madrid, Geneva, Copenhagen, St. Petersburg, Dublin, Barcelona and Lisbon.
- Mr. Obaidalla holds a Business Administration degree from Wentworth Institute of Technology in Boston, USA.

Board Appointments to other Public Joint Stock Companies:

- Director of Emirates NBD



H.E. Huda Sayed Naim AlHashimi
Independent Non-Executive Director

Date of Appointment:
23 February 2022

Career and Experience:

- H.E. Huda Sayed Naim AlHashimi ("H.E. AlHashimi") is the Deputy Minister of Cabinet Affairs for Strategic Affairs. Part of this role involves leading the process of articulating the UAE Leadership's Vision, setting an ambitious long-term strategy for the implementation of "We The UAE 2031".
- H.E. AlHashimi led the setup and leads the operations of the Mohammed Bin Rashid Centre for Government Innovation. She also leads the Government Accelerators, and is responsible for governance and institutional restructuring at the Prime Minister's Office.
- H.E. AlHashimi is a member of the Metaverse Steering Committee and the Future of Technology Policy Council at the World Economic Forum.
- H.E. AlHashimi holds a BSC in Business Administration from the Higher Colleges of Technology, where she graduated with honours and received the Sheikh Rashid Award for Scientific Excellence. She is also an alumnus of London Business School, and a policy fellow at the Centre for Science and Policy at the University of Cambridge.
- H.E. AlHashimi completed the Mohammed bin Rashid Center for Leadership Development programme and received a Certificate from IMD for Board governance.

Board Appointments to other Public Joint Stock Companies:

- Director of Emirates NBD



Mr. Shayne Nelson
Non-Independent
Non-Executive Director

Date of Appointment:
5 December 2013

Career and Experience:

- Mr. Shayne Nelson ("Mr. Nelson") is the Group Chief Executive Officer of Emirates NBD Bank P.J.S.C.. Mr. Nelson's solid experience, across various functions and geographies, is a testament to his diverse background within banking. Prior to joining Emirates NBD, he was the CEO of Standard Chartered Private Bank in Singapore, Chairman of Standard Chartered Saadiq Advisory Board, and a board member of Standard Chartered Bank (China) Ltd. He is also the Director at International Monetary Conference.
- Mr. Nelson's other previous high-profile positions in the banking arena include Regional CEO of Standard Chartered Bank Middle East and North Africa, Chairman of Standard Chartered (Pakistan) Limited, and Chairman of the Banking Advisory Council to the board of the Dubai International Financial Centre (DIFC). He also held the position of Chief Executive Officer and Managing Director of Standard Chartered Bank, Malaysia Berhad based in Kuala Lumpur.
- Mr. Nelson holds a Bachelor of Business from the Western Australian College of Advanced Education and is also a Graduate Member of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Managers.

Board Appointments to other Public Joint Stock Companies:

None.

Senior Management



Mr. Farid Al Mulla
Chief Executive Officer

Experience

Mr. Mulla's tenure with Emirates NBD Group spans over three decades. During this period, he has contributed to major initiatives that have shaped Emirates Islamic's success as a leader in the Islamic banking sector.

As a seasoned banker with extensive experience, Mr. Al Mulla has strengthened Emirates Islamic's market standing with a focus on consumer-centric banking and the introduction of several first-to-market products and services. He has also led Emirates Islamic's digital transformation efforts, contributing to a substantial increase in the Bank's online and mobile banking transactions. His contributions towards Emirates Islamic's long-term Emiratisation strategy of developing UAE nationals for key executive roles and succession planning is a key driver in shaping the Bank's success. His expertise in Islamic banking will help the Bank expand its footprint, in line with His Highness Sheikh Mohammed Bin Rashid Al Maktoum's vision to make Dubai the global capital of the global Islamic economy.

Prior to taking over as CEO, Mr. Al Mulla was Head of Retail Banking and Wealth Management at Emirates Islamic, where he was responsible for the Bank's personal and business banking segments, branches and ATM network, products, customer experience, wealth management and digital banking. He has held several other positions at Emirates Islamic, including Deputy Head – Retail Banking and Wealth Management, Head of Home Finance and Head of Distribution.



Mr. Mohammad Kamran Wajid
Deputy Chief Executive Officer

Experience

Mr. Wajid leads all revenue generating functions at Emirates Islamic, including Retail Banking & Wealth Management, Business Banking, Treasury, Corporate & Institutional Banking and Transaction Banking. A veteran of over 27 years in the UAE banking industry, of which 20 years have been with Emirates NBD Group, he is a well-known name in the regional banking space.

He has undertaken a range of diverse assignments with Emirates NBD Group, including the CEO of Emirates NBD Capital Limited, CEO of Emirates Financial Services, and Group Head of International Wholesale Banking & Financial Institutions. Prior to joining Emirates NBD Bank (P.J.S.C.), Mr. Wajid worked with National Bank of Abu Dhabi ("NBAD") and Mashreq Bank PSC. He also served as a member of the board of Shuaa Capital PSC, Emaar Industries & Investment, and as Group CEO of Emerald Palace Group.

Education and Qualifications

- Master of Business Administration, Aligarh Muslim University Aligarh, India.
- Bachelor of Arts, Aligarh Muslim University Aligarh, India.



Ms. Huda Sabil Abdulla
Chief Financial Officer

Experience

Ms. Abdulla is responsible for the Emirates Islamic's Finance function and directs and controls the Bank's financial strategies, business objectives, budget and performance management. She has been an integral part of the Emirates NBD Group for over 28 years, having started her career as a Personal Services Officer at Emirates Bank, responsible for the Bank's Human Resources services.

Ms. Abdulla's career in the Bank progressed over the years, handling different roles in Emirates NBD Finance. In 2013, she moved to Emirates Islamic as Vice President Business Performance. She played a key role in developing tools and systems to provide critical financial and operational information to the CEO and Board of Directors, and made actionable recommendations on both strategy and operations.

In 2019, Ms. Abdulla was appointed as the Chief Financial Officer, responsible for determining and implementing policies, strategies and providing senior-level input on issues of strategic importance, both of which are aimed at raising shareholder value.

Education and Qualifications

- Certified Islamic Professional Accountant ("CIPA"), AAOIFI, Bahrain.
- Certified Management Accountant ("CMA"), Institute of Management Accountants, USA.
- Bachelor in Business Administration from Ajman University, Ajman University of Science and Technology, UAE.



Mr. Fuad Mohamed
Chief Operating Officer

Experience

Mr. Mohamed was appointed as the Chief Operating Officer in 2022. In this role, Mr. Mohamed is responsible for overall Operations & Control, leading IT Projects and alignment with the Group on transformation and key business initiatives to achieve synergy across entities, focusing towards digitisation.

Mr. Mohamed brings with him 23 years of banking experience. Previous to this assignment, he has served as the Chief Operating Officer and Executive Board Member at Emirates NBD Egypt and has also held prestigious positions such as Vice President of Group IT, UAE and Acting Head of Retail Banking, Egypt. In addition, Mr. Mohamed also held the valued position as Chairman of Digital Committee in Union Banking Federation in his career span.

Education and Qualifications

- Completed his education from Dubai Police College & Higher Colleges of Technology in the UAE.
- Underwent several training programs from institutions like INSEAD & Harvard.



Mrs. Farida Mohammad Rafi
Chief HR Officer

Experience

Mrs. Rafi is a seasoned Human Resources leader with 23 years of experience, having led various HR functions across diverse industries ranging from banking to aviation. She has a proven track record in developing and implementing strategic HR initiatives that drive organisational growth and enhance employee engagement.

Mrs. Rafi has extensive knowledge of building high-performance teams and fostering a culture of innovation and inclusion. She has led wide-scale projects related to talent acquisition, employee retention, Emiratisation, workforce planning, performance management, and leadership development. She has successfully aligned HR strategies with business objectives, resulting in improved profitability and sustained competitive advantage for various world-class organisations that she has worked for across the UAE.

At Emirates Islamic, Mrs. Rafi is focused on upskilling/reskilling people, fostering a productive organisational culture and pay by performance, leadership readiness, the use of data-driven HR decision making that leverages people analytics to optimise processes, effectively support business to achieve their strategic objectives, and enhance employee experience.

Among her previous roles, Mrs. Rafi has been Head of HRBPs and Head of Talent Acquisition and Emiratisation. Prior to that, she served as Head of HR Operations & Administration at Abu Dhabi Airports Company (now Zayed Airports Company), Head of Employee Services & Payroll at UAE General Civil Aviation Authority, Head of HR Operations at Al Hilal Bank, and AVP HRBP at Emirates NBD.

Education and Qualifications

- Master of Human Resources Management, Abu Dhabi University – College of Business Administration, UAE.



Mr. Mahdi Al Kazim
Chief Risk Officer

Experience

Mr. Al Kazim is responsible for all Risk functions within Emirates Islamic, bringing over 34 years of banking industry experience to the role, including with the Emirates NBD Group since 1989. Prior to joining the Bank, he was the Chief Credit Officer of Emirates NBD. He formally served on the Board of Emirates Islamic Brokerage, and as Vice Chairman and Chairman of the Corporate Banking Committee of the Union Banking Federation ("UBF").

Education and Qualifications

- Bachelor's degree in Accounting and Computer Science, UAE University.
- International General Management Programme for Executive Development, IMD, Switzerland.

Senior Management continued



Mr. Zaki Siddiqui
Head of Internal Audit

Experience

Mr. Siddiqui has more than 36 years of experience in the Internal Audit function across all areas of Corporate and Retail Banking, Trade Finance, Operations, Project Financing and Leasing. He oversees the Internal Audit function at Emirates Islamic, reporting to the Emirates Islamic Board Audit Committee and Group Chief Internal Auditor. He is also a member of Senior Management committees, including the Emirates Islamic Executive Committee.

Mr. Siddiqui previously managed and performed audit responsibilities for Mashreq Bank and BCCI in various countries, including some highly regulated economies such as the USA, UK, Hong Kong, Nigeria and India, as well as other countries including Mauritius, Seychelles, Bangladesh, France, Ivory Coast, Togo and all GCC countries.

Mr. Siddiqui has managed several special assignments and fraud investigations across various banking areas. He has extensive experience working in Line Management in decentralised branch environments in the area of Credit and Marketing, Trade Finance and General Banking.

Education and Qualifications

- Master of Business Administration in Banking & Finance, The International University, USA.
- Diploma in Banking, Institute of Bankers, Pakistan.



Mr. Haseeb Ahmad Ansari
Chief Compliance Officer

Experience

Mr. Ansari has more than 27 years of international banking experience, which includes management of Regulatory and Financial Crime Compliance frameworks, as well as the Governance and Operations domains. He has extensive experience in dealing with regulators, industry bodies, foreign correspondent banks, service providers and consultants.

He has been an active member in the Compliance fraternity and currently, he is the Vice Chairman of the UAE Banks Federation (UBF) Compliance Committee. Prior to joining Emirates Islamic, Mr. Ansari was the Chief Compliance Officer at United Arab Bank and previously, he completed more than nine years at Barclays Bank PLC, where his last assignment was the Regional Head of Compliance for the Middle East. He originally started his career at Citibank, managing a diverse spectrum of functional portfolios for over a decade.

