

ABU DHABI COMMERCIAL BANK PJSC

2023 ADCB CORPORATE GOVERNANCE REPORT



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2023 ADCB Corporate Governance Report was signed off by the Group Chief Compliance Officer, Group Chief Risk Officer, Group Chief Internal Auditor and Group Chief Financial Officer.

Statement from the Chairman of the Board

“ We continue to emphasise upholding and evolving corporate governance best practices to effectively manage risk and ensure long-term financial strength and resilience as we execute against our corporate strategy to deliver accelerated growth. ”

Khaldoon Khalifa Al Mubarak
Chairman



On behalf of the Board of Directors, I am pleased to present ADCB's Corporate Governance Report for 2023.

We continue to emphasise upholding and evolving corporate governance best practices to effectively manage risk and ensure long-term financial strength and resilience as we execute against our corporate strategy to deliver accelerated growth.

ADCB is also investing significantly in its internal control functions, which include adopting new technologies in a wide range of areas, such as anti-money laundering, data protection, and privacy, as well as enhancing credit risk assessments.

Integrating AI and machine learning, which provides quick and accurate assessments of customer behavior and predicts potential future risk, enables ADCB to leverage digital platforms rapidly, expand our customer base, broaden our suite of products and services, and develop new commercial partnerships.

I am also pleased to report that ADCB is at the forefront of adopting best practices in Environmental, Social, and Governance (ESG) implementation and measurement. In 2023, we submitted our first climate scenario analysis and stress test to the UAE Central Bank and published our 'Environmental and Social Risk Management (ESRM) Policy'.

Furthermore, we concretely defined the classification, governance, and reporting of our sustainable finance commitment of AED 125 billion by 2030 through adopting our 'Sustainable Finance Framework'.

As a significant financial institution in the UAE, ADCB maintains a strong relationship with the regulator and serves as an exemplary model in the industry for rigorous compliance and risk management practices.

We thank the Central Bank of the UAE for playing an essential role in implementing structural changes across the banking industry. These changes promote system-wide stability and benefit all stakeholders.

I want to take this opportunity to thank all my colleagues on the Board and ADCB's Management Executive Committee for their continued dedication to building a world-class organisation. I look forward to working together to build on the Bank's achievements in the year ahead.

Board of Directors



Chairman of ADCB Board

H.E. Khaldoon Khalifa Al Mubarak

Chairman
Independent, Non-Executive Director

H.E. Khaldoon Khalifa Al Mubarak is the Managing Director & Group Chief Executive Officer of Mubadala Investment Company PJSC, responsible for aligning Mubadala with Abu Dhabi’s economic diversification efforts. Beginning his career at the Abu Dhabi National Oil Company, Al Mubarak held a number of positions at Tawazun Economic Council, formerly known as UAE Offsets Group, before assuming his current portfolio of responsibilities.

H.E. Khaldoon Khalifa Al Mubarak holds a number of UAE Government and Abu Dhabi Government responsibilities, including: a member of the Abu Dhabi Executive Council since 2006; a founding member of Abu Dhabi’s Supreme Council for Financial and Economic Affairs, the Presidential Special Envoy to China since 2018; and the Founding Chairman of the Abu Dhabi Executive Affairs Authority, which has provided strategic policy advice to the Chairman of the Abu Dhabi Executive Council since 2006.

H.E. Khaldoon Khalifa Al Mubarak has a Bachelor’s degree in Economics & Finance from Tufts University, USA.

External appointments:

- Abu Dhabi Executive Affairs Authority, Chairman (2006), UAE
- Abu Dhabi Executive Council, Member (2006), UAE
- City Football Group Limited, Chairman (2008), UK
- Emirates Nuclear Energy Corporation, Chairman (2009), UAE
- Emirates Global Aluminium PJSC, Chairman (2014), UAE
- UAE Supreme Council for Financial & Economic Affairs, Member (2020), UAE
- Group 42 Holding Limited, Member (2020), UAE
- Abu Dhabi National Oil Company, Member (2021), UAE
- Abu Dhabi Investment Council Company PJSC, Chairman (2022), UAE



NCHRG Chair

H.E. Hussain J. AlNowais

Vice-Chairman
Independent, Non-Executive Director

H.E. Hussain J. AlNowais was elected to the Board of Directors in 2019. He is the founding member and Chairman of AlNowais Investments in addition to AMEA Power, a developer, owner, and operator of renewable power projects in Africa, the Middle East and Asia. Previously he was Chairman of Waha Capital and Khalifa Fund for Enterprise Development.

H.E. Hussain J. AlNowais holds a Bachelor’s degree in Business Finance from Lewis & Clark College, USA and also attended various executive management programmes at INSEAD, France and at London Business School, UK.

External appointments:

- Al Nowais Investments LLC, Chairman (1979), UAE
- Rotana Hotels and Real Estate Investment, Member (2006), UAE
- AMEA Power LLC, Chairman (2016), UAE
- Family Business Council-Gulf, Member
- Asia Business Council, Member
- World Economic Forum Community of Chairpersons, Member
- A Board trustee and investor in Al Fanar philanthropy impact investment



BAC Chair

Aysha Al Hallami

Independent, Non-Executive Director

Aysha Al Hallami was appointed to the Board of Directors in April 2013. She is a Deputy Director in the Core Portfolio Department of Abu Dhabi Investment Authority (ADIA).

Aysha Al Hallami holds a Bachelor’s degree in Business Sciences, Finance from Zayed University, UAE, a Master’s degree in Finance & Banking from Cass Business School, City University, UK. She is also a CFA charter holder.

Aysha Al Hallami completed the ‘General Management Programme’ and the ‘Private Equity and Venture Capital Programme’ at Harvard Business School, USA.

External appointments:

- Abu Dhabi National Takaful Company PSC, Member (2023), UAE



BEC Chair

Saeed Mohamed Hamad Almazrouei

Independent, Non-Executive Director

Saeed Mohamed Hamad Almazrouei was appointed to the Board of Directors in 2019. He has recently been appointed as Managing Director and CEO of Abu Dhabi Investment Council Company, and was formerly Deputy Platform CEO, Direct Investments at Mubadala. In that role, he oversaw platform-wide activities, supported the delivery of the platform’s investment strategy, managed the platform’s capital allocation, ensured the successful implementation of capital deployment and monetisation transactions and assessed value, risks and expected returns. Before this position, he was Deputy Chief Financial Officer at Mubadala Investment Company PJSC, where he oversaw the group wide finance function and delivery of the company’s growth strategy, supporting various acquisitive transactions and asset monetisation. He was also responsible for all treasury activities including Mubadala’s bond issuances and project financing.

Saeed Mohamed Hamad Almazrouei holds a Bachelor’s degree in Finance from Suffolk University, USA and Master’s degrees in International Securities Investment and Banking from University of Reading, UK; and National Security and Strategic Studies from National Defence College, UAE.

External appointments:

- Abu Dhabi Retirement Pension & Benefits Fund – (Operating Company), Non-Executive Director (2019), UAE
- CEPISA – Compañía Española de Petróleos S.A., Non-Executive Director (2019), Spain
- OMV AG, Non-Executive Director (2021), Austria
- Yas Holding LLC, Non-Executive Director (2021), UAE
- Edge Group, Non-Executive Director (2022), UAE
- International Petroleum Investment Company PJSC, Non-Executive Director, UAE

Board of Directors



Carlos Obeid

Independent, Non-Executive Director

Carlos Obeid was appointed to the Board of Directors in 2019. He is currently Mubadala's Chief Financial Officer, responsible for managing the organisation's Business Finance function including Treasury and Investor Relations, Financial Planning and Business Performance, and Financial Governance and Reporting.

Before joining Mubadala, Carlos Obeid worked with the UAE Offset Programme Bureau where he led a wide range of initiatives including privatisation, utilities, and financial services.

Carlos Obeid holds a Bachelor of Science in Electrical Engineering from American University of Beirut, Lebanon, and a Master of Business Administration from INSEAD in Fontainebleau, France.

External appointments:

- Global Foundries Inc, Non-Executive Director (2012), USA
- Mubadala Capital, Non-Executive Director (2021), UAE
- Abu Dhabi Investment Council Company PJSC, Non-Executive Director (2022), UAE



Khalid Deemas Alsuwaidi

Non-Executive Director

Khalid Deemas Alsuwaidi was elected to the Board of Directors in March 2009. He was appointed to the Board of Directors by the majority shareholder on 14 March 2022. He has more than 16 years of banking experience, having held senior management positions at National Bank of Abu Dhabi and First Gulf Bank and is currently the Group CEO of Das Holdings.

Khalid Deemas Alsuwaidi holds a Bachelor's degree in Computer Information Systems from Bethune Cookman College, USA and a Master's in Business Administration (minor in Management Information Systems and Strategic Planning) from Widener University, USA.

External appointments:

- Abu Dhabi National Takaful Company PSC, Vice-Chairman (2008), UAE
- Manazel Group, Non-Executive Director (2009), UAE
- Sky News Arabia, Non-Executive Director (2021), UAE
- Emirates Strategic Investment Company (ESIC), Vice-Chairman, UAE



Sheikh Zayed Bin Suroor Al Nahyan

Independent, Non-Executive Director

Sheikh Zayed Bin Suroor Al Nahyan was appointed to the Board of Directors in 2021, having gained experience working at National Bank of Abu Dhabi and Morgan Stanley.

Sheikh Zayed Bin Suroor Al Nahyan holds a Bachelor's degree in Business Management from University of Sussex, UK and a Master's degree in Computer Science from University College London, UK.

External appointments:

- Al Ain Ahlia Insurance Company PSC, Non-Executive Director (2022), UAE



Khaled H. Alkhoori

Independent, Non-Executive Director

Khaled H. Alkhoori was elected to the Board of Directors in April 2012. Since January 2006, he has been the Chairman of Orient House for Development and Construction LLC.

Khaled H. Alkhoori holds a Bachelor's and a Master's degree in Civil Engineering from Northeastern University, USA.

External appointments:

- Orient House for Development and Construction LLC., Chairman (2006), UAE

Board of Directors



Fatima Al Nuaimi

Independent, Non-Executive Director

Fatima Al Nuaimi was appointed to the Board of Directors in 2022. She joined Mubadala Capital in 2011 and is the Co-Head of Mubadala Capital Solutions, where she oversees the permanent capital strategy, separately managed accounts, and Abu Dhabi Catalyst Partners. She has over 12 years of experience in direct private equity and fund investments.

Fatima Al Nuaimi graduated magna cum laude from the Higher Colleges of Technology with a B.S. in Business Administration. She is also a CFA and CAIA charter holder.

External appointments:

- K-MAC Enterprises, Member (2021), USA
- MEASA Investment Corporation, Member (2023), ADGM, UAE
- Al Masar Investments LLC, Member (2023), UAE



Sheikh Sultan Bin Suroor Al Dhaheri

Independent, Non-Executive Director

Sheikh Sultan Bin Suroor Al Dhaheri was elected to the Board of Directors in March 2009 until his resignation in March 2019, and was re-elected to the Board of Directors in 2022.

Sheikh Sultan Bin Suroor Al Dhaheri has more than 10 years of experience in business and marketing and brings strong commercial knowledge. He has a Master's Degree in Strategic Management from University of Wales, and has completed the Emerging Leaders Programme from Harvard Kennedy School.

External appointments:

- Abu Dhabi Maritime and Mercantile International Co, Chairman (2012), UAE
- AlDhaana Holding LLC, Chairman (2012), UAE



H.E. Amr Al Menhali

Independent, Non-Executive Director

H.E. Amr Al Menhali was appointed to the Board of Directors in 2022. He has a proven executive management track record with over 22 years of experience across a number of leadership positions in the financial sector such as the CEO of Al Hilal Bank (previously) and Waha Capital. A seasoned banker with strong leadership skills across all facets of the business and with extensive expertise in strategy, finance, risk, investment, credit and corporate governance. He has led several strategic transformation projects, developing high performance businesses to achieve sustainable growth.

H.E. Amr Al Menhali is currently part of the senior management team in the Crown Prince Court, serving as the executive director of the Investment Fund Office, overseeing the entire range of investment activities and initiatives.

Previously, H.E. Amr Al Menhali held a number of board memberships in regional and international publicly listed companies across various sectors such as finance, oil & gas, real estate and healthcare, UAE Banks Federation, GFH Financial Group, NESR (NASDAQ listed), SDX Energy (AIM listed), Deem Finance and Abu Dhabi Finance). In addition, he also served as Chairman of Waha Investment PJSC, Waha Land LLC and Anglo Arabian Healthcare LLC.

H.E. Amr Al Menhali has completed a General Management Programme from Harvard Business School and holds a Bachelor's degree in Business Administration with Honours from Higher Colleges of Technology, UAE.

External appointments:

- Investment Committee in Sandooq Al Watan, Member (2020), UAE

● Board Executive Committee (BEC) ● Board Risk Committee (BRC) ● Board Audit Committee (BAC)
● Board Nomination, Compensation, HR & Governance Committee (NCHRG)

Note: External appointments listed above are as at 31 December 2023

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Executive Management



Ala'a Eraiqat
Group Chief Executive Officer

Ala'a Eraiqat joined ADCB in January 2004 and served in various senior executive roles before being appointed as the Group Chief Executive Officer in February 2009. He has been a banker since 1991 and previously held senior positions at other banks, including two of the leading global banks.

As the Group Chief Executive Officer, Ala'a is responsible for leading and guiding ADCB and its subsidiaries to achieve the objectives committed to the shareholders. He has spearheaded ADCB's significant growth to emerge as a market leader through the effective implementation of the Bank's strategy, with a sharp focus on customer service and digital innovation.

Ala'a's responsibilities extend to being the Chairman of Al Hilal Bank (digital banking subsidiary of ADCB) and Abu Dhabi Commercial Engineering Services. He also chairs ADCB's Management Executive Committee, and the Management Credit Committee among others.

External appointments:

- Abu Dhabi Chamber - Director and Chairman of Audit Committee
- Abu Dhabi National Hotels PSJC (ADNH) - Director and member of the Audit, Compliance and Corporate Governance Committee
- Emirates Institute of Finance (EIF) - Director and Chairman of Human Resources Committee



Deepak Khullar
Group Chief Financial Officer

Deepak Khullar was appointed ADCB's Group Chief Financial Officer in 2008. He oversees the Group Finance function (financial planning, business performance, governance & reporting), Group strategy, investor relations, taxation, economics, strategic sourcing & procurement, and the Bank's overall ESG strategy and delivery. He previously spent 15 years with Standard Chartered Bank in the Middle East and the Republic of Korea in a variety of senior positions. Prior to that, he worked with Ernst & Young and PricewaterhouseCoopers in their assurance, advisory and technical services and training practices in the Middle East and India. He is an alumnus of the University of Delhi, a Fellow of the Institute of Chartered Accountants of India (FCA) and a Fellow Member of the Association of Corporate Treasurers, UK (FCT).

Deepak, as the Group Chief Financial Officer, is responsible for leading the financial management and control function of ADCB and its subsidiaries, while driving value creation and synergies to support the delivery of ADCB's commercial priorities, in line with the approved risk appetite, strategy, internal policy and regulatory obligations.

Inter-Group directorships:

- Abu Dhabi Asset Management Limited – Director
- ADCB Sicav – Director
- Al Hilal Bank PJSC – Director
- Abu Dhabi Commercial Properties LLC – Director⁽¹⁾
- Abu Dhabi Commercial Engineering Services LLC – Director⁽¹⁾

External appointments:

- Deepak Khullar does not hold any external directorships



Paul Keating
Group Chief Risk Officer

Paul Keating was appointed as ADCB's Group Chief Risk Officer in 2018. He previously worked for the Australia and New Zealand Banking Group (ANZ) for over 30 years, where he served in various capacities across the world. During his time at ANZ, he served as Chief Risk Officer and Head of Credit for the Pacific division, responsible for 11 countries.

As Group Chief Risk Officer, Paul is responsible for and manages operational risk, market risk, fraud risk, data management, credit policy, internal models, portfolio reporting, Islamic internal control, and information security. Additionally, he attends various management, board, and board committee meetings to provide a perspective on enterprise-wide risk management.

Paul holds a Bachelor of Commerce and Administration from the Victoria University in New Zealand, and a Post Graduate Diploma from Massey University in New Zealand.

External appointments:

- Paul Keating does not hold any external directorships



Ludovic Nobili
Group Head of Corporate and Investment Banking

Ludovic Nobili joined ADCB in November 2008 and was appointed as Group Head of Corporate and Investment Banking in March 2020. Previously, he managed ADCB's investment banking activities. Ludovic is a senior investment banker with a career spanning over 20 years. He started his career as an investment banker in 2000 in the securitisation team of Credit Agricole Indosuez in London, after which he moved to Citigroup where he focused on corporate securitisation. During his time in Europe, he was instrumental in originating and structuring complex and high-profile transactions.

As Group Head of Corporate and Investment Banking, Ludovic is responsible for cash management, trade finance, corporate finance, financial market and investment banking across the Group. He is an alumni of the Université Paris-Sorbonne.

External appointments:

- Ludovic Nobili does not hold any external directorships

Note: External appointments listed above are as at 31 December 2023

(1) Resigned from the Board in 2023

Executive Management



Deepak Rochlani
Group Head of Retail Banking

Deepak Rochlani joined ADCB in 2004 and is the Group Head of Retail Banking. He has over 25 years’ experience in retail banking and financial services. Deepak oversees product management and the distribution network, including branches, sales and relationship management, and is spearheading the digital transformation of the retail bank.

Prior to joining ADCB, he held several positions in product and marketing management at GE Capital and IDBI Bank in India.

Deepak holds a Bachelor of Engineering degree from the University of Bombay, a Post Graduate Diploma in Business Administration, and is a Certified Financial Analyst with the Institute of Chartered Financial Analysts of India.

External appointments:

- Deepak Rochlani does not hold any external directorships



Robbert Muller
Group Treasurer

Robbert Muller joined ADCB in January 2023 as Group Treasurer. He has over 25 years of experience in banking and finance. Previously he was employed at Coöperatieve Rabobank U.A. (Rabobank), where he served in various positions in the Netherlands, New York, and Hong Kong. During his career at Rabobank, he served as Head of Group Treasury and oversaw the treasury function across 12 global locations, in addition to steering various management committees at group level.

Robbert holds a Master of Science in Management and Organisation Specialisation from the University of Groningen.

External appointments:

- Robbert Muller does not hold any external directorships



Mohammed Al Jayyash
Group Chief Operations Officer

Mohammed Al Jayyash was appointed as Group Chief Operations Officer in 2020 after serving as Acting Group Chief Operations Officer since 2019. Previously, he has held various senior management positions in ADCB, including Group Chief Service Officer and Branch Operations Manager. Mohammed is an industry leader with over 20 years of experience in improving customer service, ensuring regulatory compliance, and delivering capabilities for growth. He has extensive expertise in banking operations, customer journey & experience and digital channels.

Mohammed holds a Bachelor’s Degree in Business Administration from the Al Ghurair University in the UAE, a Post Graduate Certificate in Management from Ashridge Executive Education Hult in the UK, and a Diploma in Banking from the Emirates Institute for Banking and Financial Studies.

Inter-Group directorships:

- Al Hilal Bank PJSC – Director
- ITMAM Services LLC – Chairman
- Abu Dhabi Commercial Engineering Services LLC – Vice-Chairman⁽¹⁾
- Abu Dhabi Commercial Properties LLC – Director⁽¹⁾
- Meedaf Investment – Sole Proprietorship LLC – Director

External appointments:

- Mohammed Al Jayyash does not hold any external directorships



Rasha Mortada
Group Chief Compliance Officer

Rasha Mortada was appointed as Group Chief Compliance Officer in 2021, having been with ADCB since 2006. She has over 25 years of experience in the banking industry at leading global and local institutions, with over 18 years of experience in the compliance field covering regulatory compliance, financial crime and conduct compliance across all business lines. Prior to joining ADCB, Rasha worked for Citibank UAE, undertaking various roles within compliance.

Rasha holds a Bachelor’s degree in Banking and Finance from the Lebanese American University in Beirut. She is a Certified Anti-Money Laundering Specialist (CAMS), Certified Global Sanctions Specialist (CGSS) and holds an International Diploma in Compliance from the International Compliance Association and a Fintech certification from Harvard.

External appointments:

- Rasha Mortada does not hold any external directorships

Executive Management



Ali Darwish
Group Head of Human Resources

Ali Darwish joined ADCB in 2010 and leads the Group Human Resources Department. He has a wealth of experience in the banking industry that extends over more than 20 years at various leading financial institutions in the UAE.

As Group Head of Human Resources, Ali ensures that ADCB builds a competitive advantage through people by focusing on strategic talent management, Emiratisation and employee engagement. He is also responsible for driving the Bank's agile culture and enabling business growth through its talent.

Inter-Group directorships:

- ADCB Securities LLC – Director

External appointments:

- Ali Dariwsh does not hold any external directorships



Tilak Silva
Group Chief Credit Officer

Tilak Silva was appointed as the Group Chief Credit Officer in 2018, and he had been the Acting Group Chief Risk Officer since 2017. He was with ADCB for over 40 years, focusing on credit underwriting, remedial risk and restructuring.

Tilak had an in-depth understanding of the functionalities of all areas of the Bank. Prior to joining ADCB, he worked for Hatton National Bank in Sri Lanka, undertaking a number of roles within the Credit Group.

Tilak Silva passed away in January 2024.

External appointments:

- Tilak Silva did not hold any external directorships



Jane Livingston
Group General Counsel

Jane Livingston joined ADCB in 2011 and was appointed as Group General Counsel in 2021. She is an English qualified solicitor who practiced law in the City of London prior to moving to Abu Dhabi in 2007.

Jane has more than 20 years of legal experience covering a broad range of banking, finance, corporate and commercial matters.

Inter-Group directorships:

- ADCB Asset Management Limited – Director
- ADCB Sicav – Director

External appointments:

- Jane Livingston does not hold any external directorships



Abdirizak Mohamed
Group Chief Internal Auditor

Abdirizak Mohamed has been the Group Chief Internal Auditor at ADCB since 2006, responsible for covering the Bank and all its subsidiaries. He has over 30 years of financial industry experience with leading global and local institutions, including NASDAQ Stock Market, NASD (FINRA) and OFHEO (FHFA), spanning capital markets management, accounting policy & applications, examinations and auditing, risk management, regulatory oversight and corporate governance.