Education and Qualifications

- Master of Business Administration, Preston University (School of Business & Commerce), Pakistan



Dr. Asem Hamad
Head of Internal Shariah Audit

Experience

Dr. Hamad has been working in the field of Islamic Banking in the UAE for more than 16 years. He started his banking career with ADIB before joining Emirates Islamic to oversee the Shariah Audit function. He has published a number of books and articles on Islamic finance and Shariah Audit.

Education and Qualifications

- PhD in Jurisprudence and its Fundamentals, University of Sharjah, UAE.



Dr. Abdulsalam Kilani
Head of Internal Shariah Control Division

Experience

Dr. Kilani has excellent experience in consulting and Shariah governance, in addition to Shariah control, auditing and training. He has been managing the Shariah departments of Islamic banks in the UAE for more than 15 years. He has played a pivotal role in developing Islamic banking products, reviewing annual plans for Shariah control and auditing, and directing Shariah Control Departments to improve work efficiency and raise the level of Shariah quality through proper Shariah implementation. In addition, he has overseen Shariah training materials, such as electronic and remote education training, which were specially prepared for Bank employees, as well as providing Shariah training courses for various departments and job levels. Dr. Kilani has conducted research in topics of Islamic jurisprudence, finance and Islamic banking.

Education and Qualifications

- PhD in Transactional Jurisprudence, The Scandinavian University, Norway.
- Master's degree in Transactional Jurisprudence, the American University, U.K.
- Bachelor's degree in Islamic Studies, the United Arab Emirates University, UAE.



Mr. Ebrahim Qayed
Head of Treasury & Markets

Experience

Mr. Qayed is responsible for managing the Group's liquidity and strategic balance sheet, providing treasury sales, structuring and execution solutions to business units within the Group, and managing the Group's investment book. He started his career with Emirates NBD P.J.S.C. in 2006 and, during his career, held various positions including as a Branch Manager, Head of Flow and Execution Desk, and Head of Treasury Sales and Structuring.

Education and Qualifications

- Master's degree in International Business, Monash University, Australia.
- Bachelor's degree in Information System, University of Melbourne, Australia.
- Leadership Development Programme Certificate, Darden Business School, USA.
- Strategic Thinking & Leadership Programme Certificate, Wharton School, USA.
- Strategic Leadership Development in the Era of Disruption Programme Certificate, Said Business School, University of Oxford, UK.



**Dr. Ahmed Mohammed Saeed
Mohammed Alkhalawi**
Head of Legal - Emirates Islamic and Group
Company Secretary

Experience

Dr. Alkhalawi has over 17 years of experience in legal, leadership and management roles. As Group Company Secretary and Head of Legal, he is responsible, amongst other things, for ensuring that Emirates Islamic complies with all relevant laws and regulations and has effective governance processes.

Dr. Alkhalawi previously held senior legal roles in government and semi government entities, including DP World, Jebel Ali Free Zone, Jebel Ali Authority Dubai, Dubai Islamic Bank and HSBC.

Education and Qualifications

- PhD in Shariah and Judiciary Law, Universiti Sains Islam Malaysia.
- Master's degree in Private Law.
- Bachelor's Degree in Law, Ajman University.

Other Key Members of Management



Mr. Vivek Shah
Head of Corporate Banking

Experience

Mr. Shah had joined Emirates Islamic Bank in 2019 as Head of Financial Institutions, Investments and International. He has an experience of over 20 years in financial management, corporate and institutional banking, financing syndications and debt capital markets. Previously, he has served ENBD Group for over nine years in various capacities including Regional Head of Institutional and International Banking & Debt Capital Markets at Emirates NBD Bank and Head of Loan Syndications at Emirates NBD Capital. He has also served as Group CFO for Emirates Palace Group in the UAE.

Education and Qualifications

- MBA degree in Finance and Marketing.
- Chartered Accountant.
- Company Secretary.



Mr. Mohamed Al Hadi
Acting Head of Retail Banking &
Wealth Management

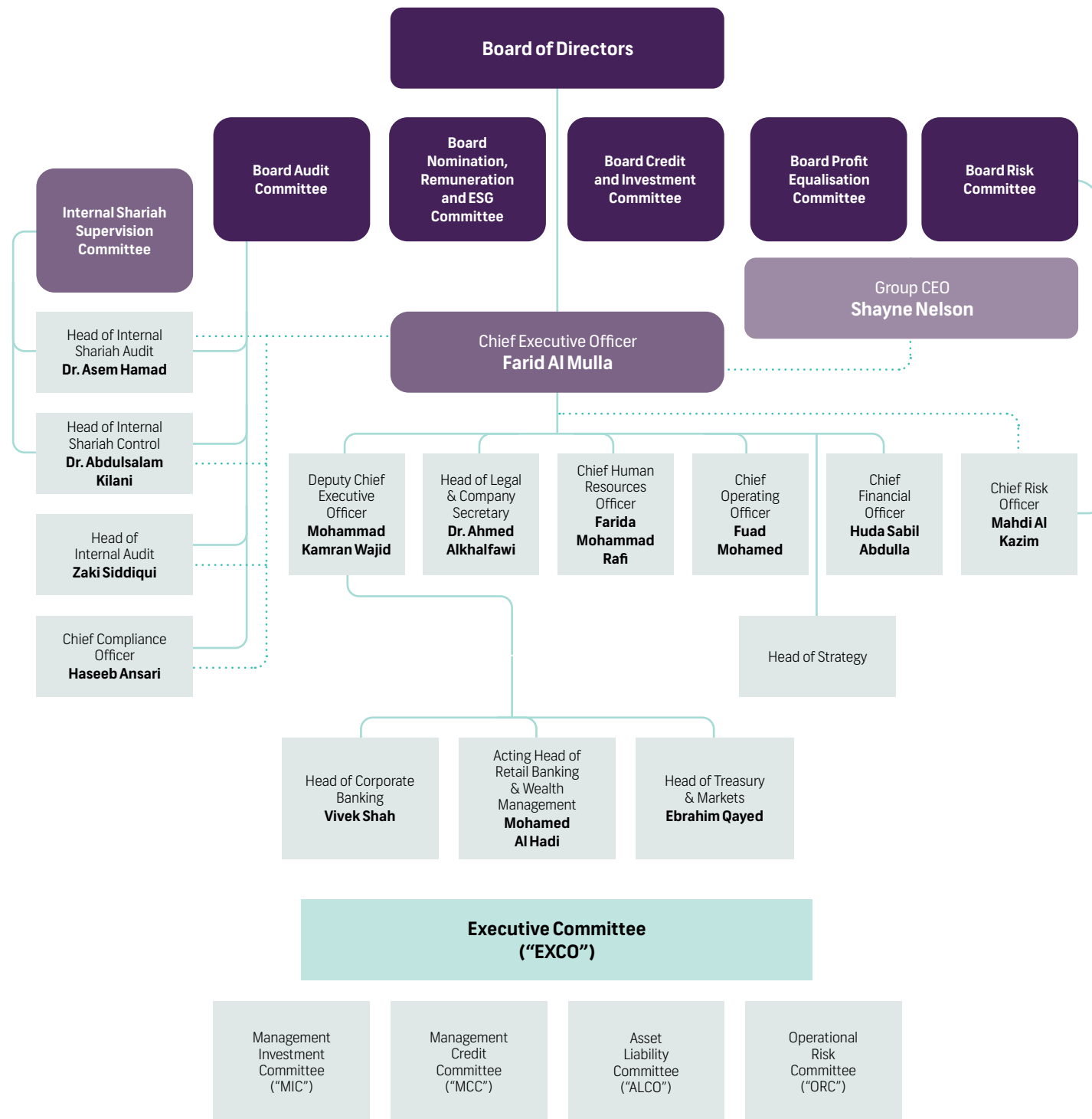
Experience

Mr. Al Hadi brings to the role a wealth of experience and a distinguished career trajectory. With over 18 years of expertise in the banking sector, he has successfully undertaken and managed leadership positions across various divisions within the Emirates NBD Group including, Retail Distribution, Priority Banking, Strategy & Wealth Management.

Education and Qualifications

- Alumni of Bayes Business School.
- Alumni Harvard Business School.

Corporate Governance Model



Emirates Islamic's Corporate Governance Framework is based on the principles of responsibility, accountability, transparency and fairness to support sound and prudent decision making. The Corporate Governance Framework consists of Emirates Islamic's Corporate Governance Manual, Board Charter and a series of Board policies.

The Corporate Governance Manual identifies the responsibilities and accountabilities of the Board and individual Directors, Board Committees and supporting Management Functions. It also provides an overview of the overall governance approach within Emirates Islamic. The Board Charter details the protocols and policies of the Board and is supplemented by specific Board policies related to conflicts of interest, fitness and propriety, remuneration and performance evaluation.

The Corporate Governance Manual Sets Out Four Broad Tiers/levels of Roles:

- (i) **Board:** The Board has the ultimate responsibility for ensuring that an appropriate and effective governance framework is established and maintained to manage and control the Bank's activities.
- (ii) **Board-level and Senior Management Committees:** The Board delegates authority to Committees and establishes standards for the control and governance of the Bank. Committees have responsibilities and authorities as defined in their terms of reference.
- (iii) **Functions:** Individual functions perform business and control activities, which are compliant with all internal policies, procedures, guidelines, external laws and regulations.
- (iv) **Individuals:** The business and function heads are delegated with required authorities to ensure effective governance and compliance.

As such, the governance framework guides the Board and Senior Management in the discharge of their duties, aligns their interests with those of shareholders and other key stakeholders and ensures risks are managed prudently. The Bank complies with the framework, suitably adjusted to local regulations. As a result, the commitment to good corporate governance provides a strong basis for the future development and positive corporate performance of the Bank.

Delegation of Authority

All authority throughout Emirates Islamic is ultimately derived from the Board, which ensures an effective system of internal control.

The Responsibilities of the Board

The Board has overall responsibility for the Bank, including approving and overseeing the implementation of the Bank's strategic objectives, complying with all laws and regulations applicable to the Board, governance framework and corporate culture. The Board is responsible for the overall direction, management, supervision and control of the business affairs of the Bank and provides leadership in the development and implementation of the vision and mission of the Bank. The Board is also responsible for providing oversight over Senior Management.

The Responsibilities of the Chairman of the Board

The Memorandum of Association of Emirates Islamic confers authority upon the Chairman to act on behalf of the Bank. The Chairman is responsible for leading the Board and focusing it on strategic matters, overseeing the business of Emirates Islamic and setting high governance standards. The Chairman plays a pivotal role in fostering the effectiveness of the Board and of the individual Directors. The Chairman, on behalf of the Board, delegates specific powers and responsibilities to the Chief Executive Officer by virtue of a duly notarised Power of Attorney ("POA"), who subsequently sub-delegates specific authorities to members of Senior Management of the Bank.

The Responsibilities of the Board Committees

Whilst the Board is ultimately responsible for the conduct of Emirates Islamic's affairs, for greater efficiency and to assist it in carrying out its responsibilities, Board Committees have been established with formally delegated objectives, authorities, responsibilities and terms.

The Board has established five permanent Board Committees. Each Committee has its own Board-approved terms of reference, which sets out the responsibilities of the Committee and how it reports to the Board. Each Committee conducts a self-evaluation annually. The Chairman of each Committee determines the frequency of Committee meetings, consistent with the Committee's terms of reference and the requirements of Emirates Islamic.

The Board regularly reviews the composition of the Board Committees. The BAC and the BRC have an Independent Director appointed as the Chair, and the Board Risk Committee has a majority of Independent Members, as required by CBUAE regulations.