In addition, he has served as independent Audit Committee member of the following entities: ADX, InvestAD, Abu Dhabi Tourism & Culture Authority, Al-Foah, and was the former Chairman of the UAE Banking Federation Audit Committee.

Abdirizak is a Certified Public Accountant and holds a Master's degree from the George Washington University in Washington, DC, and a Bachelor's degree from the University of Washington in Seattle, WA.

External appointments:

- Abdirizak Mohamed does not hold any external directorships

Executive Management – Subsidiaries



Abdul Shakeel Aidaroos
Chief Executive Officer – Al Hilal Bank

Abdul Shakeel Aidaroos has been the Chief Executive Officer of Al Hilal Bank since 2019.

He has over 25 years of banking industry experience, with deep expertise in retail banking, digital innovation, and risk management. He held senior positions at ADCB for 15 years, including as Head of Retail Banking, where he managed a team of 2,000 professionals and launched many of ADCB's award-winning consumer products and digital banking channels. In his role as CEO of Al Hilal Bank, he led the launch of the first UAE Shari'ah-compliant, cloud based, modular digital app, whilst also introducing different products and features to the market. Prior to joining ADCB and Al Hilal Bank, he spent over 10 years with Citibank in the UAE.

He holds a Master of Science degree in Risk Management from NYU Stern School of Business, New York, USA.

- External appointments:**
- Abdul Shakeel Aidaroos does not hold any external directorships



Ihab ElSewerky
Managing Director & Chief Executive Officer – ADCB Egypt

Ihab ElSewerky is the Managing Director and Chief Executive Officer of ADCB Egypt, responsible for implementing the Bank's strategy for growth in the country. He has over 30 years of experience in corporate, retail and Islamic banking, with expertise in the areas of risk management, internal controls, financial institutions and SMEs. His career includes extensive experience as Chief Risk Officer with several regional banks in Egypt.

- External appointments:**
- Ihab ElSewerky does not hold any external directorships

ADCB's commitment to integrity and a disciplined culture serves to strengthen the trust and confidence vested in the Bank by its investors, customers, business partners and communities.



Group corporate governance framework

ADCB's dedication to a robust corporate governance culture has been the cornerstone of its sustained track record of strong financial and operational achievements. ADCB's commitment to integrity and a disciplined culture serves to strengthen the trust and confidence vested in the Bank by its investors, customers, business partners and communities. This commitment stands at the core of its growth strategy and future objectives.

To safeguard the interests of our diverse stakeholders, we continuously review and enhance our corporate governance approach, ensuring that we stay at the forefront of best practices and adapt to changes in the regulatory, policy, and business landscape. Our Board, comprises of seasoned professionals with extensive corporate experience and diverse skill sets, maintains a disciplined approach to governance and possesses a deep understanding of the banking industry.

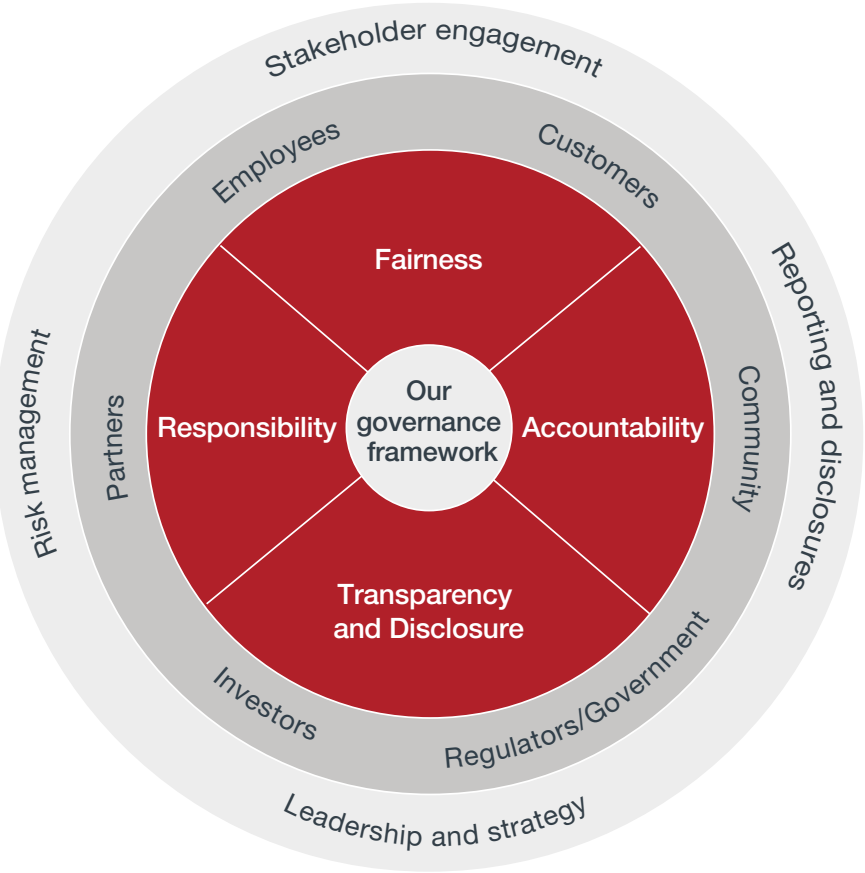
The Bank's highly experienced Executive Management team has consistently delivered operational excellence and has instilled a culture of accountability and responsibility throughout the Bank. The Board regularly evaluates and updates the Group's Corporate Governance Framework to align with the Group's size and complexity, business strategy, operational structure, risk profile, markets, and regulatory requirements.

The Group's Corporate Governance Framework was further reinforced in 2023 through a number of initiatives following a comprehensive review in 2022. This exercise has established an overarching framework for local, regional, and international subsidiaries ensuring effective oversight of the Group structure.

2023 Key initiatives:

- Enhancing the Bank's succession planning and related policy
- Enhancing the Bank's Compensation Policy to preserve fairness and transparency
- Enhancing the Board Performance Evaluation Policy
- Maintaining a policy that governs the appointments of Directors on the boards of subsidiaries
- Calibrating a number of other policies and procedures related to the comprehensive review conducted in 2022

The Group's Corporate Governance Framework



The guiding principles of the Group's Corporate Governance Framework are:

Responsibility

promoted by the clear distribution and delegation of authority



Fairness

in the treatment of all stakeholders



Accountability

in the relationships between the Bank's Executive Management and the Board; between the Board and shareholders and other stakeholders



Transparency of disclosures

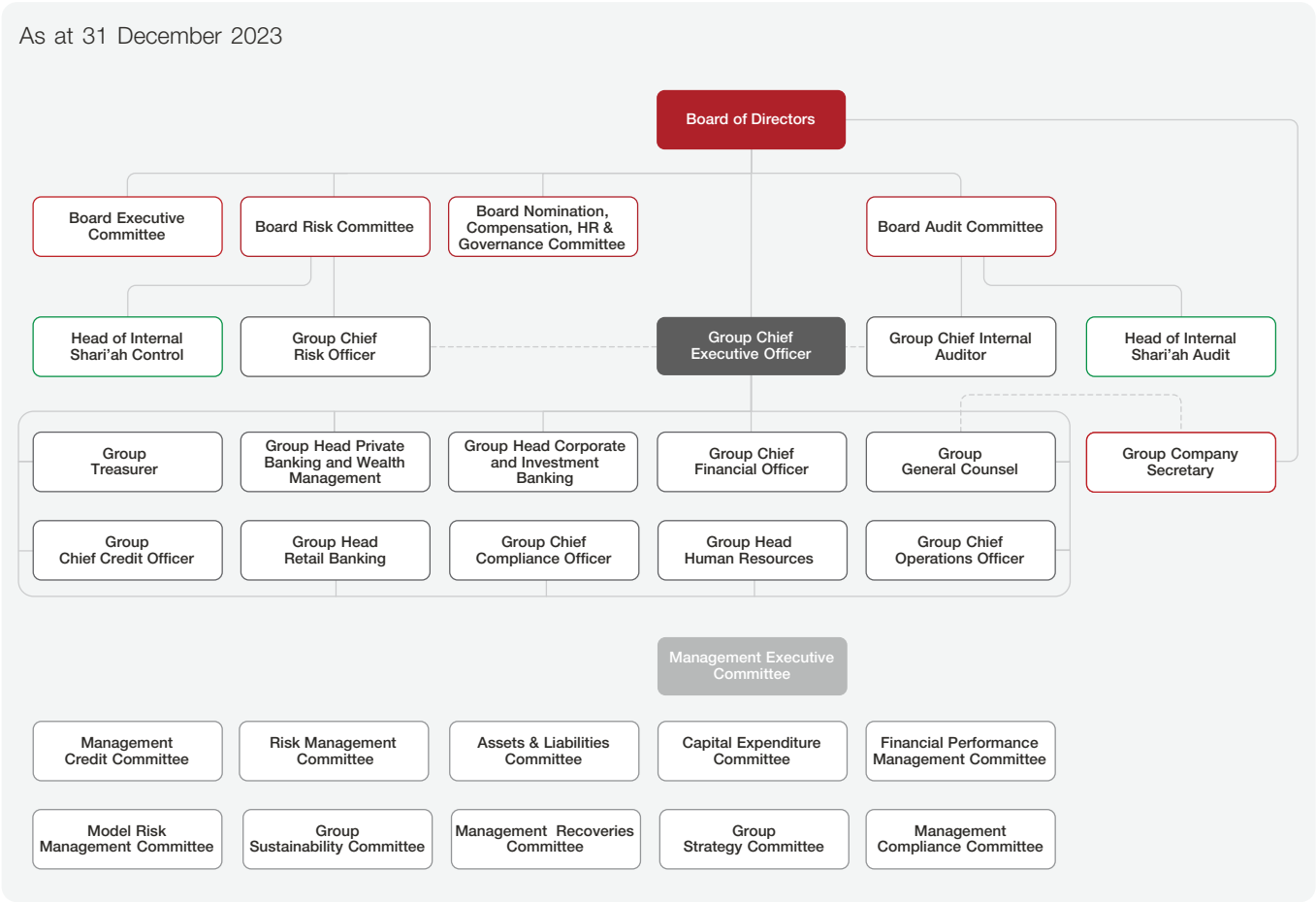
to enable stakeholders to assess the Group's strategy and financial performance and condition



Governance structure

A strong governance structure necessitates a comprehensive understanding of the regulatory environment, vigilant oversight, and a resolute tone from the top. ADCB's governance structure is anchored by a robust and effective Board, reinforced by specialised Board Committees, tasked with executing their roles and responsibilities.

The Management Executive Committee, comprising the Bank's Executive Management, actively facilitates the execution of the Board's strategy and objectives, steered by the guidance of the Group Chief Executive Officer (GCEO). This delineation of forums ensures clear responsibilities and a cohesive governance structure.



- The Group Chief Risk Officer reports directly to the Board Risk Committee and reports administratively to the Group Chief Executive Officer
- The Group Chief Internal Auditor reports directly to the Board Audit Committee and reports administratively to the Group Chief Executive Officer
- The Group Chief Compliance Officer reports directly to the Group Chief Executive Officer and has direct access to the Board Audit Committee
- In addition, the Group Company Secretary reports to the Board of Directors and reports administratively to the Group General Counsel

- The Head of Islamic Banking reports directly to the Management Executive Committee

For more information on the Board Committees, please refer to pages 29 and 56–67.

For more information on the Management Executive Committee (MEC) and other management committees, please refer to page 68.

Board of Directors

The Board is responsible for promoting ADCB's long-term success, providing overall direction for the Group and maintaining a framework of delegated authorities and controls. It provides leadership by establishing the Group's purpose and values and setting the strategy. The Board is responsible for the Group's operations, financial soundness and ensures that the interests of shareholders, customers, employees, regulators, and wider stakeholder groups are met. The Board monitors the performance of the Group and guides and supervises the Executive Management.

Board Executive Committee



Chaired by Saeed Mohamed Hamad Almazrouei
Oversees the development and implementation of the strategic objectives of the Bank, including the Group's sustainability strategy, the performance of current and new business initiatives, reviews and approves material credit commitments, and digital transformation.

Board Risk Committee



Chaired by Carlos Obeid
Oversees the development and implementation of the Bank's Risk Management Framework, sets the Group's risk appetite, risk strategy, development of risk models and risk associated with the asset portfolios. Oversees capital adequacy and risks related to credit, interest rate, liquidity, market, country and transfer, operational, information security, Shari'ah risk governance as well as data management, privacy and fraud.

Board Nomination, Compensation, HR, and Governance Committee



Chaired by H. E. Hussain J. AlNowais
Oversees remuneration policies, Directors appointments, Board and Committee evaluations, Board and Executive Management succession planning, the Group HR strategy including Emiratization, development of the corporate governance framework in compliance with regulatory requirements, and corporate culture and values.

Board Audit Committee



Chaired by Aysha Al Hallami
Oversees and reviews the integrity of financial reporting, accounting policies and practices, sets the framework for Internal Audit and Compliance, and Shari'ah audit governance. The Committee also oversees the Group's compliance status with legal and regulatory requirements and internal policies including consumer protection, the relationship with the external auditor and recommends the appointment of the external auditor.

For more information on the Board Committees, please refer to pages 29 and 56–63

Group Chief Executive Officer (GCEO) and Management Executive Committee

The Board delegates the day-to-day responsibility for running the Group to Management Executive Committee, which is chaired by the GCEO. The Committee is responsible and accountable to the Board for the sound and prudent day-to-day management of the Group's commercial, operational, risk and financial aspects. Under the GCEO's leadership, the Committee manages the Bank's business and administers the implementation of the Bank's strategy, risk appetite and policies within the strategy and guidelines approved by the Board.

Our people

Our people are responsible for adhering to the Group's core values and standards of behaviour in terms of professional conduct, interactions with customers, business partners and the community in general, protecting the business interests of ADCB and maintaining the Bank's reputation for integrity and compliance with applicable legal and regulatory obligations.

Key activities in 2023



ADCB continuously reviews its approach to corporate governance to ensure it remains well prepared to adapt to evolving regulatory expectations and global best practice. In 2023, the Bank enhanced its governance framework, policies, processes and systems to enable further effective execution of its strategy and to seize opportunities for prudent, long-term growth.

Leading on consumer protection

During 2023, the Bank enhanced business practices in relation to the regulatory obligations and guidelines contained in the UAE’s enhanced consumer protection standards. This included reviews of practices pertaining to contracting, transacting, disclosures, increased transparency around fees, interest rates and inherent risks related to products.

ADCB also continued to focus on ensuring customers are provided with suitable and appropriate products. In this regard, the Bank introduced a New Initiatives Approval (NIA) Policy. Under this policy, it has implemented a New Initiatives Risk Assessment (NIRA) process for assessing new products and services as well as material changes to existing offerings, to ensure compliance

with all applicable regulations at all times. A Group-wide master product catalogue was also developed to support implementation of the new policy.

Technology to strengthen security and anti-money laundering measures

ADCB is committed to fortifying its defences and maximising information security through robust preventive and detection controls to address risks related to cybersecurity, fraud and data privacy. The Bank’s approach to managing information security centres on routine security evaluations and technology enhancements. These include the adoption of an AI-capable extended detection and response solutions, strengthening protection against cyberattacks, unauthorised access and data misuse.

In 2023, ADCB introduced a cybersecurity action plan and a rigorous testing regime, which uses internal and external testing teams to verify cybersecurity controls. Furthermore, it has retained a specialist consultancy firm to provide immediate technical support and advice in the event of a cybersecurity event. The Bank continuously validates and certifies its security practices with global

security standards, including ISO 27001, PCI DSS, SWIFT CSCF and UAE Information Assurance Standards. Additional investments included strengthening the security of the Bank’s software platforms, implementing ransomware mitigation controls and enhancing security for application programming interface (API) applications.

The Bank also leveraged leading-edge technology to reinforce effective monitoring in the areas of Anti-Money Laundering (AML), Combatting the Financing of Terrorism (CFT) and Sanctions. AI and machine learning models have been developed to monitor transactions, improve the prioritisation of AML alerts, and support the identification of risks associated with complex correspondent banking and cross-border transactions.

Enhancing Know Your Customer (KYC) and credit risk assessment

The Bank introduced a machine-learning-based behavioural analysis model to provide a more detailed understanding of customer preferences and activity. The model analyses a wide range of data, such as risk, spending patterns, saving and investment trends and credit score. The insights enable the classification of customers into a number of behaviour-specific segments in an accelerated process. This detailed data analysis allows the Bank to monitor customer behaviour and account usage in order to identify transactions that may carry risk.

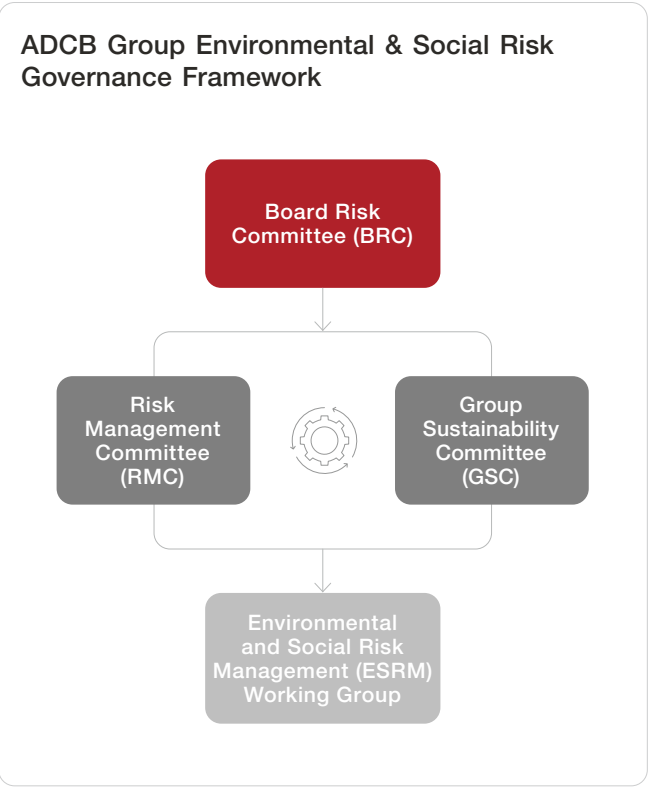
Introduction of AI has also facilitated an advanced approach to defining customer risk scores, which has become more dynamic, taking into account a customer’s evolving financial and KYC profile as well as transaction record. This has resulted in greater predictive capabilities that can be used to assess and counter the potential risk of customers committing financial crime.

Moving at pace on sustainability

ADCB issued its Environmental and Social Risk Management (ESRM) policy in 2022, and the implementation of this key policy continued in 2023 with ESRM now fully embedded into the credit assessment process.

This enables the Bank to take a more nuanced view on the potential ESG risks of counterparties. If ESG risks are identified, a thorough assessment is undertaken to classify the client as low, medium, high or severe in terms of ESG factors. These assessments also consider external ESG ratings by global agencies.

ESG has become a key element of annual stress testing mandated by the Central Bank of the UAE (CBUAE), with the Bank conducting its first specific climate stress test in 2023. This process examines how climate change scenarios may affect different industries and customer segments, and its impacts for provisioning or risk assessment for certain clients.





Increasing climate-related disclosures following NZBA membership

In 2023, ADCB adopted an enhanced climate strategy and joined the UN-convened Net Zero Banking Alliance (NZBA), an industry-led initiative to align the lending and investment portfolios of financial institutions with the Paris Agreement goals of limiting global warming to 1.5°C. As a member of NZBA, the Bank is committed to the following actions on climate change:

- Transitioning the operational and attributable Greenhouse Gas (GHG) emissions from lending and investment portfolios to align with net-zero by 2050 pathways
- Within 18 months of joining, setting a 2050 target, with intermediary targets to be set every five years from 2030 onwards. The initial 2030 targets will focus on the most GHG-intensive sectors, with further sector targets to be set within 36 months
- Annually publishing absolute emissions and emissions intensity in line with best practice
- Within a year of setting targets, disclosing progress against a Board-level reviewed transition strategy, setting out proposed actions and sectoral climate policies
- Taking a robust approach to the role of offsets in transition plans

As a result of these commitments, the Bank will be increasing its climate-related disclosures in the coming years. It has already established a baseline for reporting by completing the measurement of scope 3 'financed GHG emissions' to identify the most carbon-intensive sectors, in line with the standards set by the Partnership for Carbon Accounting Financials (PCAF).

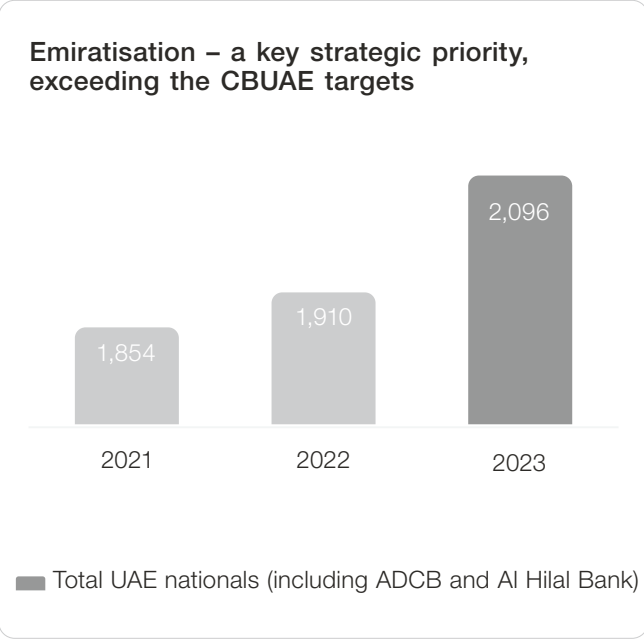
Exceeding Emiratisation targets through a strong culture

ADCB is strongly committed to the UAE's Emiratisation agenda as part of the country's vision for the development of a sustainable, diversified economy. The Bank continues to attract and develop national talent, in line with the Central Bank's Emiratisation targets.

In 2023, the Bank recruited more than 300 UAE nationals, both new graduates and experienced professionals. This raised the proportion of UAE nationals in the Group to 40%, one of the highest in the country's financial and banking sector, with the Emiratisation rate at Al Hilal Bank standing at over 50%.

More than 1,000 Emirati employees were promoted in 2023, including to positions of significant responsibility, such as Head of Islamic Banking, Head of UAE Branches and other senior positions. This reflects the Bank's strategy to create attractive career opportunities and enable UAE nationals at all levels to advance their careers, while contributing to the success of ADCB.

Maintaining a high-performance culture remains a key element of the Bank's people strategy. In 2023, ADCB achieved a high score in its annual Organisational Health Index (OHI) survey, ranking in the top quartile of major companies globally and in the Middle East. The survey received a high response rate of 96% of all employees.



New approach to self-sustaining entities

ADCB revised its approach to the classification of self-sustaining entities in 2023, in line with CBUAE guidance, providing the potential for the Group to increase certain credit exposures.

The change in classification expands the scope for entities within a holding company structure to be classed as self-sustaining, with approval from the CBUAE. This means that subsidiaries can be treated as separate entities, with separate credit limits, rather than grouped together with aggregate limits. This approach provides additional flexibility for managing the credit risks of separate entities, while allowing the Bank greater scope to meet a client's funding requirements.

Enhancing risk management

In 2023, the Bank enhanced its approach to operational risk by implementing the first phase of a Group-wide project to introduce a new operational risk management system, accompanied by the launch of an operational risk and control library. The Group's approach to business continuity management was also upgraded to meet the rigorous requirements of the ISO22301:2019 standards, with ADCB gaining recognition from the industry body, Continuity Insurance and Risk, which conferred a global category award to the Bank.

ADCB also made advances in a number of other specialist areas of risk management. The Bank has developed a comprehensive outsourcing governance and third-party risk assessment framework, and has made further progress on effective management of compliance risk, including refreshing policies and procedures specifically to address conflicts of interest and information control risks. The Bank has revised a number of policies, including its Regulatory Compliance Policy, Conflict of Interest Policy, Chinese Walls Policy, Personal Trading Policy, and Whistleblowing Policy, while updating procedures to take into account new reporting requirements on outside business interests.

In recognition of the growing role of block chain technology in the financial services industry, ADCB has added 'digital assets' to its existing 14 'principal risks' in the Bank's risk management framework.

Furthermore, as part of the Bank's commitment to Pillar 3 disclosures in accordance with the Basel III requirements, the Bank has ensured that it proactively discloses matters concerning and incidental to capital adequacy, market risk, credit risk and operational risk, amongst other matters. For further details on the Bank's Pillar 3 disclosures, please visit adcb.com/ir.

A forward-facing organisation

Looking ahead, ADCB will continue to improve and augment its people, processes, systems and technology to align with rapid changes in the regulatory and business landscape. The core focus will remain on further strengthening the Risk and Compliance functions and their activities, ensuring ongoing monitoring of regulatory, conduct and financial crime compliance controls. This will be a key strategic driver of ADCB's business strategy, to deliver fair and positive outcomes for customers, to maintain market integrity and to safeguard the best interests of all stakeholders.

Risk management enhancements



New operational risk management system

Launch of an operational risk and control library

Upgrade of business continuity management

Development of comprehensive outsourcing governance and third-party risk assessment framework

Enhanced compliance risk management with policy updates

'Digital assets' risk assessment added to principal risks

Board information

ADCB's Board is composed of 11 Non-Executive Directors in compliance with the regulations set forth by the Central Bank of the UAE, which explicitly prohibit the inclusion of Executive Directors on the boards of financial institutions under its purview. Our Directors hold independent status, with the exception of Khalid Deemas Alsuwaidi, who is deemed 'non-independent' due to his tenure exceeding 12 years.

The Board and its committees met 49 times in 2023, with the Directors receiving detailed information on a regular basis regarding the Bank's activities and developments.

Throughout the year, members of the Management Executive Committee were invited to Board and Board Committee meetings as necessary to address specific topics while remaining compliant with regulatory requirements regarding restrictions of attendance by the Executive Management at certain key meetings.

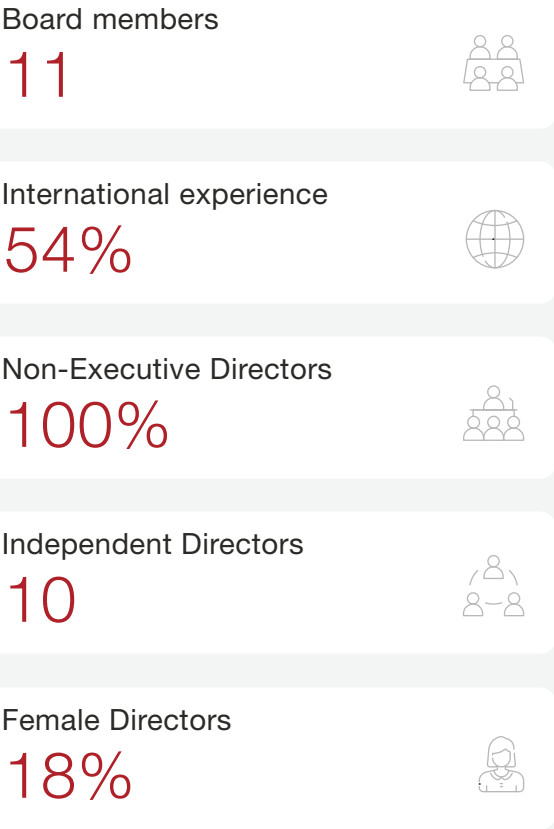
The composition of the Board Committees is reviewed on a regular basis, including the chairmanship of each committee. Membership is rotated as required to ensure the suitability and adequacy of the collective skills, experience and knowledge to ensure duties are discharged effectively. Each Director, with the exception of H.E. Khaldoon Khalifa Al Mubarak (Chairman) and Sheikh Zayed Bin Suroor Al Nahyan, serves on at least one standing Board committee. The Board operates four standing committees, with each committee having certain key responsibilities and authorities as delegated by the Board of Directors of the Bank.

Gender diversity at Board level

One of the key responsibilities of the Board is to ensure that ADCB builds and maintains a healthy corporate culture. ADCB believes that companies that attach equal importance to performance and culture achieve exceptional results over time.

The Board is committed to supporting gender diversity. As at 31 December 2023, women represented 18% of Board members. As we advance, in line with applicable regulatory requirements, ADCB will ensure that at least 20% of candidates considered for Directorship are female. ADCB will also make sure that at least one female member serves on the Board.

Board of Directors in numbers



Overview of the Board Committees and their responsibilities:

Board Executive Committee (BEC)

- Development and execution of strategy approved by the Board
- The Group's sustainability strategy and strategic priorities
- The Group's business performance and guidance on the development of new business initiatives
- The Group's proposals for acquisitions, disposals and joint ventures and other value creation opportunities, including establishment, or closure and exit of any international operations
- Material credit commitments
- Digital transformation and investments



Board Risk Committee (BRC)

- Setting the Group's risk appetite and risk strategy
- Development and implementation of the Group's Risk Governance Framework
- Alignment of the Group's strategic objectives with its risk profile
- Development of risk measurement models, tools, and monitoring of such tools' effectiveness
- Assessment of risks associated with the Group's asset portfolios
- Assessment of capital adequacy against regulatory requirements
- Assessment of overall credit and concentration risk in relation to Group's risk profile and business strategy
- Compliance with regulatory requirements relating to risk management
- Oversight and implementation of data management, privacy policies and consumer protection requirements
- Assessment of the risk associated with Islamic, fraud, cybersecurity and asset portfolios



Nomination, Compensation, HR & Governance Committee (NCHRG)

- Appropriate composition of the Board
- Nomination of appropriate Directors to the Board and its committees
- Assessment of the performance of the Board, Board Committees, individual Directors, and members of the Executive Management
- Succession plans for Directors and members of Executive Management
- Remuneration policies for the Bank's Directors and Executive Management
- The Group's HR strategy, including Emiratisation
- Development of the Group's Corporate Governance Framework
- The Group's compliance with regulatory requirements relating to corporate governance
- The Group's corporate culture and values, including its governance culture



Board Audit Committee (BAC)

- The qualifications, independence, objectivity, and performance of the Group's External Auditor
- The qualifications, independence, objectivity and performance of the Bank's Internal Audit and Compliance departments
- The qualifications, independence, and performance of the Bank's Internal Shari'ah Audit department
- Adequacy of the Group's internal control framework to ensure the establishment of an effectively controlled operating environment for the conduct of the Group's business
- Adequacy of the Group's financial statements, reporting, and matters relating to the Group's internal controls, and risk management systems
- The Group's compliance with applicable legal and regulatory requirements, (including financial crime⁽¹⁾) and with the Group's policies (unless specifically delegated to other Board committees)
- The review and monitoring of trades in the Bank's shares by Directors, and staff, including Executive Management



(1) Anti-Money Laundering (AML), Combatting the Financing of Terrorism (CFT) and Sanctions

Director’s independence

Independence is an important factor to assess the Directors’ ability to serve in the best interest of ADCB and all its stakeholders. The Central Bank of the UAE, through its corporate governance regulations (‘Regulations’) and standards, has defined the following criteria for independence of Board members in banks within the UAE:

- a. The Director’s tenure should not exceed 12 consecutive years from the date of appointment. This provision applies equally to appointments by a government shareholder
- b. The Director or any of his/her first-degree relatives should not have been employed by the Bank or its subsidiaries during the past two years
- c. The Director should not have conducted any consulting services for the Bank, or its subsidiaries, or acted in such capacity, either directly or indirectly, during the past two years
- d. The Director should not have had any personal services contracts with the Bank or its subsidiaries during the past two years
- e. The Director should not be affiliated with any non-profit organisation that receives significant funding from the Bank or its subsidiaries
- f. The Director, or any of his/her first-degree relatives, should not be a partner or employee of the Bank’s auditor for the past two years
- g. The Director or any of his/her first-degree relatives, should not have direct or indirect interest in any contracts and/or projects of the Bank or its subsidiaries, where the total of such transactions exceeds the lower of 5% of the Bank’s paid share capital, or AED 5 million, or an equivalent amount in foreign currency, during the past two years, unless such relationship is part of the nature of the Bank’s business and involves no preferential terms

- h. The Director and/or any of his/her first-degree relatives (individually or collectively) should not own, directly or indirectly, 10% or more of the Bank’s share capital or be a representative of a shareholder who owns, directly or indirectly, more than 10% of Banks’ share capital

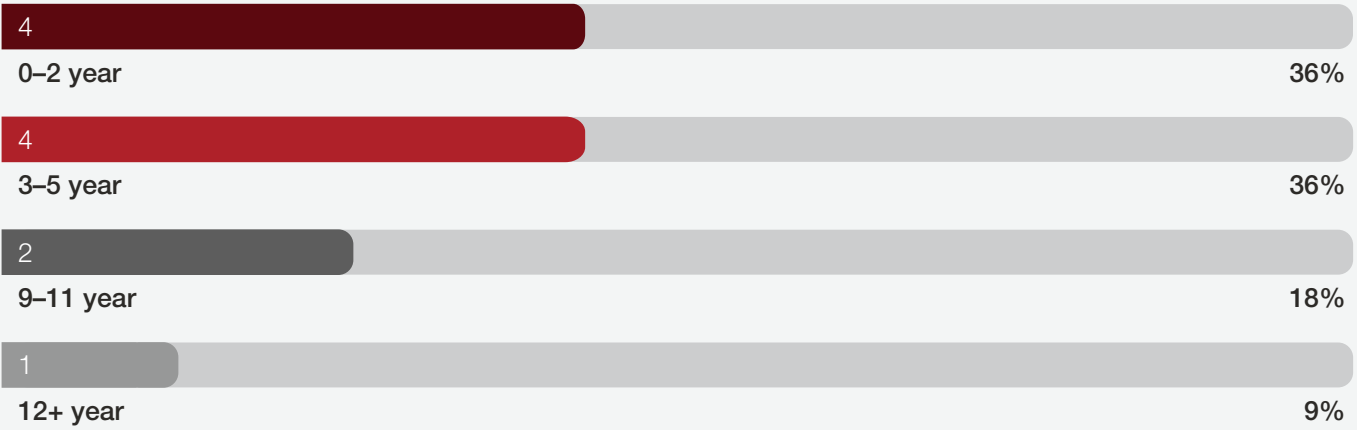
The provisions from items b) to h) do not apply to Board Members appointed by a Government shareholder, as per the regulations.

As a listed entity that is regulated by the Central Bank of the UAE, the independence status of ADCB’s Board Members is determined in accordance with the criteria set out here.

As at 31 December 2023, ADCB’s Board Members satisfied the independence criteria as prescribed by the Regulations, with the exception of Khalid Deemas Alsuwaidi, who has served on the Board for more than 12 years and is therefore deemed as non-independent.

Length of Board tenure⁽¹⁾

(Number of Directors)



0–2 years
H.E. Amr Al Menhali (2022)
Fatima Al Nuaimi (2022)
Sheikh Sultan Bin Suroor Al Dhaheri (2022)
Sheikh Zayed Bin Suroor Al Nahyan (2021)
3–5 years
H.E. Khaldoon Khalifa Al Mubarak (2020)
H.E. Hussain J. AlNowais (2019)
Saeed Mohamed Hamad Almazrouei (2019)
Carlos Obeid (2019)

6–8 years
Nil
9–11 years
Khaled H. Alkhoori (2012)
Aysha Al Hallami (2013)
12+ years
Khalid Deemas Alsuwaidi (2009)

Note: Figures may not add up due to rounding differences
(1) According to the Central Bank of the UAE’s corporate governance regulation and standards, a Board director is categorised as non-independent when the length of tenure exceeds 12 years

Board appointment, induction and training

Appointment, retirement and re-election

ADCB recognises that an effective board is fundamental to the success of the Bank and its ability to serve in the best interests of all stakeholders.

In accordance with [ADCB's Articles of Association](#) and as required under applicable regulations, all Directors are required to seek re-election by shareholders every three years. In the event that a vacancy arises prior to the next Annual General Assembly, the Board is permitted to appoint any individual nominated by the Nomination, Compensation, HR and Governance Committee (NCHRG) to fill that vacancy, but such an appointment is subject to shareholders' ratification at the next Annual General Assembly. ADCB's majority shareholder, One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC, a wholly owned subsidiary of Mubadala Investment Company (the 'majority shareholder'), has the right to appoint a number of Directors that is proportionate to its shareholding.

As at the year-end 2023, the majority shareholder held 60.2% of ADCB's share capital, and consequently, had the right to appoint six Directors and to vote a further 5.7% of ADCB's share capital at the Board elections.

The process of selection and appointment of the Board of Directors is detailed in [ADCB's Directors' Selection Policy](#). The policy sets out the fit and proper criteria and prerequisites for the selection and appointment of a director, as required by applicable regulations. In accordance with the applicable regulations, the Director shall, at all times, be approved by the Central Bank of the UAE as a proposed candidate prior to the appointment or election at the Annual General Assembly.

Board induction

ADCB provides a comprehensive Directors' Induction Programme for all newly appointed/elected Directors. Each new Director receives a formal and tailored induction to enable them to perform effectively while building a deep understanding of the Bank's business.

Each induction programme typically consists of meetings with other Directors, Executive Management, and briefings from senior managers across key business areas and operations, as needed or required. In addition, new Directors are provided with opportunities to visit key branches, departments and speak to subject matter experts. Each member also receives comprehensive guidance on the duties and responsibilities of Directors, the Bank's policies, procedures, and relevant legal and regulatory requirements. Following the initial induction for Directors, detailed understanding of the business is further developed through ongoing meetings and engagements as appropriate.

Board skills, experience, professional advice and training

ADCB assesses the expertise and competencies of its Directors through a mapping exercise which is updated to ensure the skills and experience of Directors remain relevant to the Bank's strategy and operating environment.

The Board brings a wealth of experience, which incorporates the areas of finance, audit, accounting, risk management, governance, strategic planning, ESG and information technology.

The Board dedicates sufficient time, budget and other resources to an ongoing training and development programme and draws on external expertise, as and when required. An annual review of training is conducted to ensure that Directors acquire, maintain, and enhance knowledge and skills relevant to their responsibilities.

The Board also regularly engages with Executive Management on specialised topics, as and when required. The Board has direct access to the advice and expertise of the Group Company Secretary, who supports the Directors in meeting their fiduciary duties. To carry out

their duties, Directors may also, at the Bank's expense, obtain independent external professional advice in relation to any matter they see necessary.

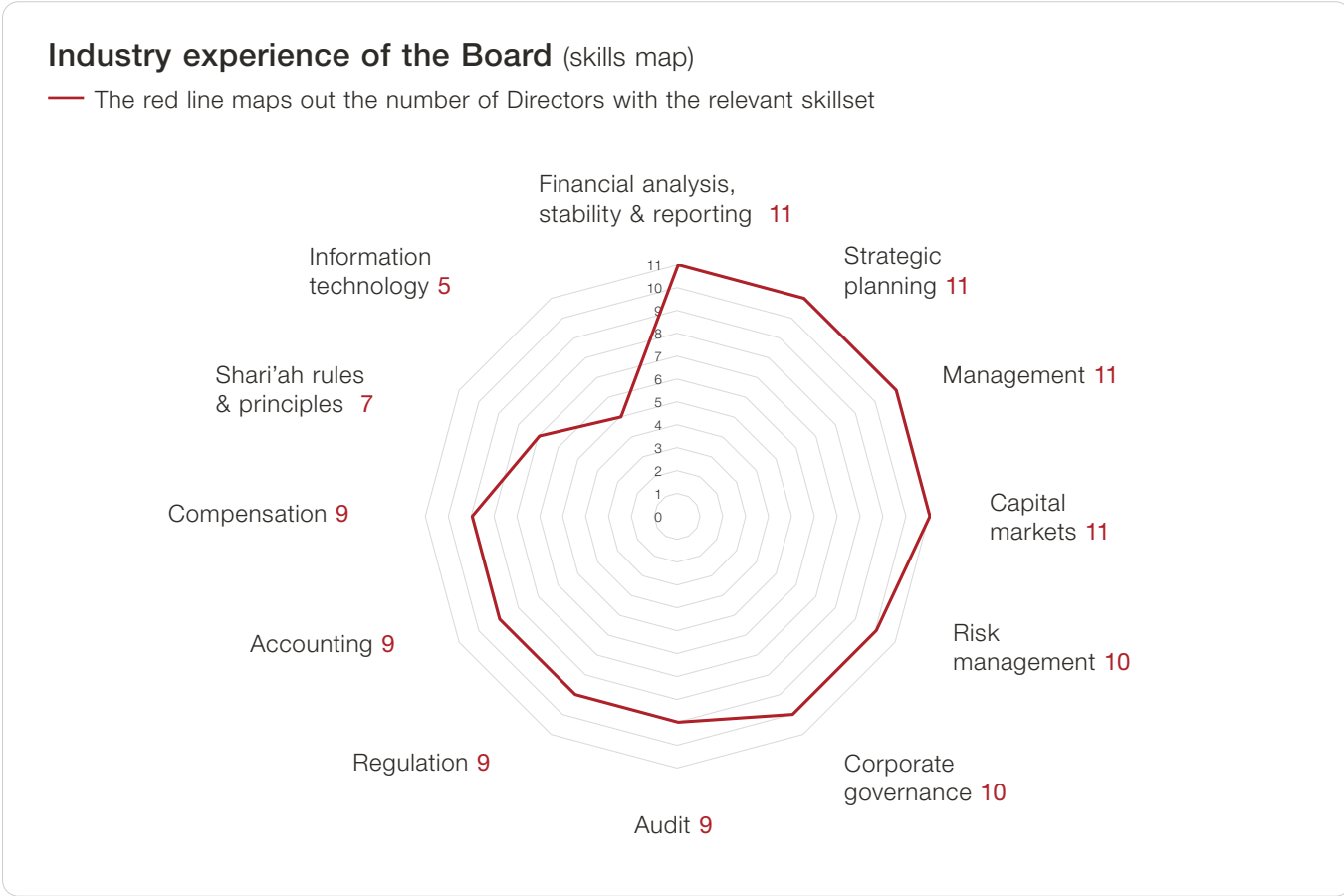
In 2023, Directors participated in a number of training and deep dive sessions, including:

Training sessions

- Islamic banking
- Anti-money laundering and combatting financing of terrorism
- Sanctions development – overview and impact
- ESG
- Corporate governance
- Digitisation
- Anti-bribery and corruption
- Conduct risk
- Corporate tax

Deep dives

- Cost management and efficiencies
- Retail Banking
- Wealth Management and Private Banking
- Treasury business and future priorities
- Strategy
- Performance management versus budget and business plans



Responsibilities of the Board

The Board, as the principal decision-making forum of the Bank, has the overall responsibility for leading, controlling, and setting the strategic objectives of the Group and supervising the implementation of strategy. Through these overarching responsibilities, the Board remains collectively accountable to the Bank’s shareholders for creating and delivering sustainable shareholder value by approving and overseeing the implementation of the Group governance framework and corporate culture.