Further details of Board Committees can be found in the Board Committee Reports section on pages 27 to 36.

The Responsibilities of the Management Committees

Various Management Committees have been established to assist in the day-to-day management of the Bank's activities, with duly approved terms of reference, which set out the responsibilities of the Committee and how it reports to the Board. Further details of key Management Committees can be found in the Management Committee section on page 30.

Board Composition

Board Composition

The Board composition is in line with all relevant regulations which, amongst other things, state that:

- The Board shall have at least one female Director (Emirates Islamic has one female Director).
- At least one-third of the Directors shall be assessed to be independent (3 of 7 of our Board Directors are assessed to be independent).
- The Chairman of the Board and a majority of the Directors shall be UAE Nationals (6 out of 7 of our members are UAE Nationals).

Our Board composition is also in line with the following guiding principles:

- The Board comprises a sufficient number of independent Directors to meet all relevant regulatory requirements, and to demonstrate effective challenge, enquiry and appropriate “independence of mind and spirit”.
- Directors are qualified, individually and collectively, to discharge their fiduciary duties. They understand their role and are able to exercise sound, objective judgement about the affairs of the Bank.
- All Board appointments are made in line with the approved [Fit and Proper Policy](#). This includes a review of candidates’ experience, knowledge, skills and independence of mind, record of integrity and good repute, and time available to carry out their duties. Further details are set out in the Board Charter and Fit and Proper Policy.
- The Board devotes sufficient time, annually, to devising appropriate training programmes for the Directors.

Board Skills

Collectively, the Board comprises seven Non-Executive Directors contributing a wide range of skills, competencies, diversity, expertise and experience from a range of backgrounds, including in the areas of banking, finance, audit, strategic planning, corporate governance, ESG, risk management, technology and digital, and Islamic banking.

Board Diversity

- The UAE continues to enhance gender diversity through Corporate Governance Regulations, including those set by the CBUAE and the SCA.
- Current regulations stipulate that at least 20% of the candidates considered for appointment to the board of a listed company must be female and every board must have at least one member who is female.
- The Emirates Islamic Board is committed to supporting gender diversity. H.E. Huda Sayed Naim Al Hashimi was appointed as the first female Board member of Emirates Islamic in early 2022.
- The Board currently has 14.2% female representation in line with the Emirates Islamic Board Charter and regulatory requirements. The BNRESGC supports the nomination of female candidates and will continue to review opportunities to include gender diversity as part of the Board succession process.
- Emirates Islamic is also committed to playing a progressive role in promoting gender diversity across the organisation and Emirates Islamic’s employee base is currently 36% female.

Board Appointments

- Emirates Islamic recognises that an effective Board and well-qualified and experienced Directors are critical to ensuring that the Board meets its primary responsibility of promoting the success of the Bank.
- The BNRESGC plays an important role in the selection and recommendation of potential Directors for appointment to the Board, ensuring that the Board comprises individuals with a balance of skills, diversity and expertise who collectively possess appropriate qualifications required for the size, complexity and risk profile of the Bank.
- It is ensured that at least 20% of candidates for nomination to the Board are female, in line with regulatory requirements.
- All candidates for Board membership are subject to a Fit and Proper Process to ensure they have sufficient competence, knowledge and experience to effectively carry out their duties. In particular, the BNRESGC may consider the candidate’s profile and experience and the specific requirements of the Board at that time.
- Board appointments are made in line with the cumulative voting requirements under the UAE Commercial Companies Law and Emirates Islamic’s Articles of Association. Directors are elected by an Ordinary Resolution passed by shareholders at the Bank’s General Assembly Meeting (“GAM”) and their appointments are subject to approval by the CBUAE.
- In the event of a vacancy, the Board, assisted by the BNRESGC, may identify candidates with the appropriate expertise and experience, using external consultants and/or placing advertisements, as appropriate. The most suitable candidate will be appointed by the Board within a maximum period of 30 days but must stand for election by the shareholders at the next GAM to confirm such candidate’s appointment or appoint another instead.
- As stipulated in Emirates Islamic’s Articles of Association, all Directors hold office for a term of 3 years and are eligible for reappointment after that.

Board Induction

Board induction and ongoing Board awareness sessions are vital to ensure that Directors keep up to date on key matters. They ensure that Directors have the necessary skills and knowledge to discharge their fiduciary responsibilities effectively and to provide constructive challenge and enquiry to the business of the Board.

Therefore, the BNRESGC, working with Senior Management, provides a tailored induction programme for new Directors joining the Board, in order to ensure that they are properly orientated and well-equipped to fulfil their duties and fiduciary responsibilities. The induction programme includes:

- Information about Directors’ rights, duties and responsibilities, the Bank’s strategic plans, its significant financial, accounting and risk management issues, its compliance programmes, its Corporate Governance Manual and Framework, its Code of Conduct, its management structure and an overview of the regulatory environment applicable to the Bank, including the Corporate Governance Regulations.
- Discussions with the Group Chief Executive Officer, Senior Management, the Group Company Secretary, the internal auditors and (where required or considered appropriate) external auditors.
- Appropriate reading materials, tutorials and workshops.

The Board dedicates sufficient time, budget and other resources for its induction programme and regularly reviews it to ensure that Directors acquire, maintain, and enhance knowledge and skills relevant to their duties and fiduciary responsibilities.

Board Management of Corporate Culture

Emirates Islamic continued to embrace a strong corporate culture during the year, which supports long-term sustainable shareholder value. During 2023, the Board and the Emirates Islamic Executive Committee continued to enhance and embed a strong corporate culture in a number of ways, including:

- Continuing to apply a written code of conduct, conflict of interest policy, whistleblowing policy mechanism, culture and values programmes (applying the values of Collaboration, Ownership, Drive and Enterprising), championing consumer protection and encouraging a strong “speak-up” culture.
- Setting the “tone from the top” by playing a lead role in establishing, promoting, embedding and monitoring the Bank’s corporate culture and values to ensure that all business is conducted in a legal and ethical manner.
- Monitoring and influencing the culture, reputation and ethical standards of the Bank.
- Ensuring strong engagement with staff and confirming that they are aware that appropriate disciplinary or other actions will result from unacceptable behaviours and transgressions that do not adhere to the Bank’s purpose and values.
- Embedding employee engagement scores into Senior Management scorecards.

Board Leadership

Board Meetings held During 2023

- The Board and Board Committee meeting dates, times and key “standing” agenda items are established at the beginning of the year.
- Board meetings take place regularly, at least six times per year, or more, if and when required.
- As highlighted above, and in order to ensure that all relevant and appropriate agenda items are tabled for review/noting/approval during the year, it is the Bank’s practice to develop a key standing annual agenda schedule, setting out the standing agenda items to be tabled during the year.
- The attendance of individual Directors is recorded at each Board and Board Committee meeting.
- The Bank’s policy is that Directors should demonstrate “constructive challenge and enquiry,” and also be of “independent mind and spirit.” The Chairman also ensures that there is effective debate, encouraging a wide variety of views, and that each Director has an opportunity to contribute fully. This is to make sure that all decisions take all key matters into account, all in the best interests of the Bank.
- The Board and Board Committee agendas are drafted by the Office of the Group Company Secretary and shared with the Chairman for review/approval, as well as with the Emirates Islamic CEO.
- During 2023, six scheduled Board meetings were held to discuss fundamental matters of the Bank, including reviewing and approving strategic and business performance and other key matters as set out on page 18.

Board Attendance During 2023

The following table sets out the Board meetings attended by each Director during 2023. Where a Director is unavoidably absent from a Board or Board Committee meeting, he/she still receives and reviews the agenda and papers for that meeting. Generally, a Director unable to attend shall provide verbal or written input ahead of the meeting, usually through the Chairman of the

Board. This is to ensure that his/her views are considered at the meeting. Whilst Directors make all effort to attend every meeting, this may not always be possible, particularly where additional Board meetings are, exceptionally, arranged at short notice for urgent matters.

Board of Directors		Board Meeting Dates and Attendance					
		25 Jan 2023	26 Apr 2023	26 Jul 2023	25 Oct 2023	6 Dec 2023	13 Dec 2023
Mr. Hesham Abdulla Al Qassim	Chairman	✓	✓	✓	✓	✓	✓
Mr. Buti Obaid Buti Al Mulla	Vice Chairman	✓	✓	✓	✓	✓	✓
H.E. Mohamed Hadi Ahmed Al Hussaini	Director	✓	✓	✓	✓	✓	✓
Mr. Salem Mohammed Obaidalla	Director	✓	✓	✓	✓	✓	✓
Mr. Ali Humaid Ali Al Owais	Director	✓	✓	✓	✓	✓	✓
H.E. Huda Sayed Naim AlHashimi	Director	✓	✓	✓	✓	✓	✓
Mr. Shayne Keith Nelson	Director	✓	✓	✓	✓	✓	✓

Key Board Agenda Items During 2023

In 2023, six Board meetings were held and the following key strategic matters were considered:



Strategic and Financial Performance

- Review of financial performance, including performance against the strategy and agreed budgets for each of the business lines.
- Budgets for 2024, all in the context of the approved strategy and risk appetite.
- Review of key business strategies, decisions and risks in light of the regulatory, economic and market environment.



Corporate Governance

- Updates of the BRC, BAC and BNRESGC terms of reference to comply with regulatory requirements and international best practices.
- Approval of the Emirates Islamic Corporate Governance Framework and related policies.
- Updates of Emirates Islamic’s Memorandum and Articles of Association to comply with relevant regulations and best practice.
- Review of related party transactions.
- Appointment of new Chief Executive Officer and review of Emirates Islamic’s organisational structure.
- Completion of the 2023 Board evaluation process.
- Completion of Board trainings, in line with the 2023 training plan.
- Appointment of External Auditors for 2023.
- Review of Board Committee and Higher Shariah Authority (“HSA”) reports and updates.



Disclosure and Transparency

- Review and approval of various disclosures, including those in the Annual Report, Directors’ Report, Financial Results, Corporate Governance Report, ESG disclosures and the Annual Shariah Report.
- Notice of the GAM.

Continuing Awareness Programmes, Succession Planning and Evaluation

Board Awareness Programmes

Emirates Islamic provides ongoing Board awareness sessions during the year on a variety of topics relevant to the business. These awareness topics are developed in consultation with the Board and cover key issues that are considered relevant and appropriate, commensurate with the ongoing or evolving challenges and risks of the business and any regulatory requirements.

During 2023, the following Board awareness sessions, including sessions on regulations, governance and emerging technologies, were delivered to the Board:

Board Awareness Sessions

Environmental, Social and Corporate Governance

1. What is ESG and its Impact on Investors and Regulators?
2. ESG Reporting Landscape
3. The Board's Role in Overseeing ESG

AML/CFT

1. Regulatory Environment
2. Board and Senior Management Responsibilities
3. Emerging Threats

Shariah Insights

1. The Higher Shariah Authority (HSA)
2. Shariah Governance Framework
3. Internal Shariah Supervision Committee
4. Internal Shariah Control Division

At the request of the BNRESGC, Senior Management will provide additional presentations for Directors, on any matters that may help them gain deeper understanding and knowledge of the Bank.

The Board dedicates sufficient time, budget and other resources for its awareness programmes and regularly reviews them to ensure that Directors acquire, maintain, and enhance knowledge and skills relevant to their duties and fiduciary responsibilities.