Additionally, the Board is responsible for the Group’s operations, financial soundness and ensures that the interests of shareholders, customers, employees, regulators, and wider stakeholder groups are met. The Board fulfils these responsibilities by maintaining the integrity of the Group’s accounting and financial statements, setting adequate internal controls and monitoring the performance of the Group’s business. It also provides guidance to, and oversight of, the Executive Management. More specifically, the Board is responsible for:

- **Strategy and management:** Setting the Bank’s long-term objectives and commercial strategy, and monitoring management’s performance
- **Structure and capital:** Approval of changes relating to capital structure, dividend policy, the capital adequacy assessment process, capital and liquidity plans, corporate structure, management and control structures
- **Financial reporting, planning, and controls:** Approval of financial results, annual reports and accounts, dividends, business plans, budgets (including funding plans) and forecasts, significant changes in accounting policies or practices, credit and liquidity policies, remuneration of and appointment/removal of an auditor and other material accounting policies
- **Internal controls:** Ensuring the establishment, implementation and monitoring of an effective internal controls system, through prudent oversight, guidance and providing the necessary support

- **Risk management:** Setting the Bank’s risk strategies, appetite and monitoring the Bank’s approach to material risks, approving risk management policies, promoting risk awareness and cultivating a strong risk culture
- **Compliance, AML/CFT, and Sanctions:** Oversight of the implementation of an effective AML/CFT compliance programme, promoting a strong compliance culture and three lines of defence, and ensuring the Group operates in line with all applicable legislations
- **Major transactions:** Approval of major capital investments and projects, by reason of materiality or size, including acquisitions, mergers, disposals, and material contracts not in the ordinary course of business
- **Board Committees and other appointments:** Appointment or removal, as well as actively engaging in succession planning of the Group CEO and Executive Management and reviewing those succession plans periodically; establishing committees to assist in carrying out its responsibilities and implementing corresponding terms of reference and membership to those Board Committees; conducting annual evaluations of the effectiveness of the Board, individual Directors, and Board Committees; and ensuring that the Executive Management’s collective knowledge and expertise remain appropriate for the Group
- **Executive Management performance:** Establishment of a fit and proper process for the identification, assessment and selection of Executive Management, and oversight of the Executive Management’s performance to ensure that they are consistent with the strategic objectives and policies approved by the Board and aligned with the Group’s values, risk appetite and risk culture

- **Remuneration framework:** Determining policy for the remuneration of Directors and Executive Management, creation and approval of share incentive plans and other remuneration schemes that are consistent with the long-term strategic objectives, prudent risk-taking and financial soundness of the Group
- **Delegation of authority:** Approval of clear policies for the delegation of authority to the Executive Management, monitoring matters delegated to Board Committees, Management Committees, and the Executive Management
- **Shari’ah governance:** Establishing, reviewing and approving a sound and effective Shari’ah governance framework with mechanisms and functionalities to ensure effective and independent Shari’ah oversight, as per the requirements set out by the Central Bank of the UAE and the UAE’s Higher Shari’ah Authority; promoting a corporate culture that reflects the importance of adhering to Shari’ah requirements, and developing and strengthening the knowledge and understanding of Islamic financing

Board oversight of risk management

Effective risk management is one of the key fundamental principles of the Group’s Corporate Governance Framework. The Board has the overall responsibility for setting the Group’s risk appetite and ensuring that all risks are effectively and efficiently managed within the approved parameters.

Risk management remains the responsibility of the Board. The Board Risk Committee (BRC) has been delegated the responsibility to ensure that the Board fulfils its duties in relation to risk management through managing, overseeing, monitoring, and reviewing all risks. The BRC advises the Board on the Group’s overall risk appetite, tolerance and strategy, considering the Group’s long-term interests, risk exposures and ability to manage risk effectively. Furthermore, the BRC works closely with the Executive Management to develop and implement the overall risk strategy, as appropriate, to relevant sectors, geographic regions and client types. Additionally, the BRC conducts periodic meetings specifically to review the effectiveness of the Group’s risk management and internal control systems and to review the risks identified and progress of actions taken to mitigate them. Following the review, progress and actions are reported to the Board, and any revisions in the Group Risk Governance Framework are approved by the Board.

Board composition in 2023

The Bank’s Board of Directors were duly appointed/ re-elected by shareholders at the Annual General Assembly held on 14 March 2022, and no changes have since been made to the Board’s composition. In accordance with the applicable regulations, Directors will submit themselves for re-election in March 2025, and the Board Nomination, Compensation, HR & Governance Committee shall conduct a Board composition evaluation exercise prior to that and, if necessary, make recommendations for new nominations.

Further responsibilities of the BRC include:

- Reviewing the results of the stress tests conducted and the ADCB stress-testing methodology
- Ensuring that the Group's risk governance approach is supported by prudent risk-taking at all levels within the Group

The duties and responsibilities of the BRC are facilitated by the support of various Group Management Committees, including, the Management Risk Committee and the Assets and Liabilities Committee.

During 2023, the BRC sought and received assurance from the Executive Management on the Central Bank of UAE's regulations and new developments and whether they were suitably addressed and reported accordingly to the Board.

The Board, together with the Executive Management, recognises the importance of ensuring that ADCB's workplace culture is aligned with the Bank's purpose, values and strategy. The Board continuously cultivates and reinforces a strong compliance culture by creating an environment where employees at all levels are empowered to confront improper behaviour, raise grievances and suggest better ways to pursue the Group's strategic objectives. This has been achieved through the implementation of various policies, including the Code of Conduct Policy, the Employee Grievance Policy and the Whistleblowing Policy.

The three lines of defence model

As part of the Group Risk Governance Framework, the Bank has an activity-based three lines of defence model. This determines accountabilities and responsibilities for risk management across the Group. It forms the basis of the Bank's approach to risk management by clarifying responsibilities, encouraging collaboration, and enabling efficient coordination of risk and control activities.

The first line of defence consists of the Bank's business lines, plus Technology and Operations, which own the risks and are responsible for identifying, recording, reporting and managing them, and ensuring the right controls and assessments are in place to mitigate them.

The Bank's risk control and compliance oversight functions provide the second line of defence, setting the policy and guidelines for managing specific risk areas, providing advice and guidance in relation to risk, and challenging the first line of defence (the risk owners) on effective risk management.

The third line of defence comprises the internal audit function that independently assesses the effectiveness of the processes created in the first and second lines of defence and provides assurance on these processes.



Board oversight of financial reporting and internal controls

Oversight of financial reporting and integrity of ADCB's financial disclosures are also key responsibilities of the Board. To this end, the Board ensures that comprehensive and independent compliance and internal audit functions are in place, together with effective, robust internal controls.

The Board has established the Board Audit Committee (BAC) to ensure that the Board fulfils its responsibilities in relation to oversight of the financial reporting and disclosure process. This includes monitoring ADCB's accounting policies, principles and judgements. In terms of financial reporting, the Board has the ultimate responsibility for the Group's financial statements and the contents of the annual report for their accuracy and completeness.

In 2023, the BAC assessed the objectivity and effectiveness of ADCB's financial reporting and disclosure process which included monitoring ADCB's accounting policies, principles, and judgements. Additionally, the BAC ensured that adequate policies were implemented and revised to comply with the regulatory requirements of the Central Bank of the UAE and the Securities and Commodities Authority (SCA).

Furthermore, the BAC assists the Board in discharging its responsibilities in ensuring the implementation of an effective internal control environment, approving the annual internal audit plan, and monitoring the effectiveness of the internal audit function and the committed measures to address identified deficiencies.

Similarly, the internal audit function reports to the BAC on all internal audit-related matters. The rationale for this reporting structure is to ensure independence and balance the function's capacity to monitor and obtain in-depth information on the effectiveness of the Group's controls and processes.

The Group's compliance function reports to the BAC on the Group's compliance with regulatory guidelines, anti-money laundering, know-your-customer standards, and reporting any suspicious activity. Correspondingly, the BAC undertakes an annual review of the effectiveness of the compliance function and provides due consideration of compliance reports and the Bank's compliance status with all applicable regulatory requirements.

Furthermore, the BAC oversees the implementation of the Whistleblowing Policy through which employees and contractors of the Bank can submit any concerns on potential abnormalities within the Bank's activities. It also ensures proper arrangements are available to allow anonymous independent and fair investigation of such abnormalities, whilst ensuring that whistleblowers are protected from any negative impact resulting from the respective whistleblowing.

Subsidiary governance and Group structure oversight























A robust corporate governance framework is adopted across all Group entities to ensure adequate oversight and implementation of sound principles, while maintaining and respecting the independence of all the separate legal entities in accordance with applicable regulations in all relevant jurisdictions. The governance structure is evaluated periodically to ensure it remains suitable for the dynamic and ever-changing regulatory environment, and increased complexity of the Group structure and businesses.

To further ensure that a consistent governance and supervision approach is maintained, the Group has adopted an Inter-Group Activities Policy. The overarching objective of the policy is to ensure that the Group’s subsidiaries have sufficient autonomy to satisfy their regulatory obligations, while maintaining effective inter-Group relationships, and that there is adequate Group oversight to ensure that risks are supervised, managed, limited, and mitigated.

Furthermore, the Inter-Group Activities Policy establishes an upstream information reporting protocol between ADCB and all its subsidiaries, as well as ensuring that relevant information is reported to the appropriate Group governance structures or forums.

A fundamental aspect of the Group Corporate Governance Framework and Inter-Group Activities Policy is to align the duties and responsibilities of subsidiary boards to the expectations of the Group as a major or sole shareholder. Furthermore, subsidiary boards are required to discharge their duties and responsibilities towards the subsidiaries that they serve.

The below table lists the ADCB Group Subsidiaries as at 31 December 2023

Subsidiary	Ownership interest	Year	Country	Principal activities	
ADCB Securities LLC	100%	2005	UAE		Agent in trading of financial instruments and stocks
Kinetic Infrastructure Development LLC	100%	2006	UAE		Financial investments
Abu Dhabi Commercial Property Development LLC ⁽¹⁾	100%	2006	UAE		Property development
Abu Dhabi Commercial Engineering Services LLC	100%	2007	UAE		Engineering services
ADCB Finance (Cayman) Limited	100%	2008	Cayman Islands		Treasury related activities
ADCB Markets (Cayman) Limited	100%	2008	Cayman Islands		Treasury related activities
ACB LTIP (IOM) Limited	Controlling Interest	2008	Isle of Man		Trust activities
Abu Dhabi Commercial Bank (UK Representative Office) Limited ⁽²⁾	100%	2008	United Kingdom		UK representative office and process service agent
ITMAM Services FZ LLC	100%	2010	UAE		Transaction processing and back-office support for the Group
AD NAC Ventures WLL	99.75%	2012	Bahrain		Trust activities
ITMAM Services LLC	100%	2013	UAE		Transaction processing and back-office support for the Group
ADCB Asset Management Limited	100%	2018	UAE		Wealth management and private banking
Al Wifaq Investment Properties PrJSC	90.08%	2006	UAE		Investment in real estate properties and earning rental income
Abu Dhabi Commercial Bank – Egypt SAE (formerly Union National Bank Egypt SAE)	99.90%	1981	Egypt		Commercial banking services
Al Hilal Bank PJSC	100%	2007	UAE		Islamic banking activities
Al Hilal Islamic Bank JSC	100%	2010	Kazakhstan		Islamic banking activities
Al Hilal Leasing LLP	100%	2011	Kazakhstan		Shari’ah compliant leasing operations
AHB Sukuk Company Limited	Controlling Interest	2011	Cayman Islands		Treasury financing activities
Al Hur 1 Holding Limited	100%	2022	UAE		Real estate investment activities
Al Hur 2 Holding Limited	100%	2022	UAE		Real estate investment activities
ADCB Sukuk Company Limited	Controlling Interest	2023	Cayman Islands		Treasury financing activities
Meedaf Investment – Sole Proprietorship LLC	100%	2023	UAE		Enterprise and service support

(1) Dormant
(2) Under liquidation

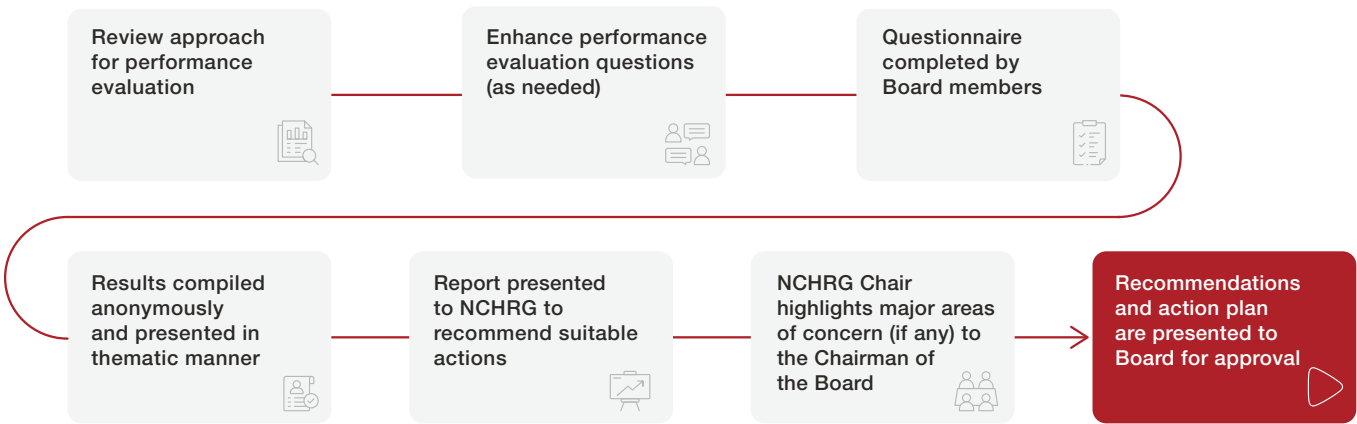
Board effectiveness and evaluation

The Board conducts a formal and rigorous annual evaluation of its collective performance, the individual Directors' contributions, and the Board Committees' performance against their respective mandates to constructively identify achievements and improvement areas. Under the [Director's Performance Evaluation Policy](#), the Board considers the evaluation process to be an essential tool for its development, participating in its structuring and a full review of conclusions. The Board believes that a full, fair and well-managed evaluation process builds mutual trust among Directors, between the Board and Executive Management, and between the Bank and its stakeholders.

The specific responsibilities of the Chairman and the Chairs of each Board Committee form part of the evaluation. The evaluation process assesses thoroughness and efficiency in the conduct of meetings, facilitation of appropriate debate, discussion and decision-making, as well as representation of the Bank externally to the public, regulators and other counterparties.

The Board Committees are evaluated on effectiveness in discharging their responsibilities, diligence, and responsiveness to the Board. Additionally, the Committees self-evaluate on annual basis their abilities to carry out the responsibilities set out in their respective Terms of Reference.

Internal evaluation process



In addition, an external consultant is appointed to independently conduct a performance evaluation exercise at least once every three years. The outcome of the evaluation is presented to the Board Nomination, Compensation, HR & Governance Committee (NCHRG) in the form of an action list, which is actively monitored for effective implementation. The Chair of the NCHRG subsequently briefs the Board of Directors. The Board Secretariat function supports the Directors and NCHRG in conducting this exercise.

During 2023, an independent external Board evaluation was conducted and a report was duly issued in accordance with the Central Bank of the UAE and the Securities and Commodities Authority's applicable corporate governance regulations. The Board was satisfied with the results of the evaluation and the NCHRG approved an action plan to address the recommendations that were adopted. In particular, the NCHRG agreed to enhance its Board trainings and the process of timely circulation of meeting materials.

Independent evaluation of Board performance

Executive summary

The independent external Board evaluation of ADCB was conducted by Grant Thornton, UAE. For the purpose of this review, the independent evaluation followed the guidance issued by the Central Bank of the UAE's Corporate Governance Regulations and Standards, and SCA Corporate Governance Guidance requirements. The evaluation was conducted in accordance with good governance best practices in Board self-evaluation.

The review began in July 2023 and concluded in September 2023. The review process incorporated circulation of questionnaires to Directors and Senior Management, one-to-one interviews with the Committee Chairs, and a review of the Board and Committee documentation which provided a comprehensive view for the evaluation exercise.

Grant Thornton were unable to meet with the Chairman of the Board and did not observe any Board meetings as part of the review.

Review process

In line with CBUAE and SCA requirements the evaluation exercise involved examining the following:

- Board as a whole
- Board Committees
- Board/Board Committee Secretariat support
- Individual Directors

Summary

In summary, the Board performed very well in the overall evaluation based on responses received from the questionnaires for evaluating Board effectiveness.

Overall feedback on evaluation of Board effectiveness based on Board and Senior Management questionnaires and in-person interviews of the Directors



Board oversight of conflict of interest and related party transactions

Conflict of interest

The Board of Directors maintains a comprehensive framework to identify and manage conflicts of interest within the organisation, including among the Bank’s employees and Directors. This framework establishes effective controls and prevents any adverse impact on the Group, its shareholders and other stakeholders.

Employee conflict of interest

Employees must adhere to a [Code of Conduct](#) that mandates avoiding conflicts of interest between themselves, the Bank, customers, and suppliers. If an employee’s outside interests’ conflict with the Group, they must promptly inform their line manager. In such cases, the transaction or account management should be assigned to another employee. Prior approval from Group Compliance may be necessary for specific transactions in certain instances. Employees are also obligated to periodically disclose personal interests, including dealings with third parties related to the Group.

Director conflict of interest

The Board has implemented a [Directors’ Conflict of Interest Policy](#) to ensure that any actual, potential, or perceived conflicts of interest involving Directors are dealt with in the best interest of the Group and its stakeholders. Directors are expected to avoid any activities that could create a conflict of interest, and they should disclose any such matters promptly to the Board and the Group Company Secretary. Directors are required to disclose their interests and relationships on appointment and on a quarterly basis thereafter. Transactions in which a Director or related party may have potential interests are reviewed and approved by the Board. If Directors have an interest in a transaction, they are not allowed to participate or vote on it.

The Board Secretariat function has established, and maintains, a Register of Interests, which contains relevant details of all declarations of interests made by the Directors.

The Board Nomination, Compensation, HR, and Governance Committee reviews the Register of Interests on a quarterly basis.

Definition of related party

Related parties of the Group are the parent company and its related entities, associates, funds under management, directors, senior management and their related entities and the Government of Abu Dhabi (ultimate controlling party and its related entities).

Mubadala Investment Company holds 60.20% of the Bank’s issued and fully paid-up share capital through its wholly owned subsidiary One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC.

The Government of Abu Dhabi owns 100% of Mubadala Investment Company and so the ultimate controlling party is the Government of Abu Dhabi. Therefore, all other entities controlled or associated with the Government of Abu Dhabi are also related parties of the Group.

Related party transactions

ADCB has implemented a comprehensive [Related Party Transactions Policy](#), which outlines the procedures for identifying, evaluating, monitoring, and reporting the Group’s exposures to related parties. Within the ordinary course of business, the Group engages in transactions with various entities, including the parent entity, related entities, associates, funds under management, Directors, Executive Management, and related entities of the Government of Abu Dhabi. These transactions are conducted on an arm’s length basis at commercial interest and commission rates.

To ensure transparency and accountability, all Directors must disclose their related parties, transactions, and potential conflicts upon their appointment and every quarter thereafter. The Board Secretariat function maintains a register that records Director conflicts of interest and related party transactions. The declarations that the Directors make undergo quarterly review by the Board Nomination, Compensation, HR & Governance Committee.

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.

Controlling shareholder and its related parties

Transactions between ADCB and its subsidiaries may meet the definition of related-party transactions as set out by the applicable regulations and will be disclosed appropriately. Transactions between ADCB and its majority shareholder and subsidiaries are fully disclosed in ADCB’s financial statements.

Associates and funds under management

The Group may provide banking services to its associates from time to time, however, such services are always conducted on an arm’s length basis.

Directors and their related parties

In handling related-party transactions involving Directors or their related parties, the Bank implemented essential controls ensuring that Directors refrain from participating in discussions or voting on such transactions, resulting in a transparent and conflict-free decision-making process.



Related party transactions

(AED'000)	Ultimate controlling party and its related parties	Directors	Directors' related parties	Senior management and their related parties	Associates and funds under management	Total
Balances as at 31 December 2023						
Financial assets	88,626,350	234,431	4,366,244	27,553	4,034,509	97,289,087
Financial liabilities	107,609,203	95,839	620,058	82,672	1,511,411	109,919,183
Capital notes	6,000,000	–	–	–	–	6,000,000
Contingent liabilities	28,603,328	2,534	13,183	2,742	515,045	29,136,832

Transactions for the year ended 31 December 2023

Interest income and other income	4,213,539	16,986	275,549	1,808	111,646	4,619,528
Interest expense and other expenses	4,250,495	2,852	59,138	1,106	8,493	4,322,084
Coupons paid on capital notes	393,482	–	–	–	–	393,482

Note: Figures may not add up due to rounding differences
During 2023, ADCB has not entered into any related party transactions that would require shareholders' approval at the Annual General Assembly

(AED'000)	Ultimate controlling party and its related parties	Directors	Directors' related parties	Senior management and their related parties	Associates and funds under management	Total
Balances as at 31 December 2022						
Financial assets	71,426,053	242,013	4,238,397	34,612	3,899,744	79,840,819
Financial liabilities	95,780,141	86,906	399,547	83,605	471,073	96,821,272
Capital notes	6,000,000	–	–	–	–	6,000,000
Contingent liabilities	20,828,665	3,077	3,571	3,950	2,252	20,841,515

Transactions for the year ended 31 December 2022

Interest income and other income	2,303,075	7,640	150,148	1,358	64,739	2,526,960
Interest expense and other expenses	2,952,690	439	119,012	252	8,463	3,080,856
Coupons paid on capital notes	182,271	–	–	–	–	182,271

Note: Figures may not add up due to rounding differences
During 2022, ADCB has not entered into any related party transactions that would require shareholders' approval at the Annual General Assembly



ADCB Directors’ and related party shareholdings⁽¹⁾

Name	Kinship (if applicable)	As at 31 Dec 2023	As at 31 Dec 2022	Change in shareholding
H.E. Khaldoon Khalifa Al Mubarak	N/A	463,828	440,854	+22,974
H.E. Hussain J. AlNowais	N/A	0	0	0
Amna Hussain AlNowais	Daughter of H.E. Hussain J. AlNowais	820,508	779,867	+40,641
Ali Hussain AlNowais	Son of H.E. Hussain J. AlNowais	692,028	657,751	+34,277
Mohamed Hussain AlNowais	Son of H.E. Hussain J. AlNowais	692,028	657,751	+34,277
Khalid Deemas Alsuwaidi	N/A	61,842	14,915	+46,927
Marwan Khalid Deemas	Son of Khalid Deemas Alsuwaidi	1,795	1,706	-89
Sheikh Zayed Bin Suroor Al Nahyan	N/A	1,914,456	1,819,630	+94,826
Aysha Al Hallami	N/A	0	0	0
H.E. Ahmed Sultan Al Hallami	Father of Aysha Al Hallami	845,762	803,870	+41,892
Khaled H. Alkhoori	N/A	1,782,422	1,694,136	+88,286
H.E. Amr Al Menhali	N/A	0	0	0
Carlos Obeid	N/A	0	0	0
Arij Azzam	Wife of Carlos Obeid	66,114	35,799	+30,315
Saeed Mohamed Hamad Almazrouei	N/A	0	0	0
Fatima Al Nuaimi	N/A	0	0	0
Sheikh Sultan Bin Suroor Al Dhaheri	N/A	5,237,993	4,503,313	734,680

(1) The Bank does not award any shares to any of its Directors

ADCB’s dedication to a robust corporate governance culture has been the cornerstone of its sustained track record of strong financial and operational achievements.



Board remuneration

The Board remuneration strategy of the Bank aligns with the responsibilities and time commitment of non-executive Directors, considering industry standards. The remuneration structure aims to achieve a balance, providing adequate compensation without incentivising behaviours that may hinder the Bank’s long-term sustainability and success.










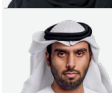



The NCHRG proposes Directors’ remuneration to the Board for approval by the Bank’s shareholders. Any proposals for changes in Board remuneration are considered by the NCHRG prior to obtaining the necessary approvals from the Board and/or shareholders. According to applicable laws and ADCB’s articles of association, Directors may not receive any remuneration for financial years where the Bank is not profitable.

Board Remuneration Policy

The Board’s total remuneration paid in 2023 for the year ended 31 December 2022 was AED 27,567,832. ADCB’s Directors were not recommended any additional allowances, salaries or fees, bonuses, long-term or other incentive schemes. Directors do not receive any pension benefits from ADCB.

The Board’s proposed total remuneration for the year ending 31 December 2023, to be paid in 2024, is AED 31 million subject to the shareholders’ final approval at the Annual General Assembly meeting.

Total Board remuneration paid in 2023 for 2022

All figures are in AED		Remuneration	Sitting fees	Total
	H.E. Khaldoon Khalifa Al Mubarak Chairman of the Board	3,048,100	–	3,048,100
	H.E. Hussain J. AlNowais	2,642,640	80,000	2,722,640
	Aysha Al Hallami	2,432,430	390,000	2,822,430
	Saeed Mohamed Hamad Almazrouei	2,537,590	360,000	2,897,590
	Carlos Obeid	2,432,430	390,000	2,822,430
	Khalid Deemas Alsuwaidi	2,027,080	60,000	2,087,080
	Sheikh Zayed Bin Suroor Al Nahyan	2,027,080	–	2,027,080
	Khaled H. Alkhoori	2,432,430	310,000	2,742,430
	Fatima Al Nuaimi ⁽¹⁾	1,599,450	94,684	1,694,134
	Sheikh Sultan Bin Suroor Al Dhaheri ⁽¹⁾	1,599,450	47,342	1,646,792
	H.E. Amr Al Menhali ⁽¹⁾	1,919,288	244,602	2,163,890
	Ahmed Saeed Al Calily ⁽²⁾	427,631	25,316	452,947
	Mohammed Ali Dhaheri ⁽²⁾	427,631	12,658	440,289
Total		25,553,230	2,014,602	27,567,832

(1) Appointed to the Board in March 2022
(2) Resigned from the Board in March 2022



Board and Board Committees’ agenda

During 2023, the Board remained focused on guiding ADCB’s strategic direction, and its committees regularly discussed topics that are fundamental to the direction of ADCB, including business performance, long-term planning, strategy, ESG, digital transformation, risk appetite and management, succession planning, and human resources.

		Topics discussed at 2023 meetings											
Topics	Sub-topics	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Strategy	Strategy milestone dashboard		●				●			●			
	Deep dives on strategic topics		●	●			●			●			
	ESG strategy, including climate and sustainability						●	●		●	●		
Detailed business, operational & other reviews	Group Chief Executive Officer update	●			●		●				●		●
Business updates	Group Chief Credit Officer update	●		●			●	●		●			
	Retail Banking					●	●						
	Corporate & Investment Banking		●			●							
	Commercial Banking					●							
	Treasury					●	●	●		●			
	Al Hilal Bank		●										
	Al Hilal Bank Kazakhstan	●					●						
	ADCB Egypt						●						
	Business continuity management							●					
	Islamic banking update						●						
Financial	Financial results and competitor analysis	●			●			●			●		
	Capital management and liquidity, including stress testing			●			●	●		●			●
	Dividends, funding plan, and budget	●										●	●
Risk	Risk report	●		●	●	●	●	●		●	●	●	●
	Emerging key risks	●										●	
	Capital, liquidity metrics and trends	●						●				●	
	Risk appetite statement	●					●					●	



Board and Board Committees’ agenda (continued)

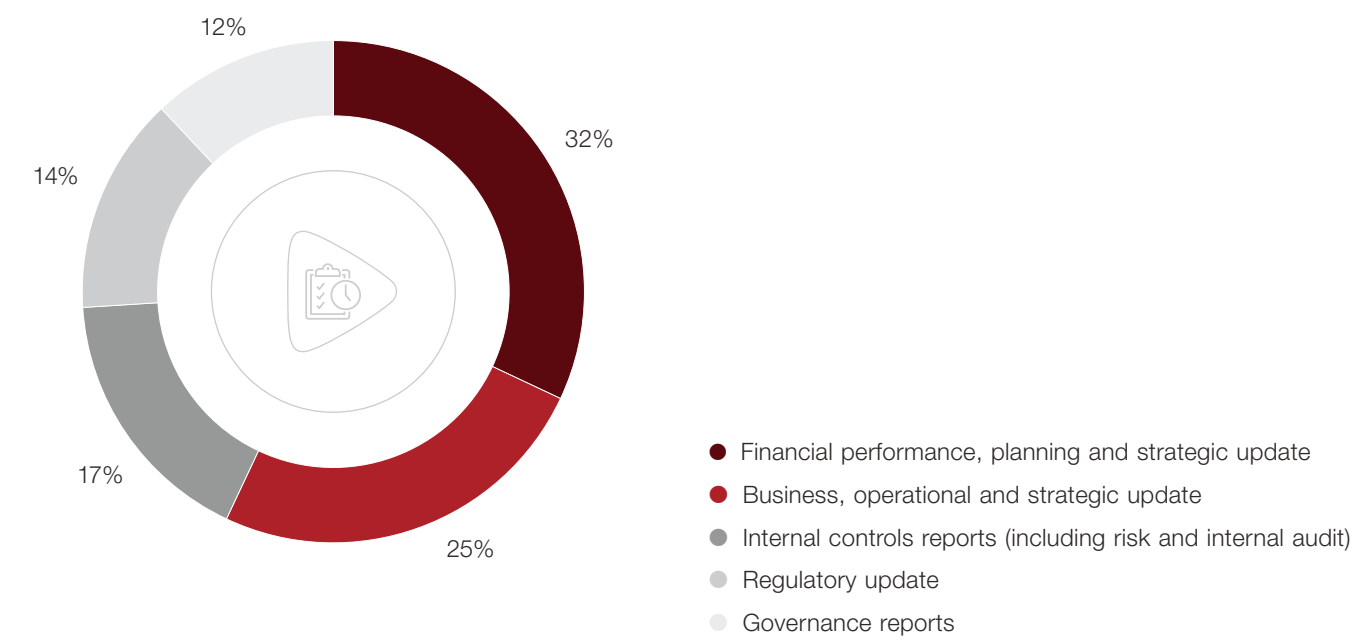
		Topics discussed at 2023 meetings											
Topics	Sub-topics	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Governance	Subsidiary governance framework									●			
	Policies and terms of reference	●		●		●		●		●		●	●
	Board/Committee evaluation and effectiveness	●								●	●	●	
	AGM and resolutions	●											●
	Quarterly review of the insider's list	●			●			●			●		
	Appointment and succession										●	●	
	IFRS 9 governance framework	●			●			●			●		
	Shari’ah governance update	●						●		●	●		
Regulatory and compliance	UAE Central Bank notices	●						●			●		●
	UAE Central Bank baseline examination report	●		●	●		●	●		●	●		●
	UAE Central Bank thematic reviews on corporate governance, asset quality, liquidity risk and capital Pillar 2			●		●	●			●			
	Compliance update	●		●			●		●				●
Internal audit and technology	Internal audit plan for 2023 and update on progress	●	●	●	●		●	●		●	●		●
	Information security update			●						●			●
	Efficiency digitisation and innovation update and trends					●		●		●		●	
Human resources	HR update including purpose, values, engagement and the variable pay structure	●	●	●	●					●	●		●
	Emiratisation update	●									●	●	
External audit	Evaluation of external auditor’s proposal			●							●		
	Review of external auditor’s report on internal control over financial reporting and management letter						●						
	Meeting with the external auditor			●			●			●			●
	Appointment of new statutory auditors/rotation												●

Board meetings and time allocation

2023 Board of Directors meetings

Date of Board meeting	Number of Director attendees	Number of Director attendees by proxy	Names of absent Directors (all attended except)	Number of Board resolutions passed
31 January 2023	10/11	N/A	Sheikh Zayed Bin Suroor Al Nahyan	5
17 April 2023	11/11	N/A	–	2
21 June 2023	11/11	N/A	–	2
20 July 2023	10/11	N/A	Aysha Al Hallami	3
25 October 2023	11/11	N/A	–	6
14 December 2023	11/11	N/A	–	4

Time allocation for 2023 Board meetings




Looking ahead, ADCB will continue to improve and augment its people, processes, systems and technology to align with rapid changes in the regulatory and business landscape.




Board Executive Committee (BEC)

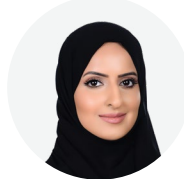
Committee composition (As at 31 December 2023)




Saeed Mohamed Hamad Almazrouei
Chair




Khaled H. Alkhoori



Aysha Al Hallami



Carlos Obeid



H.E. Amr Al Menhali

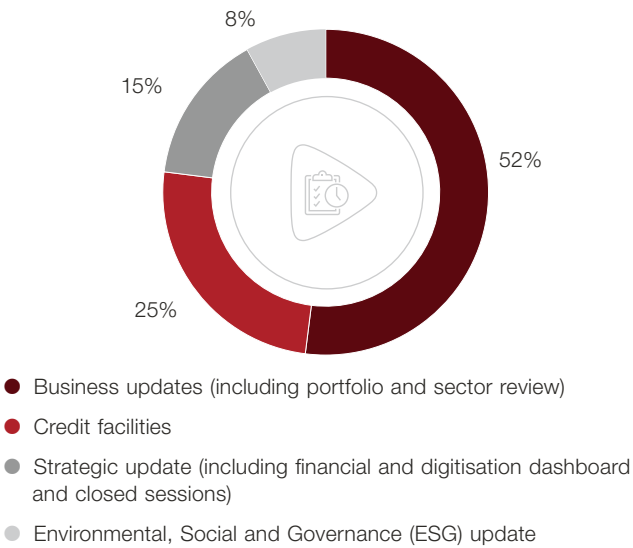
Committee remit

- The primary responsibility of the BEC is to enable the Board to fulfil its duties in relation to the oversight of the following:
- Development and execution of the Group’s business plan in line with the Board’s approved strategy
 - The Group’s ESG strategy and strategic priorities
 - Material aspects of the Group’s businesses
 - Reviewing and approving credit commitments
 - Guidance on proposals for acquisitions, disposals and joint ventures and other value creation opportunities, including establishment, closure or exit of any international operations
 - The annual budget for the Group, including budgets for each business line and operating division

2023 BEC meetings⁽¹⁾

Date of BEC meeting	Number of attendees	Names of absent members
27 Jan 2023	4/5	Saeed Mohamed Hamad Almazrouei
31 Mar 2023	5/5	–
23 Jun 2023	5/5	–
14 Jul 2023	5/5	–
28 Jul 2023	4/5	Carlos Obeid
8 Sept 203	4/5	Aysha Al Hallami
15 Sept 2023	5/5	–
28 Sept 2023	5/5	–
6 Oct 2023	5/5	–
27 Oct 2023	5/5	–
10 Nov 2023	5/5	–

Time allocation for 2023 BEC meetings



(1) In addition to the scheduled BEC meetings, six strategy sessions were held throughout 2023

Statement from the BEC Chair



Dear Shareholders,

In 2023, the Board Executive Committee (BEC) held 11 meetings, during which the BEC discharged its duties in accordance with the delegations and authorities provided by the Board under its [Terms of Reference](#). In addition to the scheduled BEC meetings, six strategy sessions were held throughout 2023.

Throughout the year, the BEC continued to focus on ADCB’s adherence to its strategy and providing guidance to the Management Executive Committee. In particular, the BEC continued to review initiatives to develop and implement ADCB’s short-term and long-term business strategy, focused on growing market share in the UAE, maximising efficiency and profitability, and implementing digital transformation and execution of the ESG strategy.

In 2023, the BEC addressed a broad range of topics relating to the business and its main subsidiaries and proposals were subsequently submitted to the Board of Directors. The BEC continued to monitor the progress of the Bank’s digitisation strategy and implementation roadmap, as well as achievements related to key performance indicators. The Committee also played an important role in overseeing the ESG strategy, receiving quarterly updates on progress, including on the second green bond issuance and the three-fold increase in the Bank’s sustainable finance commitment, as well as approving key initiatives such as the Sustainable Finance Framework.

- The Committee held a number of deep dive sessions throughout the year, which focused on a number of key areas and provided the BEC with an in-depth understanding of ADCB’s achievements and future plans. These covered:
- Insight into ADCB’s cost-saving programmes, which are renewable on a yearly basis; in addition to the Group’s focused approach to cost management, which will contribute to further improvement of its cost to income ratio
 - Updates received on subsidiary performance against agreed plans, as well as relevant business updates.

- This helped the BEC support the Board with the oversight and control of its subsidiaries’ operations
- Monitoring of the Group’s financial performance and budget to ensure alignment with the Group’s strategy
 - Regular reports on capital planning and optimisation measures and capital issuance plans
 - Credit proposals and portfolio profitability, as well as overseeing continuation of the Bank’s green bond programme through a second successful issuance in September 2023
 - ADCB’s accelerated pace of growth across all fronts, including delivery of significant loan growth and efficiencies, which contribute to the continued strengthening of the Bank’s financial position
 - Progress in implementing the Bank’s ESG strategy, including adoption of an enhanced climate strategy and membership of the global Net Zero Banking Alliance
 - ADCB’s mandate to provide a seamless customer service and bespoke banking services embedded in the customer journey, bringing the Bank to the forefront as a regional leader in digital

Looking ahead to 2024

The BEC is scheduled to meet 19 times in 2024 to oversee the execution of ADCB’s strategy, digital transformation and sustainability strategy. The BEC will continue to monitor the Group’s businesses and subsidiaries, including progress in the execution of their strategic plans. The BEC will examine tactical and short-term efficiency measures, cost optimisation and digitisation, against the backdrop of an increasingly competitive global environment and changing market conditions. The BEC will continue to facilitate timely and efficient decision making, ensuring efficient coordination with the Board, its committees as well as first-level executive committees.

Saeed Mohamed Hamad Almazrouei
Chair of the Board Executive Committee

Board Risk Committee (BRC)

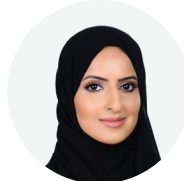
Committee composition (As at 31 December 2023)



Carlos Obeid
Chair



Khaled H. Alkhoori



Aysha Al Hallami



Fatima Al Nuaimi

Committee remit

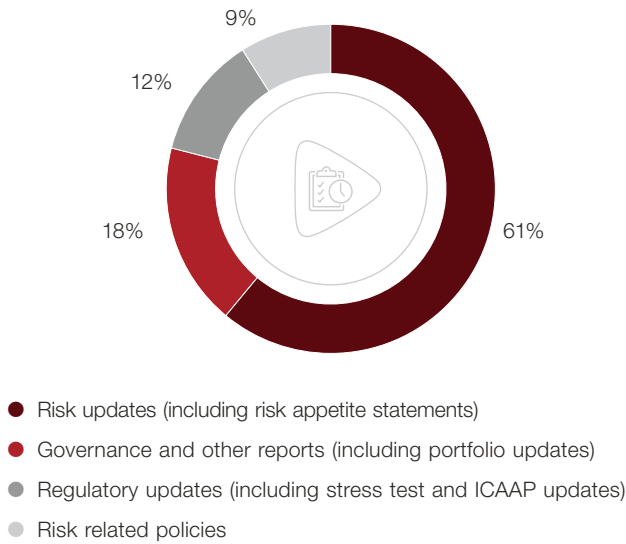
The primary responsibility of the BRC is to enable the Board to fulfil its duties in relation to the oversight of the following:

- The Group’s risk appetite and strategy
- Development and implementation of the Group’s risk governance framework
- Alignment of the Group’s strategic objectives with its risk profile
- Potential risks in the Group’s asset portfolios
- Development of risk measurement models, tools and monitoring of the effectiveness of such tools
- Development and implementation of risk management strategies and limits
- Compliance with regulatory requirements related to risk management
- Public reporting on risk management matters
- Independence and effectiveness of risk management departments throughout the Group

2023 BRC meetings

Date of BRC meeting	Number of attendees	Names of absent members
20 Jan 2023	4/4	–
14 Mar 2023	3/4	Fatima Al Nuaimi
24 Mar 2023	4/4	–
25 May 2023	3/4	Fatima Al Nuaimi
20 Jul 2023	4/4	–
22 Sept 2023	4/4	–
27 Oct 2023	4/4	–
17 Nov 2023	4/4	–

Time allocation for 2023 BRC meetings



Statement from the BRC Chair



Dear Shareholders,

In 2023, the Board Risk Committee (BRC) held eight meetings during which it effectively fulfilled its duties and responsibilities in compliance with the Committee’s [Terms of Reference](#).

Throughout the year, the BRC addressed a diverse spectrum of financial and non-financial risk management matters of importance to the Group, taking into consideration the dynamic and complex operational and regulatory environment. Furthermore, the BRC focused on key risk areas, reflecting awareness of the evolving external landscape, including but not limited to:

- Fraud risk
- Cybersecurity
- Digital risk
- Information security
- Regulatory risk
- Data management and data privacy
- Operational risk
- Shari’ah governance risk
- Subsidiary oversight
- Conduct risk
- Large exposures
- Country limits
- Outsourcing
- Treasury, market and liquidity risk
- Tax policy and frameworks
- Model management
- Business continuity management
- ESG and climate risk
- Various portfolio deep dives (including the retail portfolio)

In 2023, the BRC continued to focus on ADCB’s strict adherence to risk governance, risk management framework and risk appetite across the Group to ensure a forward-looking view of risks and their mitigation. The BRC ensured an ongoing review of controls, provided through internal governance processes, with the oversight of Executive Management. Further assurance was provided through regular reports on these control activities by the Group Chief Risk Officer on emerging key risks, liquidity metrics, climate risk, financial crime risk and other regulatory items.

All significant exposures and impacts on the Bank’s financial performance were assessed. A number of internal macroeconomic stress tests were conducted, considering the combination of various potential impacts as identified in the Bank’s key and emerging risks. The results were subsequently reported to the Board, including the Internal Capital Adequacy Assessment Process (ICAAP) and stress test submissions for the Central Bank of the UAE.

The BRC reviewed current portfolios for consistency with ADCB’s risk-return profile and risk appetite limits, as well as reviewing risk appetite metrics and the approach to credit risk management to ensure the Group remained well aligned with changing market conditions, regulatory requirements, and the nature, size and complexity of the Bank’s operations. Furthermore, the BRC appropriately completed the evaluation of the Group Chief Risk Officer and the Senior Head of Internal Shari’ah Control.

Looking ahead to 2024

The BRC is scheduled to meet at least seven times in 2024 to focus on ADCB’s risk governance framework and risk appetite. The Committee will continue to review changes to operating models and risk appetite against the backdrop of changing market conditions and will closely monitor geopolitical, economic, and regulatory developments to undertake scenario analysis and stress testing and recommend actions where appropriate.

The BRC recognises the importance of a strong risk management framework and will ensure strong communication across the Board’s committees to effectively make any necessary adjustments to ADCB’s risk governance approach to maintain resilience and enable a clear strategic focus in the current operating environment. The BRC will also oversee the implementation of ADCB’s risk management policies and continue to ensure adequate horizon scanning to take into account the evolving regulatory landscape and emerging risks based on the Bank’s progress.

Carlos Obeid
Chair of the Board Risk Committee

Board Nomination, Compensation, HR & Governance Committee (NCHRG)

Committee composition (As at 31 December 2023)



H.E. Hussain J. AlNowais
Chair



Carlos Obeid



Saeed Mohamed Hamad Almazrouei



Fatima Al Nuaimi

Committee remit

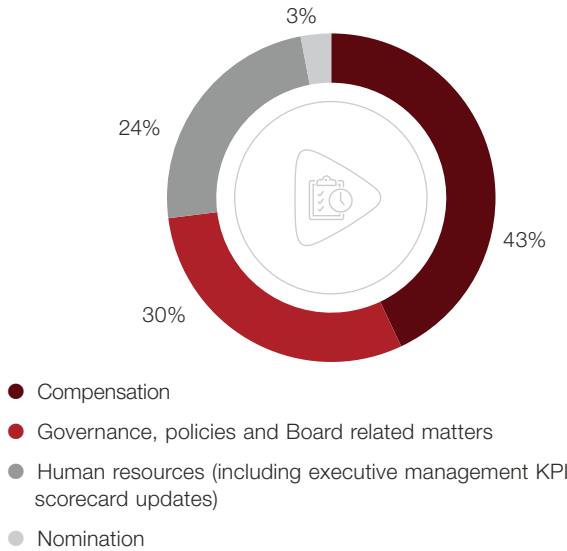
The primary responsibility of the NCHRG is to enable the Board to fulfil its duties in relation to the oversight of the following:

- Overseeing compensation and remuneration
- Ensuring the appropriate composition and skillset of the Board and the Board committees
- Ensuring the appropriate diversity of the Board
- Ensuring Independent Directors remain independent on a continuous basis
- Selecting and appointing Directors
- Orienting and training new and existing Directors
- Planning the succession of Directors and Executive Management
- Selecting and appointing Executive Management
- Assessing the performance of the Board, Board committees, individual Directors and Executive Management and overseeing the implementation of recommendations arising from performance reviews
- Developing, applying and reviewing human resources and training policies

2023 NCHRG meetings

Date of NCHRG meeting	Number of attendees	Names of absent members
31 Jan 2023	3/4	Saeed Mohamed Hamad Almazrouei
28 Feb 2023	3/4	H.E. Hussain J. AlNowais
6 Mar 2023	3/4	H.E. Hussain J. AlNowais
13 Jun 2023	4/4	–
18 Sept 2023	4/4	–
9 Nov 2023	3/4	Fatima Al Nuaimi

Time allocation for 2023 NCHRG meetings



Statement from the NCHRG Chair



Dear Shareholders,

In 2023, the Nomination, Compensation, Human Resources, and Governance Committee (NCHRG) held six meetings, during which it discharged its duties in accordance and in compliance with its respective [Terms of Reference](#).