Board Succession Planning

Emirates Islamic reviews its Board composition regularly to keep it aligned to regulatory requirements and to support the principles of Board independence, diversity and effectiveness. Our continual reviews take account of:

- The skills required of the Board as a whole and of each of its Committees.
- The skills and tenure of each of its Directors.
- The diversity of the Board.
- Board independence.
- All other regulatory requirements.

Board Evaluation

The Emirates Islamic Board is committed to monitor and improve its performance as well as to implement international best practices.

- The Board reviews and evaluates the performance of the Board, each of the Board Committees and each of its members annually, under the Emirates Islamic [Directors' Performance Evaluation Policy](#). This process provides the Board with an understanding of how Board members view their own effectiveness, highlights areas of strengths and improvements and provides an integrated picture of the performance of the Board and its Committees.
- At least once every five years, an independent evaluation of the Board, each of the Board Committees and individual Directors, using an independent external consultant, is conducted in line with the CBUAE regulations.

During 2024, Emirates Islamic will appoint an external consultant to independently evaluate the performance of the Board, Board Committees and individual Directors.

Emirates Islamic Internal Board Evaluation Process



Results of the 2023 Internal Evaluation Process

As part of the 2023 Board Evaluation survey, the Board requested to ensure that sufficient time is devoted to debate key matters, and encouraged additional meetings to take place as may be necessary from time to time.

Overall, the 2023 Board Evaluation survey supported the following conclusion:

- the Board and its Committees perform well, and are strong and diverse;
- Directors have a good overall knowledge of the business and of the Emirates Islamic as a whole, and a wide range of business skills; and
- the quantity of information provided to the Board is sufficient and is aligned to Emirates Islamic's long-term strategy.

Managing Conflicts of Interest and Related Party Transactions

Conflicts of Interest

- The Bank has adopted a “[Conflict of Interest Policy](#)” to ensure that details of all transactions in which a Director might have potential interests are presented to the Board for its review and approval.
- Each Director, once appointed and on a quarterly basis thereafter, must disclose all actual or potential conflicts to the Bank.
- As a result of written declarations submitted by each Director, the Board satisfies itself that the other commitments of the Directors do not conflict with their duties, or where conflicts arise, that the Board is sufficiently aware and policies are in place to minimise the risks.
- A Director who, in any way, has a conflict of interest in relation to a contract or proposed contract or arrangement with the Bank shall declare the nature of that interest at a meeting of the Board and record the nature of such interest in the minutes. The Director may not vote on the resolution concerning such contract or arrangement.
- Each year, Emirates Islamic Compliance requests an annual declaration from Senior Management, which it reviews to ensure that the external appointments for each Senior Management member are in line with the UAE Corporate Governance Regulation for Banks and in accordance with the Bank’s policies/procedures.

Related Party Transactions

In accordance with the UAE Corporate Governance Regulations, Related Party Transactions (“RPTs”) must be defined and identified, to prevent any potential or actual conflict of interest that might arise.

Emirates Islamic has developed an RPT framework and guidelines, which details the processes in place to identify, assess, monitor and report the Bank’s exposures towards related parties. RPTs are entered into on an arm’s length basis, on normal commercial terms and continue to be monitored by or on behalf of the Board. The Bank also maintains a register of related parties and details for each related party transaction.

Related Party Transactions for 2023 are set out in the following table:

Relationship	Type of transaction	2023 (AED 000)	2022 (AED 000)
Parent and related companies	Financing and other receivables	429,743	971,157
Directors and related companies	Financing and other receivables	4,240	8,671
Key management personnel and affiliates	Financing and other receivables	3,592	164
Ultimate parent company	Customer deposits and other payables	9	183,635
Parent and related companies	Customer deposits and other payables	4,578,147	1,505,156
Directors and related companies	Customer deposits and other payables	99	161
Key management personnel and affiliates	Customer deposits and other payables	18,983	17,847
Ultimate parent company	Investment in ultimate parent company	186,045	191,577
Parent and related companies	Positive fair value of Islamic derivative	67,476	103,257
Parent and related companies	Negative fair value of Islamic derivative	(116,858)	(81,130)
Parent and related companies	Notional amount of Islamic derivative	10,804,699	9,725,512
Parent and related companies	Recharges from group companies	(437,826)	(351,699)
Ultimate parent company	Income from investment	6,443	6,443
Parent and related companies	Income on financing receivables	55,114	12,527
Ultimate parent company	Distribution on deposits	3,911	4,061
Parent and related companies	Distribution on deposits	25,800	8,591
Key management personnel	Short term employee benefits	30,754	24,443
Key management personnel	Post employment benefits	1,062	3,003
Directors	Directors’ sitting fee	2,831	3,640

As of 31 December 2023, customer accounts from and financing to Government related entities, other than those that have been individually disclosed, amount to 14.2% and 4.2% (2022: 16.0% and 4.0%) of the total customer’s deposits and financing receivables of the Group, respectively.

These entities are independently run business entities, and all the financial dealings with the Group are on normal commercial terms.

Parent and Group Holding Company is Emirates NBD Bank (P.J.S.C.) and the ultimate parent company is Investment Corporation of Dubai.

Directors' Ownership in Shares and Securities and Overboarding

Ownership and Transactions (Both Purchase and Sale) of the Board of Directors

No Directors hold any share of Emirates Islamic.



Overboarding

Through the application of the Conflict of Interest Policy and the Fit and Proper Policy, the Board ensures that any external directorships or other interests held by any Director (or designate Director being appointed to the Board):

- are not excessive in number, as required by relevant regulations;
- do not take up an unreasonable amount of time, to the prejudice of Emirates Islamic Board duties; and
- do not create any conflict of interest.

Emirates Islamic complies with all regulatory requirements in relation to overboarding, including the following provisions:

- A Director may hold memberships in the boards of up to five (5) Public Joint Stock Companies ("P.J.S.C.") in the UAE, to include P.J.S.C.s inside the banking Group.
- A Director may hold memberships in the Board of only one (1) Bank in the UAE and up to four (4) Banks outside the UAE.
- Directors must obtain permission from the Board before accepting nomination to serve on another board and no conflict of interest must be present.
- Each Director must confirm annually that he/she has sufficient time available to manage the time commitments required from the role in the Bank.

Emirates Islamic also follows a process that Directors must declare on a quarterly basis that they have sufficient time available to carry out their duties with the Bank.

The following table sets out the P.J.S.C. appointments held by each Director and their compliance with the regulations.

Board Member	Number of P.J.S.C. Appointments Held *	Number of Appointments Held in Banks Outside the UAE**	Compliant to Regulation	Sufficient Time Available for Emirates Islamic
Mr. Hesham Abdulla Al Qassim	3	2	✓	✓
Mr. Buti Obaid Buti Al Mulla	4	None	✓	✓
H.E. Mohamed Hadi Ahmed Al Hussaini	2	None	✓	✓
Mr. Salem Mohammed Obaidalla	5	None	✓	✓
Mr. Ali Humaid Ali Al Owais	2	None	✓	✓
H.E. Huda Sayed Naim AlHashimi	2	None	✓	✓
Mr. Shayne Keith Nelson	1	2	✓	✓

*Including Emirates Islamic

**Including Emirates NBD Group Subsidiaries

Risk Management and Internal Controls

Emirates Islamic operates within an overarching risk governance framework established by the Group. Emirates Islamic has established an overarching risk management framework. Risk is managed proactively within Emirates Islamic through various well-established principles, standards, policies, organisational structures, approval authorities and measurement, monitoring and control processes.

The risk management framework enables the Bank to identify, measure, monitor, mitigate and report key risks. Key risk types are categorised into “financial risks” and “non-financial risks”. Whilst financial risks are driven by events in the financial markets, non-financial risks are driven by other market-related events.

The Bank operates a three lines of defence risk management model, which incorporates the segregation of responsibility, controls, monitoring and reporting as appropriate for a bank of its size, nature and regulatory environment:

- Business units (Relationship & Product Management) make up the first line of defence. They originate risk and are responsible and accountable for ongoing management of such risks. This includes direct assessment, control and mitigation of risks.
- The second line of defence includes the Risk Management, Finance, HR, Legal, Operations, Technology and Compliance functions. These functions complement the risk activities of the business lines through their monitoring and reporting responsibilities. They are responsible for overseeing the Bank’s risk-taking activities and assessing risks and issues independently from the business lines. These functions promote the importance of the role of Senior Management and business line managers in identifying and documenting risk owners as part of the New Product and Process Approval and Assessment process. A risk owner may or may not sit with the Bank’s Risk function.

- The third line of defence consists of an independent and effective Internal Audit function. They provide independent review and objective assurance on the quality and effectiveness of the Bank’s internal control system and its first and second lines of defence.

Emirates Islamic faces a broad range of risks, and the key risks are included in the Bank’s Risk Appetite Statement with appropriate thresholds. The Bank’s approved Risk Appetite Statement is a critical component of the risk management framework, establishing the boundaries to ensure Emirates Islamic operates within acceptable levels of risk and maintains compliance with its obligations and commitments. The Board is also supported by a prudent internal control framework, which provides assurance on the financial and non-financial operations of Emirates Islamic, including internal and external audits.

The internal control system is designed to follow a multi-tiered approach and is implemented at various governance levels throughout Emirates Islamic. The internal control system relies on accountability, delegation and collaboration within the various departments and business functions, encouraging the alignment of objectives, resources and the mechanisms deployed. It is based on the clear identification of best practice governance standards and responsibilities; appropriate policies and procedures are implemented to serve each department and business unit across the Bank. Functions that contribute to the internal control system include the Internal Audit and External Audit, Credit Risk, Compliance, Finance, Legal, Operations, Technology, HR and Corporate Governance functions.

The Internal Audit, Compliance, and Risk functions report on a quarterly basis to the Board Committees, including the BAC and BRC. Both the BAC and BRC report any significant matters, as and when required, to the Board.

- The BRC sets the overall risk strategy and approves risk-related frameworks. It reviews risk exposures, risk profiles and risk concentration reports on a regular basis, through quarterly risk monitoring supported by the Risk Management Department. The BRC has oversight of the establishment and operation of risk management systems and receives regular updates on their effectiveness.
- The BAC plays a key role in assessing and assuring the quality and integrity of the Bank’s disclosures, financial statements, financial reporting and compliance to regulatory requirements. The BAC reviews effectiveness of the Bank’s internal controls and corporate governance environment, and provides oversight of the Internal, External Audit and Compliance functions, in addition to Internal Shariah Audit and Internal Shariah Control in coordination with the Bank’s Internal Shariah Supervision Committee. The BNRESGC oversees incentives and other emoluments, which includes consideration of the risk structures for appropriate corporate performance, risk taking and responsibility, and corporate culture.

A separate independent Committee, the Internal Shariah Supervision Committee, whose members are appointed by shareholders at the GAM upon nomination by the Board and approval by the CBUAE HSA, considers Shariah risks and controls.

More details on these Committees are included in later sections of this report.

Board of Directors’ Remuneration

Board of Directors’ Remuneration

The [Directors’ Remuneration Policy](#) is consistent with Emirates Islamic’s culture, control environment and long-term objectives. The BNRESGC reviews and makes annual recommendations to the Board on the form and amount of Directors’ remuneration, taking into consideration the amount of time they give to Emirates Islamic, as well as the extent and complexity of their responsibilities, including serving on Board Committees. Committee Members were paid an allowance of AED 20,000 for each meeting they attended in 2023. The amount of Directors’ remuneration is recommended to shareholders by the Board.