During the year, the NCHRG continued to focus on ADCB's Emiratisation strategy. The Bank made a substantial contribution to the UAE's progressive Emiratisation agenda with UAE nationals now representing 40% of the Group's employee base (ADCB and Al Hilal Bank combined), and female representation standing at 78% of total Emirati employees. Emiratisation is a standing agenda item for all NCHRG meetings to ensure development of UAE national talent and achieve the targets set by the Central Bank of the UAE. ADCB welcomed over 300 UAE nationals in 2023, including into key roles in senior positions across core businesses, as well as areas such as digital partnerships, compliance, finance, human resources, sustainability, credit risk and liquidity management.

Furthermore, ADCB has ensured and will continue throughout the years to cultivate the advancement and career progression of the UAE nationals in line with the Bank's Emiratisation strategy.

The NCHRG continued to monitor and promote the overall development of ADCB's culture to ensure a healthy environment conducive to organisational success. This was also evident through a healthy score achieved in the Organisational Health Index (OHI) survey conducted at a Bank-wide level.

Furthermore, the NCHRG continued to oversee key performance indicators to assess the effectiveness of the Bank's variable remuneration schemes and to ensure it aligns with ADCB's strategy, objectives, culture, values and risk appetite. In particular, the NCHRG assessed the independent review of ADCB's remuneration against market practices and the Central Bank of the UAE's corporate governance regulations and standards. During the year, the NCHRG also paid significant attention to enhancing the effectiveness of the Board and its committees.

An externally facilitated Board Performance Evaluation was undertaken and a report was issued in accordance with the Central Bank of the UAE and the Securities and Commodities Authority's applicable corporate governance regulations. The evaluation process concluded that the Board continues to operate effectively, and recommendations were provided for enhancement⁽¹⁾.

As part of its governance oversight role, the NCHRG continued to monitor and benchmark ADCB against international best practice in corporate governance. In continuation of the efforts from last year's corporate governance framework enhancement exercise, the NCHRG received updates on the effective implementation of the Corporate Governance Framework for the Bank and its subsidiaries to ensure it provides a holistic view of the framework and challenges faced across the Group. Furthermore, ADCB has drafted a new Board Compensation Policy and updated its current Board Evaluation Policy and procedures to ensure compliance with the Central Bank of the UAE as well as the Securities and Commodities Authority, applicable regulations and international best practices.

Looking into 2024

In 2024, the NCHRG is scheduled to meet at least four times and will continue to prioritise the development of ADCB's UAE national talent, focusing on improvements in recruitment, retention and training of Emiratis. The NCHRG 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. Furthermore, the NCHRG will work closely with the Board Risk Committee (BRC) to regularly monitor and review compensation plans, outcomes, and processes to assess whether the Bank's compensation system creates the desired incentives for effective management of risk, capital and liquidity.

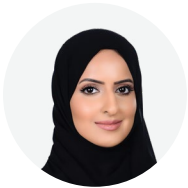
Hussain J. AlNowais

Chair of the Board Nomination, Compensation, Human Resources & Governance Committee

(1) For more on 'Independent evaluation of Board performance', please see [page 41](#).

Board Audit Committee (BAC)

Committee composition (As at 31 December 2023)



Aysha Al Hallami
Chair



Khalid Deemas Alsuwaidi



Sheikh Sultan Bin Suroor Al Dhaheri



H.E. Amr Al Menhali

Committee remit

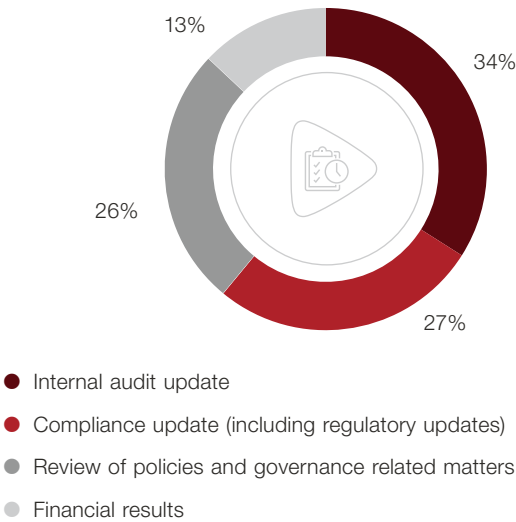
The primary responsibility of the BAC is to enable the Board to fulfil its duties in relation to the oversight of the following:

- Integrity of ADCB's financial statements
- Qualifications, independence, performance and remuneration of the Group's external auditor
- Qualifications, independence and performance of ADCB's Internal Audit, Internal Shari'ah Audit, and Compliance departments
- The Group's internal control framework taking into account the Group's risk profile
- Compliance with all applicable legal and regulatory requirements, including consumer protection

2023 BAC meetings

Date of BAC meeting	Number of attendees	Names of absent members
11 Jan 2023	4/4	–
26 Jan 2023	3/4	Khalid Deemas Alsuwaidi
16 Mar 2023	4/4	–
17 Apr 2023	4/4	–
18 May 2023	3/4	Khalid Deemas Alsuwaidi
15 Jun 2023	4/4	–
20 Jul 2023	3/4	Aysha Al Hallami
21 Sept 203	3/4	Khalid Deemas Alsuwaidi
9 Oct 2023	4/4	–
18 Oct 2023	4/4	–
6 Dec 2023	4/4	–
12 Dec 2023	4/4	–

Time allocation for 2023 BAC meetings



Statement from the BAC Chair



Dear Shareholders,

In 2023, the Board Audit Committee (BAC) held 12 meetings to discharge their duties and responsibilities as set out under its [Terms of Reference](#).

The BAC assessed the quality and integrity of the Bank's financial statements, financial reporting and disclosures and ensured the effectiveness of its internal control framework. In addition, the BAC assessed the effective governance of the requirements on profit equalisation in accordance with the standards set by the Central Bank of the UAE.

The BAC met with ADCB's External and Internal Auditors on a regular basis, without the presence of members of the Management Executive Committee, to discuss issues that arose within the remit of the Committee.

The BAC continued to coordinate its activities with the Board Risk Committee (BRC) to ensure adequate flow of information between the committees and the effective coverage of all risks. This included emerging risks and any required adjustments to the Group's Risk Management Framework, while considering evolving business plans and other external factors.

The BAC ensured that the Bank's Internal Audit Plan for 2023 focused on providing adequate assurance that ADCB's internal governance and controls remained robust.

The BAC received regular updates from Compliance, Risk and Internal Audit on the Central Bank of the UAE's findings following its examinations and thematic reviews, and discussed and monitored the progress of remedial actions identified during the examinations, including closure of findings.

Furthermore, the BAC received updates from the Group Chief Compliance Officer concerning the overall compliance status of the Bank and the progress of the Bank's implementation of key regulatory changes, as applicable. Compliance updates included the Bank's activities in relation to managing and monitoring financial crime risks,

such as money laundering, terrorist financing, sanctions and proliferation financing risks. The BAC also received updates on conduct risks, including consumer protection.

The BAC managed the relationship with the external auditor, oversaw the negotiation and agreement of fees, and reviewed and monitored its independence and objectivity, as well as the effectiveness of the audit process. During the year, the BAC conducted a competitive audit tender process resulting in a change of the Group's External Auditor for 2024. The BAC recommended the appointment of Deloitte as the Group's External Auditor for approval by the Board and, subsequently, by shareholders at the next Annual General Assembly meeting.

Looking ahead to 2024

The BAC is scheduled to meet at least 9 times in 2024, focusing on internal control remediation and enhancements, and the assessment of the Group's internal control framework to be aligned with the Group's risk profile, with a particular emphasis on supporting controls. This entails gaining a deeper understanding of prioritisation and interdependencies in delivering key regulatory programmes to fortify the risk and control environment. The BAC will also oversee the independence and performance of the Group's External Auditor, Group Internal Audit, Internal Shari'ah Audit, and Group Compliance departments.

The BAC will continue to ensure compliance with all applicable legal and regulatory requirements. Collaborating with other Board committees, the BAC will facilitate the free flow of information, addressing themes related to consumer protection, conduct risk, regulatory reporting, and observations within regulatory supervision reports.

Aysha Al Hallami
Chair of the Board Audit Committee

Relationship between the Board Audit Committee (BAC) and the external auditor

Role of the BAC in the selection, evaluation, and maintenance of independence of the external auditor

According to ADCB's External Auditor Selection Policy and the applicable laws, rules and regulations, and the [BAC Terms of Reference](#), the Board has delegated to the BAC the responsibility for oversight of the qualifications, independence, performance and recommended appointment of the Group's External Auditor. These activities are conducted in line with the approved list of auditors issued by the Abu Dhabi Accountability Authority (ADAA). Accordingly, the ADCB Board has delegated to the BAC the following responsibilities:

- Approving a policy for the tendering of the external auditor's engagement, which must prescribe the criteria for sufficient knowledge, competence, objectivity, independence, professional scepticism and quality control
- Recommending to the Board the appointment, re-appointment, and dismissal of the external auditor, as well as the appropriate remuneration for their services
- Reviewing and agreeing to the terms of engagement of the external auditor, including the fees to be paid, and recommending the terms of engagement and fees to the Board for approval as per the External Auditor Appointment Policy
- Reviewing the scope of the external audit plan to ensure that it adequately reflects the nature, size, and complexity of the Group as well as applicable regulatory requirements
- Reviewing the external auditor's qualitative judgement on the suitability of the Group's accounting principles and financial disclosures
- Ensuring that audits are conducted as per the requirements set by the applicable legislation
- Monitoring the effectiveness, independence, and objectivity of the external auditor, considering whether the external auditor has followed the audit plan and obtaining feedback on the performance of the external auditor from Executive Management
- Assessing the external auditor's effectiveness on an annual basis at minimum

Selection and appointment of the external auditor

The external auditor candidate firms should meet the following conditions:

- i. Be qualified and independent in form and substance (including the type of non-audit services provided and independence of individuals)
- ii. Be duly licensed and approved by the relevant authorities to practice and provide external audit services in the UAE
- iii. Have at least five years of substantial experience in auditing public joint-stock companies
- iv. Be compliant with the International Code of Ethics for Professional Accountants
- v. Should not be a shareholder, director, or occupy any technical, administrative, or executive office within the Group; and
- vi. Should not be a partner or agent of any of the founders of ADCB or any of its Directors or be related to the second degree to any of those mentioned above

After identifying prospective audit firms to provide external audit services to the Group, the BAC, together with the Group Chief Financial Officer, Group Chief Internal Auditor and Group Chief Risk Officer (as may be deemed necessary), will interview the identified audit firms and evaluate their technical and financial offers, among other factors, taking into consideration the approved ADCB Group budget.

The BAC will then recommend to the Board the most suitable firm to be appointed as the external auditor. The Board will meet to deliberate on the BAC's recommendation, and once agreed, a recommendation and proposed fees will be submitted to shareholders for approval at the Annual General Assembly. The Annual General Assembly is the only forum authorised to approve the appointment and fees of the external auditor.

Throughout this process, ADCB's Board Secretariat, Legal department and Internal Audit will arrange for the required notices, meetings, and resolutions for the resignation (or removal) of the existing external auditor and the appointment of the new external auditor. The above functions will also monitor emerging best practices in audit tendering, including making appropriate disclosures in the ADCB Annual Report.

It should be noted that the Central Bank of the UAE may require banks to rescind the appointment of the external auditor if it determines that the external auditor is required to be more compliant with established professional standards, or has inadequate expertise or lacks independence.

Evaluation of independence

BAC conducts performance evaluations of the external auditor in accordance with the evaluation recommendations of the Abu Dhabi Accountability Authority. The performance evaluation encompasses the following aspects:

- Quality of service delivery
- Independence and qualifications
- Composition of the audit team
- Fees relating to the services rendered
- Relationship between the external auditor, Executive Management and the BAC

The performance evaluation is conducted by the BAC, with the Group Chief Internal Auditor and the Group Chief Financial Officer in attendance, as necessary. As part of the evaluation, the external auditor must confirm whether it has an established quality control system in place to monitor compliance with independence requirements and the continuing professional development of the respective members. Furthermore, the external auditor must submit to the BAC an attestation of its independence and of fulfilment of all its ethical responsibilities (as prescribed by the Code of Ethics for Professional Accountants and set by the International Ethics Standards Board for Accountants) together with any other applicable ethical requirements relevant to its audit of the Bank's consolidated financial statements.

Re-appointment and rotation of the external auditor

The ADCB Annual General Assembly shall appoint the Group External Auditor for one financial year from the date of the ADCB Annual General Assembly resolving to appoint the nominated Group External Auditor. The appointment of the Group External Auditor may not exceed a total of four consecutive years.

Based on the external auditor's annual performance and independence evaluation, the BAC recommends to the Board the re-appointment or removal of the external auditor. Notably, the BAC considers whether the retention of the external auditor is in the best interest of ADCB, its subsidiaries, and stakeholders, taking into account the external auditor's quality of service, institutional knowledge and experience, sufficiency of resources, objectivity, and professional scepticism.

Rotation of the audit firm and ratification of the external auditor

The selected external audit firm will be appointed for one financial year by a resolution of ADCB's Annual General Assembly. The appointment may be renewed three times for a total term of four consecutive years.

The BAC evaluates the performance and independence of the external auditor annually and recommends the re-appointment or dismissal to the Board. The BAC considers, in particular, whether the retention of the external audit firm is in the best interests of ADCB and its shareholders.

Audit committee pre-approval policies and procedures

On an annual basis, the BAC recommends to the Board the fee for external audit services and the scope of work, and if endorsed, the Board will make a recommendation to shareholders for approval. The list of services under the scope of work includes audit services and audit-related services.

The BAC may approve additional fees in exceptional cases provided that approvals are in compliance with applicable regulations, such as for required services that are outside the previously approved scope of work.

External auditor’s fees

External auditor’s fees

The aggregate fees paid to the external auditor for professional services rendered during 2023 and 2022, respectively, were as follows:

External audit fees (AED)	2023	2022
Audit of annual financial statements	4,736,509	3,777,951
Other assurance services	1,923,713	807,875
Non-assurance services required to be performed by the auditor according to applicable laws and regulations	2,038,565	642,775
All other non-assurance services	–	–
Total	8,698,787	5,228,601

The above fees are exclusive of VAT

KPMG, including its appointed Audit Partner, have served ADCB for two years.

Audit fees

‘Audit fees’ relate to the audit of the consolidated financial statements and internal control over financial reporting, including disclosures presented in the footnotes to ADCB’s financial statements (for example, regulatory capital, among other disclosures). Audit fees also relate to the audit of domestic and international statutory and subsidiary financial statements, the review of the interim consolidated financial statements, the issuance of comfort letters/reports to various regulatory authorities (Securities and Commodities Authority, the Central Bank of the UAE, and relevant international regulators), review of the expected credit loss (ECL) model and validation for carrying out substantive procedures and services provided in connection with specific agreed procedures and other attestation reports. Audit fees are those billed, or expected to be billed, for audit services related to each financial year.

Audit-related fees

‘Audit-related fees’ cover other audit and attestation services and services provided in connection with certain agreed procedures and other attestation reports (such as bond issuance or any other attestation that requires an auditor’s review), reporting and compliance matters. Fees for audit-related services are those billed or expected to be billed for services rendered during each financial year.

Tax fees

‘Tax fees’ cover tax and value-added tax (VAT) compliance, advisory and planning services that are billed or expected to be billed for services rendered during each financial year.

Other fees

‘All other fees’ consist primarily of amounts billed or expected to be billed for ADCB’s engagement of the external auditor for guidance in connection with matters that are not covered in the above three categories. All services are approved by the BAC, and are subject to controls to ensure that the external auditor’s independence is unaffected by the provision of other services.

BAC report on selection of auditor

The BAC is composed of four Directors. The Board has determined that the BAC should consist of independent, non-executive Directors, in line with applicable regulations.

Management is responsible for preparing the overall reporting process of ADCB’s consolidated financial statements, and the external auditor reviews and confirms the effectiveness of internal controls over financial reporting. KPMG, ADCB’s independent external audit firm, is responsible for planning and conducting an independent audit of ADCB’s consolidated financial statements in accordance with standards issued by the International Accounting Standard Board (IASB) and for expressing an opinion as to the conformity of ADCB’s financial statements with these standards and as to the effectiveness of the internal controls over financial reporting. The BAC’s responsibility is to monitor and oversee these processes.

The BAC annually evaluates the external auditor’s qualifications, performance, quality, and independence. The BAC has reviewed and discussed with management and with the external auditor, ADCB’s audited financial statements for the year ended 31 December 2023, management’s assessment, and the external auditor’s evaluation of ADCB’s internal control over financial reporting.

In addition, the BAC has discussed with the external auditor the matters that independent registered public accounting firms must communicate to audit committees under applicable standards.

The BAC has also discussed and confirmed with the external auditor its independence from ADCB and received all written disclosures and correspondence required by the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with other ethical requirements that are relevant to their audit of ADCB’s consolidated financial statements in the United Arab Emirates. The BAC concluded that the external auditor fulfilled their responsibilities under these requirements.

Based on the reviews and discussions above, the BAC recommended to the Board that the audited financial statements for the year ended 31 December 2023 and the related footnotes be included in ADCB’s Annual Report for the year ended 31 December 2023.

The external auditor raised no reservations regarding ADCB’s year-end financial statements for the year ended 31 December 2023.

Submitted by the Board Audit Committee

Responsibilities of Management Executive Committee (MEC) and management committees

Overview and responsibilities of the MEC

The Board of Directors has delegated certain authorities and responsibilities to the Management Executive Committee (MEC), as detailed in the MEC Terms of Reference, to support the Group CEO in managing the business and implementing the Bank's strategy, risk appetite and policies.

The MEC is the most senior management committee, overseeing all of ADCB's businesses and operations, and is responsible and accountable to the Board for the sound and prudent daily management of the Bank. The MEC must ensure that the organisational initiatives, procedures, and decision-making of the Executive Management are

transparent and that there is no ambiguity on the role, authority and responsibility of the various senior employees. Furthermore, the MEC is mandated to promote a culture of fairness and transparency to ensure that the interests of shareholders, customers and employees are always protected.

The Board Nomination, Compensation, HR, and Governance Committee (NCHRG) appoints all members of the MEC on recommendation from the Group CEO. The MEC comprises the Bank's Executive Management, as detailed in the Executive Management section of this report. The Group CEO is the Chair of the MEC, supported by the Group CFO as Deputy Chair.

The responsibilities of the MEC include:

- Establishing the organisational structure for the management and management committees
- Implementing the strategy set by the Board and recommending strategic and policy decisions
- Recommending the annual budget and funding plan
- Approving key performance indicators for each business line
- Approving all equity and other investments, and expenditures, up to certain delegated limits set by the Board
- Approving the establishment of branches, agencies, joint ventures and subsidiaries, and appointments of Directors to subsidiaries
- Approving credit exposures, debt-funding issuances, hedging and investments up to certain delegated limits set by the Board
- Approving recovery settlements and write-offs up to delegated limits set by the Board
- Monitoring the capital position, ensuring efficient use of capital and making recommendations for any required adjustments
- Approving new products and services
- Approving all contracts with third parties related to the Bank's operations
- Approving policies, excluding those falling within the Board's responsibility



The MEC held 23 meetings throughout 2023 and discussed critical matters within their delegated responsibilities.

Management committees

To assist in fulfilling its responsibilities, the MEC has established specialised sub-committees with mandates such as credit, risk, capital expenditure, compliance and sustainability. The table below summarises the established sub-committees, their respective mandates and the number of meetings held throughout the year. Furthermore, the committee has approved, throughout 2023, various frameworks and associated policies.

Committee	Number of meetings held in 2023	Responsibilities of the committee
Management Executive Committee	23	The MEC is the most senior management committee, overseeing all of ADCB's businesses and operations, and is responsible and accountable to the Board for the sound and prudent daily management of the Bank
Assets & Liabilities Committee	9	Formulates ADCB's overall assets and liabilities strategy; makes investments and executes asset/liability transactions within delegated limits; guides the Management Executive Committee and the Board on investments and asset/liability transactions above those limits
Risk Management Committee	8	Considers risk appetite; sets and recommends risk policies; guides the Board through the Board Risk Committee on general risk and risk policy issues
Management Credit Committee	43	Approves credit within delegated limits; guides the Board Executive Committee and the Board on credits above delegated limits
Capital Expenditure Committee	11	Reviews and approves project capital expenditures within the delegated limits and makes recommendations to the Management Executive Committee and the Board on project capital expenditures above those limits
Financial Performance Management Committee	10	Monitors financial performance of business lines
Management Recoveries Committee	8	Manages restructuring, settlements and recovery-related write-offs
Group Strategy Committee	11	Reviews progress made against Group strategy and project milestones and deliverables
Model Risk Management Committee	7	Oversees all model-related matters (model development, monitoring and validation) to optimise the role of models in decision-making, including models used in risk, capital management and stress testing
Group Sustainability Committee	5	Recommends the Group sustainability strategy, ensures its implementation across the Group, and reports progress The Committee prioritises sustainability in order for the organisation to align its goals and strategies with the ecological responsibility for its long term viability. Furthermore, this committee also encourages measures to drive the integration of sustainability practices into the Bank's business and strategy
Management Compliance Committee	7	Maintains oversight on all regulatory matters, including regulatory examinations; expedites closure of all due actions and ensures clear visibility, ownership, and accountability; ensures timely implementation of regulatory requirements and establishes a robust governance structure covering the regulatory landscape

Delegation of authority

The applicable regulations confer the authority for the overall management of the Bank to the Board of Directors. Accordingly, ADCB’s Board of Directors has appointed and issued a duly notarised Power of Attorney to the Chairman for delegating certain authorities ('Principal POA'). Upon the expiry of the Principal POA, the Board of Directors shall, if appropriate, issue a new Power of Attorney to the respective Chairman.

Subsequently, the Chairman has issued a duly notarised Power of Attorney to the Group CEO to manage the Bank’s day-to-day activities (the ‘CEO POA’).

Accordingly, the Group CEO may sub-delegate certain powers to Executive Management or any officer in the Bank. Each power of attorney delegated under the CEO POA to members of the Executive Management has a maximum validity of three years, provided that it does not exceed the validity of the principal POA.

As at year-end 2023, the Executive Management members listed in the table had duly issued powers of attorney. Subsequent delegations are issued to certain ADCB staff members, law firms and other third parties in accordance with business requirements.

ADCB’s Board of Directors has not delegated its powers in an absolute manner.

Name of authorised person ⁽¹⁾	Expiry Date
Ala'a Eraiqat – Group Chief Executive Officer	8 December 2024
Deepak Khullar – Group Chief Financial Officer	7 December 2024
Jane Livingston – Group General Counsel	7 December 2024
Tilak Silva – Group Chief Credit Officer ⁽²⁾	7 December 2024
Ali Darwish – Group Head of Human Resources	7 December 2024
Mohammed Al Jayyash – Group Chief Operation Officer	7 December 2024
Paul Keating – Group Chief Risk Officer	7 December 2024
Rasha Talal Mortada – Group Chief Compliance Officer	7 December 2024
Ludovic Nobili – Group Head - Corporate and Investment Banking	7 December 2024
Robbert Muller – Group Treasurer	7 December 2024
Deepak Rochlani – Group Head of Retail Banking	6 December 2024

(1) As at 31 December 2023
(2) Tilak Silva passed away in January 2024 and his POA ceased to be effective

Employee remuneration and reward

Guiding principles

ADCB supports remuneration levels necessary to attract, retain and motivate employees capable of leading, managing and delivering high quality services in a competitive environment. Our performance-linked approach is designed to minimise turnover of top talent and to inspire employees to perform at the highest levels, consistent with effective risk management.

ADCB’s remuneration structure is conservative, with practices and policies that promote effective risk management. To that end, ADCB structures remuneration packages so that they reflect roles, responsibilities and accountabilities and are fair and equitable. Packages incorporate clear and measurable

rewards linked to the organisation, department and individual performance as applicable. Furthermore, rewards are based only on the results of a rigorous performance management system with a robust management review, decision-making and approval process.

Total reward – key components

ADCB employees are eligible to receive three types of rewards as detailed in the table below; fixed pay and benefits, variable pay and retention plan. ADCB’s remuneration programme balances short and long-term incentives to align the interests of ADCB, its shareholders and employees.

Definition and components of pay

Fixed pay and benefits	
Definition	Components
ADCB’s fixed pay is consistent with the Bank’s objective to remain competitive in the market. Fixed pay is based on the job size and market pay level for each job and is impacted by the employee’s contributions over time.	<ul style="list-style-type: none">• Basic salary• General allowance• Social allowance (UAE nationals)• Job-specific allowances• Benefits based on position, such as:<ul style="list-style-type: none">– Leave airfare– Private medical insurance– Life insurance coverage– Education allowance– Annual leave
Review of fixed pay largely depends on general market trends as well as the employee’s performance standing with the organisation.	
Fixed pay comprises basic salary and general allowance, with a target split of 50:50. In addition to fixed pay, employees may also be eligible for specific allowances and benefits.	
Variable pay (VP)	
Definition	Performance criteria
Employees may receive VP based on their performance over the year. Given it is performance based, VP is not guaranteed and the amount received, if any, may change each year. Variable pay awards are subject to deferrals and vesting as detailed in the following section, ‘Bank-wide variable pay framework’.	Individual award amounts are dependent on three factors: <ul style="list-style-type: none">• Individual performance• Business function performance• Overall performance of the Bank

Deferred VP vests in three years from the award date.



Retention scheme	
Definition	Selection criteria
<p>ADCB operates a successful share-based retention scheme for key positions and high performing UAE nationals.</p> <p>The scheme, which is independent of variable pay awards, is designed to ensure business continuity by mitigating turnover risk and related operational risk. Invitations to join the retention scheme are at the sole discretion of the Board Nomination, Compensation, Human Resources & Governance Committee.</p> <p>Members of the Management Executive Committee are not eligible for the retention scheme.</p> <p>The retention scheme awards vest after four years from the award date.</p>	<p>Employees which the bank seeks to actively retain:</p> <ul style="list-style-type: none">• High performing and high potential UAEN employees,• Employees with a niche skill set

Bank-wide variable pay framework

The variable pay framework has been designed to align employees’ interests with the long-term interests of the Bank and its shareholders, as well as to incentivise higher performance, while avoiding excessive risk-taking. Variable pay is also tailored to each function within the Bank to ensure competitiveness of the reward structure and alignment with the market.

ADCB uses a balanced score-card approach to measure employee performance, including the following KPI categories:

- Financial performance
- Non-financial performance, including service excellence and people (Organisational Health Index and Emiratisation scores are included as key KPIs)
- Compliance, audit and risk

Variable pay framework & governance — key facts

- Reflects individual, business function and Bank-wide performance
- Distinguishes between different functions of ADCB to ensure alignment to the relevant market
- Includes cash and/or share and is deferred above specified threshold for a duration of 3 years
- Subject to thresholds, caps, clawback rules, malus clause, and deferral and retention provisions
- Managed by remuneration professionals experienced in the governance of all types of compensation and benefits
- Designed in conjunction with, and reviewed by, independent external advisers reporting directly to the NCHRG
- Relies on regular external benchmarking to ensure alignment with evolving local and global best practices
- Incorporates constant monitoring of developments in remuneration governance to ensure all variable pay plans evolve in line with ADCB’s requirements and external developments
- Designed to avoid excessive risk-taking
- Includes a minimum shareholding rule for key management
- Aligns employee interests with the long-term interests of the Bank and its shareholders

Supervision of the NCHRG Committee

The Board Nomination, Compensation, HR and Governance (NCHRG) Committee oversees the design, operation and effectiveness of the framework and allocation of awards, including overall amounts, distribution among business lines and awards to executive management. Also, the NCHRG Committee ensures regular review and assessments are conducted by an independent third party consultants on the quantum, design and effectiveness of ADCB’s variable pay framework and awards. Last review was done in the second quarter of 2022 by Mercer.



Remuneration awarded during the financial year

Remuneration in AED'000		31 December 2023		31 December 2022	
		Executive Management	Other material risk-takers	Executive Management	Other material risk-takers
Fixed remuneration	Number of employees	12 ⁽¹⁾	53 ⁽²⁾	14	44
	Total fixed remuneration A	38,953	73,719	39,057	66,377
	Of which: cash-based [salary, including basic pay, general allowance and social allowance (for UAE nationals)]	32,333	62,155	32,245	57,364
	Of which: deferred	Nil	Nil	Nil	Nil
	Of which: other forms [benefits, including leave airfare, education allowance, club membership allowance and premium for life and medical insurance, gratuity provision and pension contribution (for UAE nationals)]	6,620	11,565	6,812	9,013
Variable remuneration	Number of employees	12 ⁽¹⁾	53 ⁽²⁾	14	44
	Total variable remuneration B	56,431	55,002	72,950	36,147
	Of which: cash-based	26,498	28,981	38,297	22,826
	Of which: deferred	22,268	16,875	27,532	13,019
	Of which: shares or other share-linked instruments	11,134	7,330	13,766	6,016
	Of which: cash	11,134	9,544	13,766	7,003
	Of which: other forms (one-time other long term benefits related to retired employees)	7,665	9,147	7,121	302
Total remuneration A + B		95,385	128,721	112,007	102,524

Special payments

Total amount in AED'000		31 December 2023							
		Guaranteed bonuses		Sign on awards		Severance payments		Retention awards	
		No. of employees	Total amount	No. of employees	Total amount	No. of employees	Total amount	No. of employees	Total amount
Executive Management	–	–	–	1	703	–	–	7	6,904
Other material risk takers	–	–	–	5	1,709	–	–	–	–
Total	–	–	–	6	2,411	–	–	7	6,904

Total amount in AED '000		31 December 2022							
		Guaranteed bonuses		Sign on awards		Severance payments		Retention awards	
		No. of employees	Total amount	No. of employees	Total amount	No. of employees	Total amount	No. of employees	Total amount
Executive Management	–	–	–	–	–	–	–	–	–
Other material risk takers	–	–	–	2	550	–	–	–	–
Total	–	–	–	2	550	–	–	–	–

(1) This includes, Group Chief Executive Officer, Group Chief Compliance Officer, Group Chief Credit Officer, Group Chief Financial Officer, Group Chief Internal Auditor, Group Chief Operations Officer, Group Chief Risk Officer, Group General Counsel, Group Head Human Resources, Group Head Retail Banking, Group Head Corporate and Investment Banking, Group Treasurer

(2) This includes 46 currently active employees and 7 employees who left the ADCB Group during 2023

(3) This includes variable remuneration awarded during 2023 and excludes variable remuneration awarded during previous years that vested during 2023

The deferred remuneration is part of the overall Variable Pay Framework of the Bank and its purpose is to encourage employees to maintain a strong focus on the medium- to long-term performance of the Bank's businesses, to reinforce cross-business co-operation and a partnership mentality, to align the interests of employees with the shareholders of the Bank, and to assist in the retention of employees who are capable of having a significant impact on the performance of the Bank.

Deferred remuneration

31 December 2023		AED'000				
Deferred and retained remuneration		Total amount of outstanding deferred remuneration	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustments	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
		This includes deferred remuneration from previous years that vests in 2024 and onwards				This includes deferred remuneration from previous years that vested during 2023
Executive Management/other material risk takers						
Cash	Executive Management	11,342	11,342	–	–	10,885
	Other material risk takers	8,574	8,574	–	–	7,357
Shares	Executive Management	11,342	11,342	–	–	9,905
	Other material risk takers	6,834	6,834	–	–	5,646
Cash-linked instruments	Executive Management	–	–	–	–	–
	Other material risk takers	–	–	–	–	–
Other	Executive Management	–	–	–	–	–
	Other material risk takers	–	–	–	–	–
Total	Executive Management	22,684	22,684	–	–	20,790
	Other material risk takers	15,408	15,408	–	–	13,003

31 December 2022						AED'000
		This includes deferred remuneration from previous years that vests in 2023 and onwards				This includes deferred remuneration from previous years that vested during 2022
Executive management/other material risk takers						
Cash	Executive Management	10,743	10,743	–	–	17,270
	Other material risk takers	5,694	5,694	–	–	6,761
Shares	Executive Management	10,743	10,743	–	–	9,367
	Other material risk takers	4,735	4,735	–	–	3,076
Cash-linked instruments	Executive Management	–	–	–	–	–
	Other material risk takers	–	–	–	–	–
Other	Executive Management	–	–	–	–	–
	Other material risk takers	–	–	–	–	–
Total	Executive Management	21,486	21,486	–	–	26,637
	Other material risk takers	10,429	10,429	–	–	9,837

Stakeholder engagement and disclosures

Investor Relations (IR)

ADCB is committed to high standards of transparency and enhancing its disclosures regularly to reflect local and international best practices.

The IR Department continues to deliver on its commitment of proactive engagement and effective communication with its shareholders and potential investors by ensuring timely dissemination of financial and non-financial information through various forums and channels including regular market updates through quarterly results and press releases, and year-end results through a comprehensive Annual Report.

In 2023, the Bank met with over 440 investors through one-on-one meetings and roadshows, and participated in 9 high-profile investor conferences. Taking market feedback on board, we further enhanced our disclosures with updates on our medium-term guidance and key metrics to provide enhanced visibility to the market. The Bank also published its first green bond report to provide further insights on the Bank's eligible green loan portfolio.

The Bank had a notable year on the issuance front. Highlights include the successful issuance of our second green bond and our inaugural market issuance of an Additional Tier 1 (AT1) Bond which reflects the strong confidence from global investors in ADCB.

Our proactive investor engagement and increased transparency have supported an increase in foreign ownership to 18.16% at the end of 2023 from 17.42% a year earlier.

Further details on ADCB's announcements to the Abu Dhabi Securities Exchange (ADX) during the year 2023 are available on our dedicated IR website at adcb.com/ir or on ADX website at adx.ae.

Finally, reflecting the importance of effective internal communications to the organisation, we ensure all employees are kept aware of all relevant developments. These include ADCB's financial performance and strategic direction, objectives, updates on ESG and other relevant information.

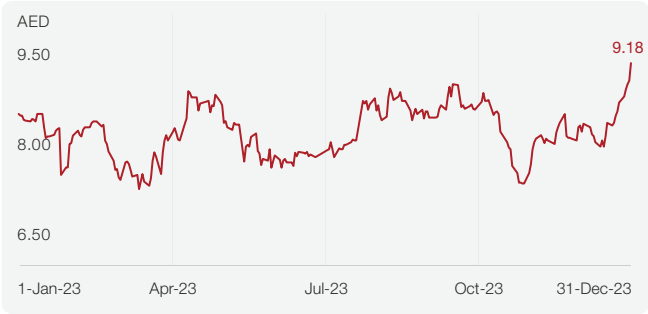
Investor relations contact details

Harsh Vardhan
Head of Investor Relations

+971 2 697 3567
ir@adcb.com
adcb.com/ir

Share price performance and trading volume

2023 share price performance



ADCB share price comparative performance in 2023

	December 2023 close	December 2022 close	% change
ADCB	AED 9.18	AED 9.00	+2%
ADX	9,577.85	10,211.09	-6%
MSCI EM Banks	354.46	328.51	+8%

ADCB share price performance and monthly trading volume in 2023

	Open (AED)	Close (AED)	MoM change	MoM % change	High (AED)	Low (AED)	Value (AED)	Volume	Trades
January	9.020	8.410	(0.59)	(6.56)	9.100	8.310	514,041,391	57,907,795	16,132
February	8.580	8.380	(0.03)	(0.36)	8.990	8.380	604,366,706	68,892,286	15,558
March	8.450	8.300	(0.08)	(0.95)	8.670	8.030	679,155,644	81,363,566	17,339
April	8.380	8.820	0.52	6.27	8.900	8.270	401,243,361	46,295,958	10,025
May	8.810	7.990	(0.83)	(9.41)	8.840	7.880	550,181,679	66,634,149	16,194
June	7.990	8.110	0.12	1.50	8.230	7.950	398,126,181	49,158,054	10,060
July	8.120	8.780	0.67	8.26	8.870	8.080	532,228,944	63,467,405	12,662
August	8.780	8.630	(0.15)	(1.71)	8.920	8.500	505,735,071	58,033,106	12,660
September	8.620	8.650	0.02	0.23	8.950	8.460	559,700,707	64,175,834	12,312
October	8.670	8.030	(0.62)	(7.17)	8.890	7.730	715,320,607	86,220,175	21,973
November	8.030	8.400	0.37	4.61	8.600	7.950	709,915,781	84,851,263	16,097
December	8.380	9.180	0.78	9.29	9.180	8.160	678,435,234	79,033,565	10,240
							6,848,451,307	806,033,156	171,252

Figures may not add up due to rounding differences
Source: ADX website
Note: There were no big block trades in 2023



Shareholder ownership structure

Shareholder details

The following table shows distribution of ownership of ADCB shares as at 31 December 2023:

Shareholders' classification ⁽¹⁾	Individuals	Percentage of owned shares		Total
		Corporates	Government	
Local	13.59%	7.02%	61.54% ⁽²⁾	82.15%
Arab	0.40%	0.80%	0.01%	1.21%
Foreign	0.48%	16.17%	0.00%	16.65%
Total	14.47%	23.99%	61.55%	100.00%

Further information on shareholder ownership as at 31 December 2023:

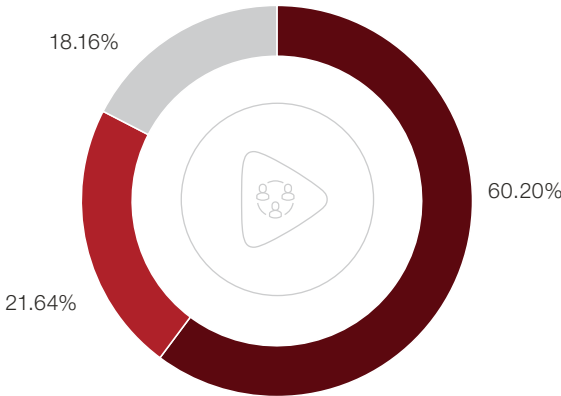
Share(s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of ADCB's capital
Less than 50,000	2,571	19,626,742	0.27%
From 50,000 to less than 500,000	897	165,812,196	2.27%
From 500,000 to less than 5,000,000	422	733,198,560	10.02%
More than 5,000,000	120	6,401,309,512	87.45%
Total	4,010	7,319,947,010	100.00%

The following are the shareholders owning 5% or more of ADCB's capital as at 31 December 2023:

Name	Number of owned shares	Percentage of owned shares of ADCB's capital
One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC ⁽³⁾	4,406,879,094	60.20%

Shareholder ownership structure (as at 31 December 2023)

- Mubadala Investment Company⁽³⁾
- Free float domestic investors
- Free float foreign investors



Source: ADX website
Figures may not add up due to rounding differences
(1) Based on ADX classification of individuals, corporates and government entities
(2) This reflects the Government's shareholding ownership percentage (Federal Government, Local Government, Pension Funds and UAE Government's wholly-owned entities), including ownership by the Government of Abu Dhabi entity, Mubadala Investment Company PJSC, through its wholly-owned subsidiary One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC
(3) The Government of Abu Dhabi entity Mubadala Investment Company through its wholly-owned subsidiary, One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC owns 60.20% of the Bank's share capital

Annual General Assembly meetings

ADCB's Annual General Assembly ('AGA') allows shareholders and their representatives (by virtue of proxies) to choose whether to attend the meeting physically, or to fully participate virtually, including voting on agenda items via an online platform.

The above-mentioned resolutions were appropriately disclosed to the Abu Dhabi Stock Exchange (ADX), and the Securities and Commodities Authority (SCA), and can be retrieved on the ADX website (adx.ae) and on ADCB's website at adcb.com/ir.

ADCB held its AGA on 20 March 2023 with an attendance rate of 74.3% by shareholders. During the 2023 AGA, shareholders were able to fully exercise all their rights to attend and participate in meetings in real time and duly passed two special resolutions:

- (i) Amendments to the Articles of Association
- (ii) Renewal of debt issuance programmes

General Assembly meeting	Date	Meeting method	Special resolutions	Attendance %
Annual General Assembly	20 March 2023	Hybrid (Virtual and Physical)	<ul style="list-style-type: none">Amendment to the Articles of AssociationRenewal of debt issuance programmes	74.3%

Islamic Banking governance framework

ADCB Islamic Banking is the brand under which the Bank offers retail, corporate and treasury Shari’ah-compliant financial solutions.

ADCB is regulated by the Central Bank of the UAE (CBUAE), and its Islamic banking activities are supervised by an independent Internal Shari’ah Supervision Committee (ISSC). The ISSC is the final authority within ADCB regarding all Shari’ah-related matters. It operates in accordance with the resolutions, standards and guidelines issued by the Higher Shari’ah Authority (HSA) of the Central Bank of the UAE. The HSA mandates Islamic financial institutions (IFIs) to adopt the Shari’ah standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and Islamic Financial Services Board (IFSB).

The ISSC functions in line with the Shari’ah governance framework provided within the terms of reference of the ISSC, which are approved by members of the ISSC. The terms of reference provide for the processes and procedures of the functioning of the ISSC, such as holding meetings, issuing of fatwas (pronouncements and approvals), resolutions, Shari’ah review and an annual Shari’ah Report.

Fatwas are issued by the ISSC to certify compliance with principles of Shari’ah for all Islamic products and services as well as for bespoke structured transactions. The ISSC’s review covers the product structure, the underlying Shari’ah contract, legal documentation, operational process flow and all associated product literature. Fatwas issued by the ISSC are published on [ADCB's website](#) and are available at all branches.

ADCB’s internal Shari’ah governance framework is based on a ‘three lines of defence’ approach as set out in the standards and regulations issued by the Central Bank of the UAE. While the business acts as the first line of defence, an independent and separate Internal Shari’ah Control Department, led by the Head of Internal Shari’ah Control, is the second line of defence, which implements and oversees Shari’ah governance.

A separate and independent Internal Shari’ah Audit Department, led by the Head of Internal Shari’ah Audit, represents the third line of defence, undertaking the Shari’ah review and audit of Islamic products and services offered by ADCB. The Internal Shari’ah Audit Department submits the Shari’ah Audit reports to the ISSC and other relevant bodies in accordance with the HSA standards, regulations, circulars and resolutions. To ensure complete independence from the business, Heads of Internal Shari’ah Control and Internal Shari’ah Audit report to the Board or its committees in relation to promotion, bonus, performance appraisal and removal. The Heads of Internal Shari’ah Control and Internal Shari’ah Audit report to Board Risk Committee and Board Audit Committee respectively.

ADCB Islamic Banking maintains a separate set of financial records to ensure that the accounts for the Islamic business are completely segregated from ADCB’s conventional funds. ADCB’s consolidated accounts include the results of ADCB Islamic Banking and are separately disclosed in the notes.

The respected Shari’ah scholars listed in this section make up the ISSC of ADCB Islamic Banking.

Professor Jassim Al Shamsi, Chairman & Executive Member

Professor Dr. Jassim Al Shamsi is the first Emirati Shari’ah scholar to lead the ISSC of ADCB Islamic Banking. He previously served as Dean of the College of Shari’ah and Law, UAE University. In addition, he chairs and is a member of many other ISSCs for Islamic banks, Islamic ‘windows’ and financial institutions. He is also a member of the Higher Shari’ah Authority of the Central Bank of the UAE.

Dr. Daud Bin Bakar, Member

Dr. Daud Bakar is a prominent Shari’ah scholar holding a Shari’ah degree from the University of Kuwait and a PhD from the University of St. Andrews, United Kingdom. He is the Chairman of the Shari’ah Advisory Council/ Supervision Committee of the Central Bank of Malaysia, the Securities Commission of Malaysia, and First Abu Dhabi Bank.