The following table sets out the total Board fees paid to each of the Emirates Islamic Board Directors during the year ended 31 December 2023:

Board Member	Role	Remuneration paid in 2023 (AED)
Mr. Hesham Abdulla Al Qassim	Chairman	2,000,000
Mr. Buti Obaid Buti Al Mulla	Vice Chairman	1,000,000
H.E. Mohamed Hadi Ahmed Al Hussaini	Director	1,000,000
Mr. Salem Mohammed Obaidalla	Director	1,000,000
Mr. Ali Humaid Ali Al Owais	Director	1,000,000
H.E. Huda Sayed Naim AlHashimi	Director	1,000,000
Mr. Shayne Keith Nelson	Director	Nil

A collective total of AED 7 million for the Board Directors was approved by shareholders for each of the 2021 and 2022 financial years. It is proposed that the same level of remuneration of AED 7 million for the 2023 financial year be recommended for approval by the shareholders at the 2024 General Assembly Meeting.

Board Committee Reports



Mr. Salem Mohammed Obaidalla

Board Audit Committee (“BAC”)

Remit

The responsibilities of the BAC include providing oversight of:

- the qualifications, independence and performance of the Bank’s external auditors;
- the qualifications, independence and performance of the Bank’s Internal Audit, Compliance, Internal Shariah Audit and Internal Shariah Control departments;
- the Bank’s internal control system to ensure it adequately covers the conduct of the Bank’s business, taking into account the Bank’s internal controls over financial reporting and disclosure;
- the adequacy and effectiveness of the corporate governance environment; and
- the Bank’s compliance with applicable legal and regulatory requirements (including Shariah regulations), and with the Bank’s policies (unless specifically delegated to other Board Committees).

Statement from the Chairman of BAC

In 2023, four meetings were held by the BAC during which it reviewed the Bank’s financial results for the year ended 2022 and quarterly financial results for 2023, and provided oversight over internal audit, governance, compliance, internal Shariah audit and internal Shariah control-related matters.

The BAC reviewed the External Auditor’s report on annual and quarterly financials and ensured that the Internal Audit risk-based Plan for 2023 focused on key risk areas, assuring that Emirates Islamic’s internal governance and controls remained robust. The BAC continually reviewed the progress of significant issues raised by Internal Audit and Financial Audit Authority (“FAA”). It also focused on controls established to address actual and potential frauds.

The BAC received, from the Emirates Islamic Chief Compliance Officer, status updates on the progress of the Bank’s implementation of key regulatory changes as required, as well as updates on the Bank’s activities in relation to monitoring and managing financial crime risks, including money laundering, terrorist financing, sanctions and proliferation financing risks. The BAC also reviewed/approved the Compliance Monitoring Plan and Gifts and Hospitality Register.

Further, the BAC received joint regular updates from Compliance and Audit management on the CBUAE’s baseline examinations and findings, and reviewed and approved proposed closed actions and extension in due dates respectively.

During the year, the BAC also updated its terms of reference to align to regulatory requirements and best practices.

The Committee’s schedule in 2024 will include a minimum of four meetings focusing on, amongst other things, the integrity of Emirates Islamic’s financial statements, IFRS 9 governance practices, emerging risks, assessment and oversight of the Bank’s activities and performance of Internal Audit, Internal Shariah Audit, and Compliance departments, as well as the performance of the External Auditor.

The BAC will also ensure that Emirates Islamic’s Internal Audit Plan mirrors emerging risks and provides the necessary assurance in the current evolving economic and operational environment.

As Chairman of the BAC, I hereby acknowledge my responsibility to discharge the responsibilities of the BAC under its terms of reference and ensure its effectiveness.

Mr. Salem Mohammed Obaidalla
Chairman, Board Audit Committee

BAC Meetings in 2023

Date of Meeting	Key Agenda Items	Number of Attendees
25 January 2023	<ul style="list-style-type: none"> • Review of Bank financial results for the year ended 2022 and external auditor’s report • Review of internal audit and internal Shariah Audit plan for 2023 • Review of updates on CBUAE examiner’s report • Review internal audit, compliance, Shariah and governance related matters 	3/3
26 April 2023	<ul style="list-style-type: none"> • Review of Bank financial results for Q1 2023 and external auditor’s review report • Review of updates on CBUAE examiner’s reports • Review internal audit, compliance, Shariah and governance-related matters 	3/3
26 July 2023	<ul style="list-style-type: none"> • Review of Bank financial results for Q2 2023 and external auditor’s review report • Review of updates on CBUAE examiner’s reports • Review internal audit, compliance, Shariah and governance-related matters 	3/3
25 October 2023	<ul style="list-style-type: none"> • Review of Bank financial results for Q3 2023 and external auditor’s review report • Update of BAC terms of reference • Review internal audit, compliance and governance-related matters 	3/3

Committee Composition

The BAC Chairman and Members have been appointed by the Board, after duly considering the recommendations of the BNRESGC. The BAC composition is compliant with the CBUAE regulatory requirements, which require three (“3”) Non-Executive Directors, including an Independent Chair distinct from the Chair of Board and other Committees, who collectively have experience in audit practices, financial reporting, accounting and compliance.

Mr. Salem Mohammed Obaidalla
Chairman
Independent Non-Executive Director

Mr. Ali Humaid Ali Al Owais
Member
Independent Non-Executive Director

Mr. Shayne Keith Nelson
Member
Non-Independent Non-Executive Director

Board Committee Reports continued



Mr. Ali Humaid Ali Al Owais

Board Risk Committee (“BRC”)

Remit

The BRC provides oversight of risk management, as part of its responsibility to advise the Board on the overall risk strategy, risk appetite and risk tolerance of the Bank.

The scope of risks covered by the BRC includes, but is not limited to: Credit Risk, Market Risk, Asset–Liability Risk, Capital Risk, Operational Risk, Conduct Risk (ensuring compliance with the Consumer Protection Regulation & Standards from the CBUAE), Reputational Risk, Compliance/Financial Crime Risk, Legal Risk, Strategic Risk, Shariah Risk, Model Risk and Environmental and Social Risk. The BRC also has oversight of the Internal Capital Adequacy Assessment Process (“ICAAP”) and stress testing process to ensure that the Bank’s level of capital is sufficient to meet regulatory thresholds and support its strategy even in a challenging environment.

The primary responsibilities of the BRC include overseeing:

- alignment of the Bank’s strategic objectives with its risk profile and risk appetite;
- development and implementation of the Bank’s risk management framework and adequate policies, procedures, processes, systems and controls;
- management of risk measurement and pricing models, tools and monitoring of the effectiveness of such tools;
- maintaining effective governance and oversight of the management of conduct and compliance risks;
- compliance with regulatory requirements relating to risk management;
- the Bank’s public reporting on risk management matters; and
- the independence and effectiveness of the risk management departments throughout the Bank.

Statement from the Chairman of BRC

During 2023, the BRC held four meetings, during which it discharged its duties in accordance and in compliance with the BRC’s terms of reference. During the year, the BRC:

- ensured that the Bank had a comprehensive risk management framework and risk appetite statement to manage these risks, and ensured adherence to the same.
- received, from the Emirates Islamic Chief Compliance Officer, status updates on the progress of the Bank’s implementation of key regulatory changes as required, as well as updates on the Bank’s activities in relation to monitoring and managing financial crime risks, including money laundering, terrorist financing, sanctions and proliferation financing risks.
- reviewed the establishment of a comprehensive Consumer Protection framework to manage conduct risks.
- provided effective oversight of the Internal Capital Adequacy Assessment Process ICAAP and stress testing process to ensure that the Bank’s level of capital is sufficient to meet regulatory thresholds and support its strategy even in a challenging environment.

- provided oversight of climate risk management, which is fast-evolving, and regulatory and compliance risks, including the financial crime risk assessment, in line with regulatory requirements.
- provided oversight of the Bank’s Risk, Credit and other policies to ensure regulatory compliance and effective implementation.
- reviewed a wide number of other matters, including top and emerging risks, customer experience and ratings, and outsourcing arrangements of the Bank.

Looking into 2024, the BRC will continue to focus on Emirates Islamic’s risk governance framework and risk appetite. The BRC will also keep its top and emerging risks under continual review, in the context of a fast-evolving global and regional geopolitical environment and market conditions. The BRC will also continue to ensure that its risk governance framework remains robust and effective in the context of the Bank’s operating environment and strategy, duly aligned with changing market conditions, regulatory requirements, and the nature, size and complexity of Emirates Islamic.

In 2024, the BRC is scheduled to meet at least four times to fulfil its responsibilities and escalate key matters to the Board.

As Chairman of the BRC, I hereby acknowledge my duty to discharge the responsibilities of the BRC under its terms of reference and ensure its effectiveness.

Mr. Ali Humaid Ali Al Owais
Chairman, Board Risk Committee

BRC Meetings in 2023

Date of Meeting	Key Agenda Items	Number of Attendees
15 February 2023	<ul style="list-style-type: none"> • Bank’s risk appetite statement and monitoring report • Review of consumer protection framework • Material outsourcing arrangements • Compliance reports • Key emerging risk trends • Regulatory reports and updates • Portfolio updates • Review of policies • Liquidity risk updates 	3/3
17 May 2023	<ul style="list-style-type: none"> • Regulatory reports and updates • Bank’s risk appetite monitoring report • Key emerging risk trends • Policies and terms of reference • Compliance reports • Portfolio updates • Liquidity risk updates • Bank ICAAP report • Material outsourcing arrangements 	3/3
13 September 2023	<ul style="list-style-type: none"> • Update of the BRC terms of reference • Policy updates • Regulatory reports and updates • Bank’s risk appetite monitoring report • Compliance reports • Portfolio updates • Liquidity risk updates • Conduct risk management report 	3/3
15 November 2023	<ul style="list-style-type: none"> • Regulatory reports and updates • Bank’s risk appetite monitoring report • Key emerging risk trends • Policy updates • Compliance reports • Portfolio updates • Material outsourcing arrangements 	3/3

Committee Composition

The BRC Chairman and Members have been appointed by the Board, after duly considering the recommendations of the BNRESGC. The BRC composition is compliant with the CBUAE regulatory requirements, which require three (“3”) Non-Executive Directors, including majority Independent Members and an Independent Chairman distinct from the Chair of the Board and any other Committees. The Members collectively have experience in risk management issues and practices.

Mr. Ali Humaid Ali Al Owais
Chairman
Independent Non-Executive Director

Mr. Hesham Abdulla Al Qassim
Member
Non-Independent Non-Executive Director

Mr. Salem Mohammed Ibrahim Obaidalla
Member
Independent Non-Executive Director

Board Committee Reports continued



Mr. Buti Obaid Buti Al Mulla

Board Nomination Remuneration and ESG Committee (“BNRESGC”)

Remit

The primary responsibilities of the BNRESGC include overseeing:

- matters relating to the Board, including the composition, nomination, assessment, succession plans and remuneration policies for the Directors;
- the Board induction plan and Board awareness programme;
- reporting on corporate governance and remuneration matters, and the development of the Corporate Governance Framework, systems and controls;
- ESG and corporate sustainability strategy;
- corporate culture and values, including the Bank’s governance culture;
- selection, assessment, succession and remuneration policies for Senior Management;
- HR strategy including Emiratisation and talent acquisition strategies and workforce diversity and retention;
- independence of Directors and that Independent Directors remain independent on a continuing basis; and
- workforce planning and alignment with goals and strategies.

Statement from the Chairman of BNRESGC

During 2023, the BNRESGC held four meetings and discharged its duties in accordance and in compliance with its terms of reference. During the year, key items conducted by the BNRESGC included:

- assessing the effectiveness of the Bank’s remuneration schemes (including variable remuneration) and deferrals to ensure they align with Emirates Islamic’s strategy, objectives, culture, values and risk appetite.
- reviewing enhancements to the Corporate Governance Framework of the Bank by way of updating BNRESGC terms of reference to comply with regulatory requirements and best practices, establishing Directors’ Appointment Letters and reviewing an internal evaluation process for the Board, Committees and Members and its outcome.
- providing oversight of the Bank’s ESG framework and review of the ESG policies and disclosures.
- reviewing the organisational structure of the Bank, including the appointment of the Chief Executive Officer and the Chief Human Resource Officer.

- monitoring the performance and remuneration of Senior Management.
- reviewing the Emiratisation strategy of the Bank in line with the updated guidelines from the CBUAE, ensuring that its Emiratisation framework effectively develops UAE National talent and meets Emiratisation targets set by the CBUAE.
- monitoring the overall development of Emirates Islamic’s culture to promote a healthy environment and employee engagement conducive to Emirates Islamic’s success.

In 2024, the BNRESGC is scheduled to meet at least four times and will continue to prioritise the development of Emirates Islamic’s Emiratisation strategy, focusing on improvements in recruitment, retention of Emirati talent, and diversity and inclusion, in order to ensure that Emirates Islamic remains an employer of choice.

The BNRESGC will also continue to oversee remuneration policies and processes to ensure they remain suitable for the Bank’s talent pool and contribute to future success and progress, in accordance with regulatory requirements.

From an ESG perspective, the BNRESGC will continue to focus on areas to increase the Bank’s ESG ratings and disclosures, in line with regulatory and market requirements, and will oversee the development of the sustainable finance framework.

As Chairman of the BNRESGC, I hereby acknowledge my duty to discharge the responsibilities of the BNRESGC under its terms of reference and ensure its effectiveness.

Mr. Buti Obaid Buti Al Mulla
Chairman, Board Nomination, Remuneration and ESG Committee

BNRESGC Meetings in 2023

Date of Meeting	Key Agenda Items	Number of Attendees
1 February 2023	<ul style="list-style-type: none"> • Senior Management pay and performance • 2022 Performance Bonus analysis • Emiratisation update • Remuneration Policy review (including deferred cash plan rules) • Review of Directors’ appointment letters and evaluation forms • Consequence management framework • Roles classified as Material Risk Takers • Deferred plan rules • Workforce analysis 	3/3
19 April 2023	<ul style="list-style-type: none"> • Update of BNRESGC terms of reference • Review of Board performance evaluation • Senior Management pay review • Emiratisation update • Remuneration policy review • Review of Annual Remuneration and sitting fees of Internal Shariah Supervision Committee (“ISSC”) members • Workforce Analysis 	3/3
12 July 2023	<ul style="list-style-type: none"> • Review of Bank organisational structure • Emiratisation update • Workforce Analysis 	3/3
15 November 2023	<ul style="list-style-type: none"> • Appointment of CEO and Chief Human Resources Officer (“CHRO”) • HR updates • ESG updates • Emiratisation update • Performance bonus model and alignment with regulations • Workforce analysis • Roles classified as Material Risk Takers 	3/3

Committee Composition

The BNRESGC composition is compliant with the CBUAE regulatory requirements, which require three (“3”) Non-Executive Directors, including two (“2”) Independent Directors.

Mr. Buti Obaid Buti Al Mulla
Chairman

Non-Independent Non-Executive Director

Mr. Salem Mohammed Obaidalla
Member

Independent Non-Executive Director

Mr. Ali Humaid Ali Al Owais
Member

Independent Non-Executive Director

Board Committee Reports continued



Board Credit and Investment Committee (“BCIC”)

Mr. Hesham Abdulla Al Qassim

Remit

The primary responsibilities of the BCIC include overseeing:

- management of credit exposures and investment portfolio;
- effectiveness of the credit and investment risk strategy and policies;
- approval of new products and services, bank and country lines, credit facilities and investment and assets;
- review of credit risk rating alignment with business strategy and risk appetite;
- delegation of lending authority to management committees, credit and business approvers’ and ‘Credit Underwriting Standards’; and
- review of new products and services, credit underwriting standards, Bank and country lines to be included.

Statement from the Chairman of BCIC

During 2023, the BCIC held 46 meetings during which it reviewed and approved the following:

- the effectiveness of the credit and investment risk strategy and policies, and delegated lending authorities to Management Committees and credit and business approvers.
- the portfolio composition, portfolio quality, performance and compliance, including approval of high value credit exposures and policy exceptions.
- the underwriting and stick position for the Bank, any material breaches of risk limits and the adequacy of proposed actions.
- new products and services, bank and country lines, proposals for credit facilities, investments, asset management, financial restructuring and remedial unit, as per applicable Delegated Lending Authority (“DLA”) framework.

During the year, the BCIC also updated its terms of reference to align to regulatory requirements. In 2024, the BCIC will continue to meet weekly to focus on Emirates Islamic’s strategy and monitor the effectiveness of credit and investment and relevant policies. Specifically, the BCIC will:

- examine tactical and short-term efficiency measures pertaining to credit and investment portfolios, due to changes in the market conditions and cost optimisation, changes to operating models, and digitisation against the backdrop of changing market conditions.
- continue to track Emirates Islamic’s implementation of its strategy and risk appetite.
- oversee applicable Emirates Islamic policies, approve and note bank and country lines, credit proposals, portfolio reports, DLA framework, and new products and services.

As Chairman of the BCIC, I hereby acknowledge my responsibility to discharge the responsibilities of the BCIC under its terms of reference and ensure its effectiveness.

Mr. Hesham Abdulla Al Qassim
Chairman, Board Credit and Investment Committee

BCIC Meetings held during 2023

Date of Meeting	Key Agenda Items
During 2023, 46 BCIC meetings were held. All meetings had a valid quorum.	<ul style="list-style-type: none"> • Credit facilities • Credit and investment policies • Business performance • Credit and investment risk strategy • Compliance with CBUAE and other relevant regulations • Review the portfolio composition, quality, performance and compliance

Committee Composition

Mr. Hesham Abdulla Al Qassim
Chairman

Non-Independent Non-Executive Director

Mr. Salem Mohammed Obaidalla
Member

Independent Non-Executive Director

H.E. Mohamed Hadi Ahmed Al Hussaini
Member

Non-Independent Non-Executive Director

Mr. Shayne Keith Nelson
Member

Non-Independent Non-Executive Director

Board Committee Reports continued



Mr. Hesham Abdulla Al Qassim

Remit

The primary responsibilities of the BPEC include overseeing:

- policies and strategies for Islamic investments, and strategies for the management of displaced commercial risk;
- regular reviews of the Islamic investment policies and the performance of the asset portfolio in which Islamic account holders' funds are invested;
- monitoring and scrutiny of the utilisation of reserves such as Profit Equalisation Reserve ("PER") and Investment Risk Reserve ("IRR") and to make appropriate recommendations to the Board; and
- the implementation of the governance policy framework, with the primary objective of protecting the interests of stakeholders, in line with the HSA and ISSC resolutions.

Committee Composition**Mr. Hesham Abdulla Al Qassim****Chairman**

Non-Independent Non-Executive Director

Mr. Buti Obaid Buti Al Mulla**Member**

Non-Independent Non-Executive Director

Dr. Salim Al Ali**External member – CB Shariah**

ISSC representative

Board Profit Equalisation Committee ("BPEC")

Statement from the Chairman of BPEC

During 2023, the BPEC met four times and continued its work in line with its terms of reference, with the primary objective of protecting the interests of stakeholders, other than the shareholders, in line with the Higher Shariah Authority and Internal Shariah Supervision Committee resolutions. Key matters reviewed by the BPEC during 2023 included, amongst other things:

- policies and strategies of the investments and strategies for the management of displaced commercial risk.
- investment policies and the performance of the asset portfolio in which investment account holders' funds are invested.
- utilisation of reserves such as Profit Equalisation Reserve (PER) and Investment Risk Reserve (IRR), scrutinising the same and making appropriate recommendations to the Board.
- ensured rigorous and diligent oversight policy, processes, and procedures over (i) the financing and investment activities undertaken by the Bank using investment account holders' funds; and (ii) the fiduciary duties performed by the Bank.
- the level of reserve allocation, ensuring that it was appropriate and fair to both existing and new investment account holders.

- disclosures made by the Bank regarding its asset allocation and investment strategies in respect of investment accounts, in order to monitor closely the performance of the Bank as managers of such accounts.
- approval of key items relating to compliance with a regulatory requirement on profit equalisation.

The BPEC regularly updated the Board on the work completed by the BPEC, kept its membership under review and conducted an assessment of the effectiveness of the BPEC during the year.

During 2024, the BPEC will continue its work in line with its terms of reference and all relevant regulatory requirements.

As Chairman of the BPEC, I hereby acknowledge my responsibility to discharge the responsibilities of the BPEC under its terms of reference and ensure its effectiveness.

Mr. Hesham Abdulla Al Qassim
Chairman, Board Profit Equalisation Committee

BPEC Meetings in 2023

Date of Meeting	Key Agenda Items	Number of Attendees
February 15 2023	<ul style="list-style-type: none"> • Commercial risk review and reserves updates • Investment policies and strategies review • Regulatory reports updates for compliance with regulatory requirement on profit equalisation • Committee terms of reference and policies updates • Profit distribution updates 	3/3
May 17 2023	<ul style="list-style-type: none"> • Commercial risk review and reserves updates • Profit distribution updates 	3/3
September 13 2023	<ul style="list-style-type: none"> • Commercial risk review and reserves updates • Profit distribution updates 	3/3
November 15 2023	<ul style="list-style-type: none"> • Displaced commercial risk review and reserves recommendation 	3/3

Board Committee Meetings

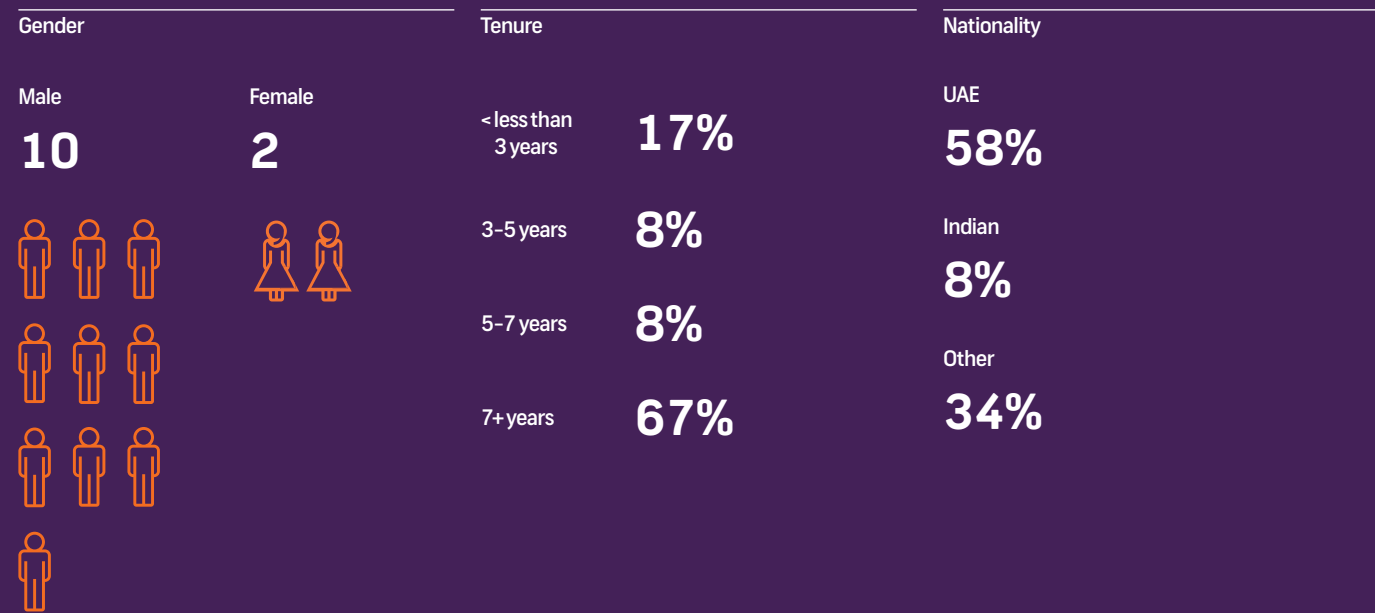
Board Committee Meetings Attendance During the Year Ended 31 December 2023

Member Name	Board Audit Committee	Board Risk Committee	Board Nomination, Remuneration and ESG Committee	Board Credit and Investment Committee	Board Profit Equalisation Committee
Mr. Hesham Abdulla Al Qassim	4 Scheduled Meetings NA	4 Scheduled Meetings M(4/4)	4 Scheduled Meetings NA	46 Scheduled Meetings C(46/46)	4 Scheduled Meetings C(4/4)
Mr. Buti Obaid Buti Al Mulla	NA	NA	C(4/4)	N/A	M(4/4)
H.E. Mohamed Hadi Ahmed Al Hussaini	NA	NA	NA	M(46/46)	N/A
Mr. Ali Humaid Ali Al Owais	M(4/4)	C(4/4)	M(4/4)	N/A	N/A
Mr. Salem Mohammed Obaidalla	C(4/4)	M(4/4)	M(4/4)	M(46/46)	N/A
H.E. Huda Sayed Naim AlHashimi	NA	NA	NA	N/A	N/A
Mr. Shayne Keith Nelson	M(4/4)	NA	NA	M(46/46)	N/A
Dr. Salim Al Ali – ISSC Representative	NA	NA	NA	N/A	M(4/4)

Note: C=Chair and M=Member. The figure in brackets represents number of meetings attended.

As highlighted above, Committee Members were paid an allowance of AED 20,000 for each meeting they attended in 2023.

Diversity in Senior Management



Senior Management Compensation

Our remuneration policy and structures are designed to attract, retain and motivate talented employees. An appropriate balance between fixed and variable remuneration is maintained.

Emirates Islamic operates a discretionary annual bonus scheme for eligible employees. Bonus pool funding is determined at a Bank level with due consideration of the Bank’s risk appetite and the relative performance of business units. When assessing the performance of a business unit/ location, performance assessment is based on both financial and non-financial criteria. The discretionary annual bonus scheme is fully flexible, allowing for the possibility of variable compensation award values being zero.

Variable pay levels will not exceed 100% of fixed compensation unless, in certain circumstances, Emirates Islamic seeks to increase these levels to either 150% of fixed compensation – with approval by the Board or 200% of fixed compensation – with approval by the General Assembly of the Bank.

Awards granted under the discretionary annual bonus scheme comprise cash bonuses, paid after the end of the performance year, and deferred awards, granted under the terms and conditions of the relevant plan rules. Deferred awards will vest in tranches over multi-year periods and are subject to performance adjustment, forfeiture, malus and clawback under certain events and conditions.

Variable compensation awards are subject to ex-post risk adjustment in the form of in-year adjustments, as part of the year-end compensation process, after vesting, or after the awards have been paid out.

The applicable claw back period shall be the later of three years after the date of payment or the date of vesting of the relevant award. Ex-post risk adjustment may be applied on an individual or a collective basis, depending on the circumstances of the event and in a range of circumstances, including but not limited to, material restatement or downturn of financial results for the relevant period, fraud or gross negligence by an individual or group of employees, material error or failures of risk management controls.

For the year 2023, total remuneration for Senior Management amounted to AED 32 million. Total remuneration is comprised of fixed pay (including employer pension contributions and accrued post employment benefits) and variable compensation awarded in the year 2023.

For further details of remuneration policy, and the design and structure of remuneration processes, please refer to the [PILLAR 3 report](#).

Management Committees

Emirates Islamic has several Management Committees, including the EXCO. A number of additional Management Committees have been established to help execute the objectives of the Bank, and assist in the efficiency and effectiveness of running, controlling and monitoring of the business of Emirates Islamic.

Each Management Committee has an approved terms of reference that outlines its authority, responsibilities, meeting frequency and practices. The Bank's Management Committees help drive decision making across a number of areas of the business, including the management of assets, risk, credit and investment, procurement and information security.

Executive Committee EXCO	Management Committee	Number of Meetings Held in 2023	Responsibilities of the Committees
<p>The key responsibilities of EXCO include the following:</p> <ul style="list-style-type: none"> Manages the Bank's activities in a manner consistent with the business strategy, risk appetite, remuneration and other policies set by the Board. Periodically updates on all material matters including changes in business strategy and risk appetite, the Bank's performance and financial condition, breaches of risk limits or compliance rules, internal control failures, legal or regulatory concerns. <p>12 EXCO meetings were held during 2023.</p>	Management Investment Committee (MIC)	4	Ensures the Bank's investment portfolios conform to the strategic vision of the Bank and monitors and reports the performance of these portfolios to the Board. It also recommends BCIC on investment strategies.
	Management Credit Committee (MCC)	50	Manages credit and bank risk facilities, settlement, provisioning and write offs, amendments to pricing, risk grades and waivers pertaining to credit facilities. It also reviews new products and services and property investments.
	Asset Liability Committee (ALCO)	11	Oversees the Bank's capital adequacy assessment, reviewing liquidity tolerance and profit rate risk mismatches, and managing maturity gaps and funding plans.
	Operational Risk Committee (ORC)	4	Ensures the effective application of the operational risk management framework across Emirates Islamic.

General Assembly Meeting

The 2023 GAM was chaired by the Chairman of the Emirates Islamic Board. The Director, the external auditor, a representative of the SCA and shareholders were in attendance (in-person and online). The meeting minutes were taken by the Group Company Secretary and the GAM resolutions were made available to the SCA and shareholders through a market announcement before opening of the next market trading day.

During the 2023 GAM, the business of the meeting included several standard GAM items subject to ordinary resolution (being a simple majority of the eligible votes) and a number of matters that required special resolutions of 75% of the eligible votes. All the resolutions tabled for approval were duly approved at the 2023 GAM. A summary of resolutions tabled and passed (approved) by the shareholders is set out in the following table:

Matter tabled for approval at the 2023 GAM	Resolution Type
Financial Statements and Directors' Report To approve the report of the Board of Directors ("the Board") on the Bank's activities and the financial statements for the year ended 31 December 2022.	Ordinary
Report of the External Auditor To approve the report of the external auditor of the Bank for the year ended 31 December 2022.	Ordinary
Internal Shariah Supervision Committee Report To approve the report of the Internal Shariah Supervision Committee for the year ended 31 December 2022.	Ordinary
Balance Sheet and Profit and Loss Account To approve the audited balance sheet and the profit and loss account of the Bank for the year ended 31 December 2022.	Ordinary
Staff Bonus To approve the Bank's staff bonus for the year ended 31 December 2022.	Ordinary
Board Remuneration To approve the remuneration of the Board for the year ended 31 December 2022.	Ordinary
Dividend To approve the recommendation of the Board not to pay a dividend to the shareholders of the Bank for the year ended 31 December 2022, based on the justifications presented by the Board in its report to the shareholders.	Ordinary
Absolving the Board To absolve members of the Board from liability for their work during the year ended 31 December 2022.	Ordinary
Release, Dismiss or File Liability Claims Against Auditor, as the Case May Be To absolve the external auditor from liability for work conducted during the year ended 31 December 2022.	Ordinary
Appointment of the External Auditor To approve the appointment of the external auditor for the year 2023 and to determine the fees for the same year.	Ordinary
Approval of the Proposals for Non-Convertible Securities Programmes To approve the Board's proposals with respect to non-convertible securities to be issued by the Bank subject to obtaining the necessary approvals from the relevant regulatory authorities.	Special
Amendment of the Memorandum and Articles of Association of Emirates Islamic To approve the amendment of the Bank's Memorandum and Articles of Association in accordance with Decree No. 32 of 2021 and the regulations and legislation issued by the United Arab Emirates Central Bank and Securities and Commodities Authority without limitation.	Special
Zakat Payment To approve the amendment of the Bank's Articles of Association in relation to calculation and payment of Zakat on behalf of its shareholders.	Special
Authority to the Board To authorise the Board of Directors of the Bank, and/or any person so authorised by the Board of Directors, to adopt any resolution or take any action as may be necessary to implement the ordinary and Special Resolutions to be adopted by the general assembly in this meeting.	Special

External Auditor

Selection of the External Auditor

The External Auditor appointed by shareholders in the 2023 GAM for the 2023 financial year is Deloitte & Touche (M.E). Deloitte & Touche (M.E) has served for five consecutive years as the External Auditor of Emirates Islamic. The Audit Partner at Deloitte & Touche (M.E) in charge of the external audit rotated after three years. External audit firms may only be appointed for a maximum of six consecutive years.

In addition to the key responsibilities of the BAC referred to above, the BAC also reviews and approves the external audit approach, to include the evaluation, independent appointment or reappointment, and terms of engagement and rotation of the auditing firm and/or the principal partner in charge of the audit. The selection criteria include ensuring capacity of the audit firm

to manage the audit effectively and competently, taking into account the scale and complexity of Emirates Islamic, as well as ensuring independence, no conflicts of interest, and a strong and capable audit partner and team.

The BAC also reviews the audit scope and approach for the year proposed by the external auditor. The BAC communicates with the external audit team on a number of occasions during the year, without the presence of any of the Senior Management, to discuss periodic and annual reporting, audit findings, changes in accounting and reporting standards, and other necessary business. The BAC reviews the performance, independence and quality of the external auditor annually, including any regulatory conditions and thresholds on independence, rotation, and qualifications of the audit firm and its staff.

Name of the Audit Office and Partner Auditor	Deloitte & Touche (M.E.) Mr. Ali Abdul Aziz
Number of consecutive years served by partner auditor	2 years
Total fees for auditing Emirates Islamic's consolidated financial statements for 2023	AED 0.7 million
Fee for any non-audit services	NIL

Fees

The BAC approves the fee for in scope external audit services at the beginning of each year. The scope of services includes audit services, audit-related services and any other relevant services. The BAC may approve additional fees for the services of external auditors that may arise throughout the year or where the fee exceeds the prior approved amount.

Special (Non-Audit) Services

There were no special (non-audit) services provided by the external auditor during 2023, and accordingly, no fee was rendered for non-audit services.

2023 Audit

No reservations were raised by the external auditor with respect to the year ended 31 December 2023.

Islamic Banking

Emirates Islamic offers Shariah-compliant products and services, as an Islamic Bank licensed by the CBUAE. Emirates Islamic applies a robust Shariah governance mechanism to ensure that all products and services are duly accredited and in line with Shariah principles and CBUAE Higher Shariah Authority ("HSA") guidelines and regulations.

In line with the CBUAE Shariah Governance Framework, Emirates Islamic has a three lines of defence approach: the business units, the Internal Shariah Control Department, and the Internal Shariah Audit Department, respectively. These lines of defence support Emirates Islamic's Shariah governance activities, oversight and reporting. The overall Bank is governed by the ISSC, comprised of independent Shariah scholars.

The shareholders appoint Members of the ISSC at the General Assembly Meeting, upon nomination by the Board and approval from the HSA of the CBUAE. Emirates Islamic has well-established policies, procedures and controls that the ISSC approves and facilitates business activities in a manner compliant with Shariah principles.

The ISSC operates following the resolutions, standards and guidelines issued by the HSA of the CBUAE and undertakes supervision of all Shariah-compliant businesses, activities, products and services. The ISSC has approved the Shariah governance framework for referring matters to the ISSC, issuing fatwas, and ensuring compliance with Shariah in all objectives, activities and operations. The fatwas and resolutions issued by ISSC are binding upon Emirates Islamic.

The ISSC issues a yearly report on its activities, including assurance that Emirates Islamic complies with Shariah principles and outlining any instances of non-compliance. In addition, the Bank submits the report to the HSA of the CBUAE for no objection before presenting it to the Bank's shareholders at its GAM. During the year 2023, seven meetings were held.

The current Members of the ISSC are as follows:

Prof. Mohammad Abdul Rahim Sultan Al Olama Chairman and Executive Member of EI ISSC (reappointed 6 May 2021)

Prof. Mohammad Abdul Rahim Sultan Al Olama is a professor of jurisprudence and its fundamentals at the College of Law at the United Arab Emirates University in Al Ain, in addition to being a certified expert in financial affairs concerning compliance with Islamic Shariah principles. Notably, he:

- Leads the Shariah committee at the Zakat Fund in the United Arab Emirates.
- Is a member of a number of Fatwa and Shariah Supervisory Boards for Islamic financial institutions and Takaful companies.
- Holds a PhD in Comparative Islamic Jurisprudence from Umm Al-Qura University in Makkah Al-Mukarramah, in the Kingdom of Saudi Arabia.

H.E. Essam Mohamed Eshaq Deputy Chairman of EI ISSC (reappointed 30 March 2021)

H.E. Essam Mohamed Eshaq is a member of the HSA of the Central Bank.

- He serves as the Deputy Chairman of the Governance and Ethics Board of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and as a Member of the Supreme Council for Islamic Affairs in the Kingdom of Bahrain.
- He is the Chairman and member of the Shariah board and committees of several Islamic banks and institutions including Abu Dhabi Islamic Bank P.J.S.C. (UAE).
- He holds a Bachelor's Degree in Political Science from McGill University (Canada).

Islamic Banking continued

Dr. Salim Ali Al Ali

(appointed 13 August 2020)

Dr. Salim Ali Al Ali is an assistant professor at the Department of Shariah and Islamic Studies at the College of Law at the United Arab Emirates University, where he teaches a spectrum of courses related to Islamic law and Islamic banking. He is a member of the internal Shariah Supervisory Committee for a number of institutions offering Islamic financial services; and:

- Served as a part-time lecturer for the LLM programme at the BPP Law School, BPP University, based in London, where he lectured on a broad spectrum of jurisprudence matters, including Islamic, English, and comparative laws.
- Is an author of a book titled "Raising Capital on Sukuk Markets: Structural, Legal and Regulatory Issues".
- Was educated in the United Kingdom, where he received his PhD in Financial Law from the University of London.
- Holds a Bachelor's Degree in Shariah (Jurisprudence and its Fundamentals) and a Master's Degree in Islamic Banking and Finance.

Dr. Mohamed Ali Elgari

(appointed 01 June 2021)

Dr. Elgari holds the distinction of being a former Professor of Islamic Economics at King Abdulaziz University, Jeddah, Saudi Arabia, and Former Director of the Center for Research in Islamic Economics at the same university. He is an Expert at the Islamic Jurisprudence Academy of the Organisation of Islamic Cooperation ("OIC") and the Islamic Jurisprudence Academy of the Islamic World League and is:

- A member of the Board of Trustees of AAOFI as well as their Shariah Council.
- Chairman and Member of numerous Shariah Boards of Islamic banks and Takaful companies worldwide.
- An author of several books in Islamic finance and has published tens of articles on the subject, both in Arabic and English. Dr. Elgari holds a PhD from the University of California.

Dr. Amin Fateh

(appointed 1 June 2021)

Dr. Fateh holds a Bachelor's Degree and Master's Degree in Honourable Hadith, and a PhD in Islamic studies. He has been involved in the Islamic Banking industry since 1988 and:

- Is a member of the internal Shariah Supervisory Committee for a number of institutions offering Islamic financial services.
- Has lectured in many universities and is a bilingual Islamic Finance trainer, providing many Islamic Finance training courses across the world.

Violations, Causes and Avoidance

Emirates Islamic maintains a process to ensure effective compliance with relevant regulations and to report any violations or matters of significance. During 2023, there were no material violations identified or reported. All material issues were identified and reported to the Board and/or Board Committees by the Emirates Islamic Head of Internal Audit, Chief Compliance Officer and/or Chief Risk Officer. No reservations were noted by the external auditor for the 2023 financial year.

Statement of Cash and In-Kind Contributions to Local Community and Preserving Environment

Emirates Islamic operates under the principle of 'Creating Shared Value', a robust framework that underscores our dedication to surrounding communities. The Bank takes responsibility for improving the social and environmental conditions of its neighbourhoods and aims to enrich the lives of the people who live and work in the communities where it operates.

Philanthropy plays a vital part of Emirates Islamic's strategy, symbolising the Bank's commitment to redistributing its success to the UAE's citizens and the broader community. The Bank's philanthropic spirit serves to solidify its position as a socially responsible entity, reaffirm its dedication to growing together with its surroundings, and fulfil its public duties. Emirates Islamic's progress in these sectors is documented for transparency and further information is in the Bank's [ESG Report 2023](#).

Emiratisation

We offer Emiratis accelerated career opportunities, world-class professional development, and the chance to directly support our nation's continued economic development through carefully curated career development programmes.

As at year-end 2023, we have 19 Emiratis employed in Senior Leadership positions across the Bank and a total of 635 Emirati employees in Emirates Islamic, who play critical roles across every level of the organisation.

	2021	2022	2023
% of Emiratis	36.4	37.3	35.4

Emirates Islamic aims to attract, develop, engage and retain Emirati talent at every level of our organisation.

Our flagship initiatives are designed to identify potential and provide the required training and support that our Emirati employees need to step into demanding leadership positions and help Emirates Islamic to build the future of the Bank and the UAE.

Investor Relations and Company Performance

The Investor Relations department is primarily responsible for dialogue and interaction with external stakeholders including shareholders, Sukukholders, rating agencies and the professional investment community. Investor Relations coordinates the release of the quarterly results to the public and updates stakeholders on performance and outlook.

Ms. Huda Sabil Abdulla is the Chief Financial Officer and Head of Investor Relations.
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The breakdown of shareholder types as at 31 December 2023 is set out in the following table:

Shareholder Classification	Percentage of Owned Shares			
	Individual	Companies	Government	Total
Local	0.03	99.97	0	100
Arab	0	0	0	0
Foreign	0	0	0	0
Total	0.03	99.97	0	100

The following table sets out a statement of the shareholders who held 5% or more of the Emirates Islamic's shares as at 31 December 2023:

Name	Number of Owned Shares	Percentage of Owned Shares of the Company's Capital
Emirates NBD (P.J.S.C.)	5,424,573,891	99.892%

The following table sets out a statement of shareholders distribution by the size of equity as at 31 December 2023:

Share Ownership	Number of Shareholders	Number of Owned Shares	Percentage of Owned Shares of the Company's Capital
Less than 50,000	46	329,388	0.006
From 50,000 to less than 500,000	5	713,728	0.013
From 500,000 to less than 5,000,000	2	4,804,868	0.089
5,000,000 or more	1	5,424,573,891	99.892

Total number of Emirates Islamic shares in issue = 5,430,421,875.

Emirates Islamic share price in the market (closing price, highest and lowest price) at the end of each month during 2023.

Month (2023)	Monthly High (AED)	Monthly Low (AED)	Monthly Close (AED)
January	No Trading	No Trading	7.49
February	No Trading	No Trading	7.49
March	No Trading	No Trading	7.49
April	No Trading	No Trading	7.49
May	7.3001	7.300	7.30
June	No Trading	No Trading	7.30
July	No Trading	No Trading	7.30
August	7.60	7.50	7.60
September	6.84	6.16	6.16
October	6.16	5.60	5.60
November	No Trading	No Trading	5.60
December	6.44	6.44	6.44

Emirates Islamic's comparative performance with general market during 2023.

Month (2023)	Emirates Islamic (AED)	DFMGI	Financials
January	7.49	3303.27	2336.18
February	7.49	3437.76	2489.72
March	7.49	3406.72	2330.57
April	7.49	3544.79	2486.88
May	7.30	3576.63	2491.38
June	7.30	3791.99	2623.58
July	7.30	4059.27	2830.14
August	7.60	4082.87	2806.39
September	6.16	4163.58	2873.74
October	5.60	3877.08	2725.04
November	5.60	3992.36	2793.62
December	6.44	4059.80	2823.68

Definitions

In this governance report, the following expressions shall have the following meanings:

EI / Emirates Islamic: Emirates Islamic Bank P.J.S.C.

Group: Emirates NBD Group and its subsidiaries.

Bank: Emirates Islamic Bank P.J.S.C.

ALCO: Asset Liability Committee

Board: Emirates Islamic Board of Directors, the governing body of the Bank

BAC: Board Audit Committee

BRC: Board Risk Committee

BCIC: Board Credit and Investment Committee

BNRESGC: Board Nomination Remuneration and ESG Committee

BPEC: Board Profit Equalisation Committee

CBUAE: Central Bank of the UAE

Corporate Governance Regulations: Includes the CBUAE Corporate Governance Regulation for Banks (Circular No.83/2019 dated July 18, 2019) and the SCA Chairman's Resolution No. 03/TM of 2020 Regarding the Approval of the Public Joint Stock Companies Governance Guide, in addition to other relevant laws, rules and regulations applicable to banking and listed companies on the DFM.

DFM: Dubai Financial Market

ESG: Environmental, Social and Corporate Governance

EXCO: Emirates Islamic Executive Committee

GAM: General Assembly Meeting

HSA: Higher Shariah Authority

ICAAP: Internal Capital Adequacy Assessment Process

ISSC: Internal Shariah Supervision Committee

MIC: Management Investment Committee

MCC: Management Credit Committee

ORC: Operational Risk Committee

P.J.S.C.: Public Joint Stock Company

POA: Power of Attorney

RPT: Related Party Transactions

SCA: Securities and Commodities Authority



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emiratesislamic.ae

Emirates Islamic Bank P.J.S.C. is licensed by the Central Bank of the UAE