He is a member of various Shari’ah committees’ supervisory boards around the globe. He is an author of many books on Islamic banking and finance, including ‘Shari’ah Minds in Islamic Finance’ and ‘An Insightful Journey into Emirates Airline Sukuk’.

Dr. Ibrahim Almansoori, Member

Professor Dr. Ibrahim Ali Abdullah Al Mansoori holds a Master’s degree and PhD in Islamic Banking and Economics. Currently, he holds the position of Director of Sharjah Centre for Islamic Economy at Al Qasimia University. He is also a faculty member at the College of Shari’ah and Islamic Studies, the University of Sharjah. He is currently serving as a member of the Shari’ah Supervision Committee of Al Hilal Bank, Dubai Islamic Bank, Sharjah Islamic Bank, and Standard Chartered Bank. He is the author of numerous studies and papers on contemporary matters relating to Islamic Banking and various Shari’ah issues.

Dr. Salim Al-Ali, Member

Dr. Salim Al-Ali holds a PhD in Financial Law from the University of London, in the UK. He also holds a Master’s Degree in Islamic Banking and Finance from the International Islamic University of Malaysia. In 2016, he received the prestigious Sheikh Rashid Award for Outstanding Scientific Achievement. Dr. Salim is the author of ‘Raising Capital on Sukuk Markets — Structural, Legal and Regulatory Issues’.

Dr. Osama Bahar, Member

Dr. Osama Bahar is a renowned Bahraini Shari’ah scholar who holds a Shari’ah Degree as well as a PhD from La Haye University, Netherlands. He is currently a member of the Shari’ah Board/Committee at Ithmaar Holding-Bahrain, Alizz Islamic Bank-Oman, Al Salam Bank-Bahrain, Allianz Takaful, and Allianz Global Investors – Bahrain. He is also the former Head of Shari’ah at Al Salam Bank Bahrain.

Mr. Kamran Khalid Sherwani, ISSC Secretary

Mr. Kamran Sherwani is Head of Internal Shari’ah Control at ADCB. He provides Shari’ah guidance on all day-to-day Shari’ah-related matters and obtains ISSC guidance and approvals in respect to Islamic products and services. He received a Degree in Shari’ah and Law from the International Islamic University and is an AAOIFI certified Shari’ah advisor and auditor. He has served as Shari’ah advisor to several major Islamic banks.

Annual Report of the Internal Shari’ah Supervision Committee of Abu Dhabi Commercial Bank Islamic Banking Division

All praise is due to Allah, Lord of the Worlds, and prayers and peace be upon the most honourable of the prophets and messengers, our master Muhammad, and on his family and companions.

Issued on: 29 January 2024

To: Shareholders of Abu Dhabi Commercial Bank PJSC
(‘the Institution’)

After greetings,
Pursuant to the requirements stipulated in the relevant laws, regulations, and standards (‘Regulatory Requirements’), the Internal Shari’ah Supervision Committee of the Institution (‘ISSC’) presents to you the ISSC’s Annual Report regarding Shari’ah compliant businesses and operations of the Institution for the financial year ending on 31 December 2023 (‘Financial Year’).

1. Responsibility of the ISSC

In accordance with the Regulatory Requirements and the ISSC’s charter, the ISSC’s responsibility is stipulated as to:

- a. Undertake Shari’ah supervision of all businesses, activities, products, services, contracts, documents and business charters of the Institution; and the Institution’s policies, accounting standards, operations and activities in general, memorandum of association, charter, financial statements, allocation of expenditures and costs, and distribution of profits between holders of investment accounts and shareholders (‘Institution’s Activities’) and issue Shari’ah resolutions in this regard
- b. To determine Shari’ah parameters necessary for the Institution’s Activities, and the Institution’s compliance with Islamic Shari’ah within the framework of the rules, principles, and standards set by the Higher Shari’ah Authority (‘HSA’) to ascertain compliance of the Institution with Islamic Shari’ah

The senior management is responsible for compliance of the Institution with Islamic Shari’ah in accordance with the HSA’s resolutions, fatwas, and opinions, and the ISSC’s resolutions within the framework of the rules, principles, and standards set by the HSA (‘Compliance with Islamic Shari’ah’) in all Institution’s Activities, and the Board bears the ultimate responsibility in this regard.

2. Shari’ah standards

In accordance with the HSA’s resolution (No. 18/3/2018), and with effect from 01/09/2018, the ISSC has abided by the Shari’ah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as minimum Shari’ah requirements, in all fatwas, approvals, endorsements and recommendations, relating to the Institution’s Activities without exception.

3. Duties fulfilled by the ISSC during the Financial Year

The ISSC conducted Shari’ah supervision of the Institution’s Activities by reviewing those Activities, and monitoring them through internal Shari’ah control department, internal Shari’ah audit, in accordance with the ISSC’s authorities and responsibilities, and pursuant to the Regulatory Requirements in this regard. ISSC’s activities included the following:

- a. Convening six meetings during the year
- b. Issuing fatwas, resolutions and opinions on matters presented to the ISSC in relation to the Institution’s Activities
- c. Monitoring compliance of policies, procedures, accounting standards, product structures, contracts, documentation, business charters, and other documentation submitted by the Institution to the ISSC for approval

- d. Ascertaining the level of compliance of allocation of expenditures and costs, and distribution of profits between investment accounts holders and shareholders with parameters set by the ISSC
- e. Supervision through internal Shari’ah control department, internal Shari’ah audit, of the Institution’s Activities including supervision of executed transactions, adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard
- f. Providing guidance to relevant parties in the Institution to rectify (where possible) incidents cited in the reports submitted by internal Shari’ah control department, internal Shari’ah audit, and issuance of resolutions to set aside revenue derived from transactions in which non-compliances were identified (if any) for such revenue to be disposed towards charitable purposes
- g. Approving corrective and preventive measures related to identified incidents to preclude their reoccurrence in the future
- h. Specifying the amount of Zakat due on each share of the Institution’s total shares
- i. Communicating with the Board and its subcommittees, and the senior management of the Institution (as needed) concerning the Institution’s compliance with Islamic Shari’ah

The ISSC sought to obtain all information and interpretations deemed necessary in order to reach a reasonable degree of certainty that the Institution is compliant with Islamic Shari’ah.

4. Independence of the ISSC

The ISSC acknowledges that it has carried out all of its duties independently and with the support and cooperation of the senior management and the Board of the Institution. The ISSC received the required assistance to access all documents and data, and to discuss all amendments and Shari’ah requirements.

5. The ISSC’s Opinion on the Shari’ah Compliance Status of the Institution

Premised on information and explanations that were provided to us with the aim of ascertaining compliance with Islamic Shari’ah, the ISSC has concluded with a reasonable level of confidence, that the Institution’s Activities are in compliance with Islamic Shari’ah, except for the incidents of non-compliance observed, as highlighted in the relevant reports. The ISSC also provided directions to take appropriate measure in this regard.

The ISSC formed its opinion, as outlined above, exclusively on the basis of information perused by the ISSC during the financial year.

We pray to Allah, the Almighty, to provide us guidance and keep us all on the righteous path.



Signatures of members of the Internal Shari’ah Supervision Committee of the Institution

Dr. Salim Al-Ali
Member

Dr. Osama Bahar
Member

Dr. Daud Bin Bakar
Member

Dr. Ibrahim Almansoori
Member

Professor Jassim Al Shamsi
Chairman of the Committee

2023 ADCB Corporate Governance Report was signed off by the Group Chief Compliance Officer, Group Chief Risk Officer, Group Chief Internal Auditor and Group Chief Financial Officer.

H.E. Khaldoon Khalifa Al Mubarak

Chairman of the Board of Directors

Abu Dhabi Commercial Bank PJSC

DocuSigned by:

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Aysha Al Hallami

Chairlady of the Board Audit Committee

Abu Dhabi Commercial Bank PJSC

DocuSigned by:

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H.E. Hussain J. AlNowais

Chairman of the Board Nomination, Compensation, HR & Governance Committee

Abu Dhabi Commercial Bank PJSC

DocuSigned by:

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Carlos Obeid

Chairman of the Board Risk Committee

Abu Dhabi Commercial Bank PJSC

DocuSigned by:

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Saeed Mohamed Hamad Almazrouei

Chairman of the Board Executive Committee

Abu Dhabi Commercial Bank PJSC

Approved
via email

Internal Control Departments

Abdirizak Mohamed

Group Chief Internal Auditor

Abu Dhabi Commercial Bank PJSC

DocuSigned by:

1FD670C04A8B449...

Paul Keating

Group Chief Risk Officer

Abu Dhabi Commercial Bank PJSC

DocuSigned by:

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Rasha Mortada

Group Chief Compliance Officer

Abu Dhabi Commercial Bank PJSC

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Deepak Khullar

Group Chief Financial Officer

Abu Dhabi Commercial Bank PJSC

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Al Hilal Bank – Board of Directors



Chairman of Al Hilal Bank

Ala’a Eraiqat

Chairman

Ala’a Eraiqat was appointed as Chairman of Al Hilal Bank in 2019.

Ala’a joined ADCB in January 2004 and served in various senior executive roles before being appointed as the Group Chief Executive Officer in February 2009. He has been a banker since 1991 and previously held senior positions at other banks, including two of the leading global banks.

As the Group Chief Executive Officer, Ala’a is responsible for leading and guiding ADCB and its subsidiaries to achieve the objectives committed to the shareholders. He has spearheaded ADCB’s significant growth to emerge as a market leader through the effective implementation of the Bank’s strategy, with a sharp focus on customer service and digital innovation.

External appointments:

- Abu Dhabi Chamber - Director and Chairman of Audit Committee
- Abu Dhabi National Hotels PSJC (ADNH) - Director and member of the Audit, Compliance and Corporate Governance Committee
- Emirates Institute of Finance (EIF) - Director and Chairman of Human Resources Committee



BRC Chair ●

Deepak Khullar

Director

Deepak Khullar was appointed as a Board Director of Al Hilal Bank in 2019 and chairs the Al Hilal Bank Board Risk Committee.

Deepak was appointed ADCB’s Group Chief Financial Officer in 2008. He oversees the Group Finance function (financial planning, business performance, governance & reporting), Group strategy, investor relations, taxation, economics, strategic sourcing & procurement, and the Bank’s overall ESG strategy and delivery. He previously spent 15 years with Standard Chartered Bank in the Middle East and the Republic of Korea in a variety of senior positions. Prior to that, he worked with Ernst & Young and PricewaterhouseCoopers in their assurance, advisory and technical services and training practices in the Middle East and India. He is an alumnus of the University of Delhi, a Fellow of the Institute of Chartered Accountants of India (FCA) and a Fellow Member of the Association of Corporate Treasurers, UK (FCT).

Deepak, as the Group Chief Financial Officer, is responsible for leading the financial management and control function of ADCB and its subsidiaries, while driving value creation and synergies to support the delivery of ADCB’s commercial priorities, in line with the approved risk appetite, strategy, internal policy and regulatory obligations.

External appointments:

- Deepak Khullar does not hold any external directorships



BAC Chair ● ●

Kevin Taylor

Director

Kevin Taylor was appointed as a Board Director at Al Hilal Bank in 2019. He has more than 40 years of global experience in banking and finance and has held significant executive positions in global organisations, such as Abu Dhabi Commercial Bank (ADCB), American Life Insurance Co. (ALICO), Citigroup, Westpac Bank and Merrill Lynch.

Kevin is currently Chairman of NMC’s Board of Directors and serves as Chairman of ADCB Securities Board of Directors. Previously, he served as a member of the Gulf Capital Board of Directors.

Having worked with ADCB for 13 years as Group Treasurer and Head of Investments, Kevin was responsible for all the Bank’s financial markets and proprietary investments activities and personnel, as well as the Bank’s balance sheet analytics team. He chaired the Bank’s Asset & Liability Committee and was a member of the Credit Risk and Controls Committee. Prior to joining ADCB, Taylor was an Executive Director and Group Chief Risk Officer of American Life Insurance Co. (ALICO).

In addition to these roles, he served as a member of the ALICO UK Supervisory Board, and AIG’s Micro Finance Board. Kevin earned a Master of Science (MSc) in Risk Management from NYU Stern Business School, a Master of Business Administration (MBA) from the Macquarie Graduate School of Management, and a Bachelor of Economics (BEC) from Latrobe University

External appointments:

- NMC HoldCo, Chairman



NCHRG Chair ● ● ●

Mohammed Al Jayyash

Director

Mohammed Al Jayyash was appointed as a Board Director at Al Hilal Bank in 2019.

Mohammed was appointed as Group Chief Operations Officer in 2020 after serving as Acting Group Chief Operations Officer since 2019. Previously, he has held various senior management positions in ADCB, including Group Chief Service Officer and Branch Operations Manager. Mohammed is an industry leader with over 20 years of experience in improving customer service, ensuring regulatory compliance, and delivering capabilities for growth. He has extensive expertise in banking operations, customer journey & experience and digital channels.


Mohammed holds a Bachelor’s Degree in Business Administration from the Al Ghurair University in the UAE, a Post Graduate Certificate in Management from Ashridge Executive Education Hult in the UK, and a Diploma in Banking from the Emirates Institute for Banking and Financial Studies.

External appointments:

- Mohammed Al Jayyash does not hold any external directorships



AI Hilal Bank – Board of Directors



Saoud Al Jassem
Director

Saoud Al Jassem was appointed to the Board of Directors of AI Hilal Bank in 2019. He has over 18 years of experience in corporate banking, wealth management, trade finance, and internal audit. As Head of Government Banking at ADCB, he leads the development of relationships with various local and federal governments in the UAE, managing their banking services and funding requirements. Prior to this role, he led ADCB’s Government Banking department for Dubai & the Northern Emirates as well as heading strategic accounts within Transaction Banking in the region.

Previously, he worked in Wealth Management and Client Relationship Management at Emirates NBD, and also held various positions at Standard Chartered Bank within the Global Internal Audit Department in MENA/SA as well as at Global Corporate, where he started his career and spent over seven years in various assignments.

Saoud holds a Master of Business Administration degree from London Business School (UK) and a Bachelor’s degree in Finance from Drexel University, Philadelphia, USA.


Saoud resigned as Director of the Bank on 15 November 2023.

External appointments:

- Saoud Al Jassem does not hold any external directorships

- Board Risk Committee (BRC)
- Board Audit Committee (BAC)
- Board Nomination, Compensation, HR & Governance Committee (NCHRG)

AI Hilal Bank – Executive Management



Abdul Shakeel Aidaroos
Chief Executive Officer


Abdul Shakeel Aidaroos has been the Chief Executive Officer of AI Hilal Bank since 2019.

He has over 25 years of banking industry experience, with deep expertise in retail banking, digital innovation, and risk management. He held senior positions at ADCB for 15 years, including as Head of Retail Banking, where he managed a team of 2,000 professionals and launched many of ADCB’s award-winning consumer products and digital banking channels. In his role as CEO of AI Hilal Bank, he led the launch of the first UAE Shari’ah-compliant, cloud based, modular digital app, whilst also introducing different products and features to the market. Prior to joining ADCB and AI Hilal Bank, he spent over 10 years with Citibank in the UAE.

Abdul holds a Master of Science degree in Risk Management from NYU Stern School of Business, New York, USA.

External appointments:

- Abdul Shakeel Aidaroos does not hold any external directorships



Rajesh Arora
Head of Finance

Rajesh Arora was appointed as the Head of Finance for AI Hilal Bank in 2019, prior to which he was the Head of Finance for Union National Bank (UNB). He has over 27 years of experience in the banking industry spread across various geographies. Before joining UNB, he was with Standard Chartered Bank for more than 18 years, where he performed various roles, including Chief Financial Officer, UAE and Global Head of Finance Transformation for financial reporting based in Singapore.

Rajesh completed his ICWA in India and holds a Postgraduate Diploma in Management (Finance) from Symbiosis Centre for Management and HRD, India.

External appointments:

- Rajesh Arora does not hold any external directorships



Al Hilal Bank – Executive Management



Nada Shadid
Head of Treasury

Nada Shadid joined Al Hilal Bank in 2019 as Head of Treasury. She is responsible for the management of liquidity and regulatory ratios, as well as money markets funding, foreign exchange, and sukuk investment portfolios. With over 13 years of experience in treasury and investments, Nada previously held significant treasury positions at ADCB, where she was responsible for running the short-term investments portfolio, as well as generating deposits from strategically important clients and markets.

Nada holds a Bachelor's degree in International Management from Franklin University in Lugano, Switzerland.

External appointments:

- Nada Shadid does not hold any external directorships



Adnan Sajwani
Chief Compliance Officer

Adnan Sajwani was appointed as Al Hilal Bank's Chief Compliance Officer in 2023. With 15 years of experience in financial compliance, he leads and manages the Bank's Compliance function, acting as a focal point for all relevant initiatives. He ensures that Al Hilal Bank's business activities follow relevant regulations, policies and procedures.

Adnan is dedicated to upholding the company's code of conduct and fostering a culture of compliance within the organisation.

External appointments:

- Adnan Sajwani does not hold any external directorships



Timothy James Liverton
Chief Risk Officer

Timothy Liverton joined Al Hilal Bank in 2023 as Chief Risk Officer, with a wealth of banking experience gained over a 25-year career. He has a proven commercial and retail banking record, with broad international experience, having lived and worked in the Middle East (UAE, Saudi Arabia, and Oman), Asia and the United States.

External appointments:

- Timothy James Liverton does not hold any external directorships



Ahmed Al Khaja
Chief Human Resources Officer

Ahmed Al Khaja was appointed as Head of Human Resources at Al Hilal Bank in 2023. He holds a Master's degree in Human Resource Management & Services and is an award-winning professional, with over a decade of extensive experience in human capital, talent acquisition and engagement.

Ahmed has a strong track record across many disciplines, including human resources, digital transformation, customer and employee journeys and M&A. He has worked for leading UAE-based organisations in the telecommunications, energy, aviation, education and banking sectors, earning a reputation for managing and motivating high-performing teams.

External appointments:

- Ahmed Al Khaja does not hold any external directorships

Al Hilal Bank – Executive Management



George Harrak
Chief Information Technology Officer

George Harrak joined Al Hilal Bank as Chief Information Technology officer in 2021. He has over 20 years of experience driving business strategy and innovation across banking and information and communication technology (ICT) sectors globally. Previously he worked at Standard Chartered Bank in Singapore, where he most recently held the role of CIO for the Global Virtual Banking Platform and Private Bank & Wealth Business. He also led DBS Bank Singapore's venture in Digibank, delivering a digital bank platform in India and Indonesia.

George has a proven track record in delivering highly scalable technology solutions that align with business strategies, transforming businesses into customer-centric and agile organisations.

External appointments:

- George Harrak does not hold any external directorships



Aref Al-Ramli
Chief Digital Officer

Aref Al-Ramli joined Al Hilal Bank as Chief Digital Officer in December, 2022, bringing over 21 years of leadership experience in the finance industry. He is responsible for driving the development and implementation of Al Hilal Bank's digital bank initiative. This includes formulating strategy, overseeing product roadmaps, and designing innovative customer experiences. He is a results-oriented seasoned leader with an extensive record of aligning business and information technology to achieve excellence, efficiency, profitability and enable seamless customer experience.

Aref is a business information systems undergraduate and holds two MBA degrees.

External appointments:

- Aref Al-Ramli does not hold any external directorships



Dr. Mohamed Obadah
Head of Shari'ah Control

Dr. Mohamed Obadah Adi has been the Head of Internal Shari'ah Control at Al Hilal Bank since 2013. He is responsible for monitoring and supervising all activities in order to maintain Shari'ah compliance and to provide Shari'ah consultation to design and develop investment and financing products.

He possesses over 26 years of experience in the field of Islamic banking and Shari'ah training and education. He holds a Doctorate (PhD) in Islamic Studies from the University of Wales in the UK. He is a member in the Shari'ah supervision committees for various Islamic banks in the MENA region.

External appointments:

- Dr. Mohamed Obadah does not hold any external directorships



Maryam Yousuf Ahli
Head of Marketing and Corporate Communications

Maryam Yousuf Ahli has been the Head of Marketing and Corporate Communication at Al Hilal Bank since 2008. With over 15 years of experience in the industry, she leads a team of senior managers, while working closely with internal and external stakeholders. She plans, develops and maintains strategic marketing activities, ensuring that priorities align to business goals. An expert in strategic brand building, digital and social media, Maryam is responsible for maintaining Al Hilal Bank's leading profile in the market.

As well as managing the development and implementation of local sponsorship strategies and plans, Maryam is at the forefront of the Bank's sustainability strategy, in line with Abu Dhabi's Environmental Vision.

External appointments:

- Maryam Yousuf Ahli does not hold any external directorships



Hassan Al Khalsan
Head of Distribution

Hassan Al Khalsan has held the position of Head of Distribution at Al Hilal Bank since November 2021. With over 22 years of experience in financial services, Hassan supports business growth and delivery of the Bank's strategic objectives. He plays a crucial role in digital transformation to ensure customer service excellence and manages new investment opportunities.

Hassan is a graduate in Business Information Technology from Higher Colleges of Technology, and he attained a certificate in Artificial Intelligence from University of Oxford in 2022.

External appointments:

- Hassan Al Khalsan does not hold any external directorships

As a significant financial institution in the UAE, the Bank maintains a strong relationship with the regulators and serves as an exemplary model in the industry for rigorous compliance and risk management practices.





AI Hilal Bank – Corporate governance framework

Overview of the governance framework

AI Hilal Bank operates as a stand-alone Islamic bank and is a wholly owned subsidiary of Abu Dhabi Commercial Bank, subsequent to its acquisition in 2019. This unique corporate structure presents AI Hilal Bank with numerous opportunities to benefit from the policies, procedures, and operational support of ADCB. AI Hilal Bank’s strategy is to focus and grow its Shari’ah-compliant digital retail banking business.

AI Hilal Bank is committed to establishing an effective corporate governance framework for sustainable growth and to contribute to the development of the UAE’s financial system. To this effect, the Bank has reviewed and implemented its own corporate governance framework in line with the Central Bank of the UAE’s corporate governance regulations and standards. The guiding principles of the AI Hilal Bank Corporate Governance Framework mirrors that of the ADCB Corporate Governance Framework.

AI Hilal Bank’s corporate governance principles are aligned with regulatory requirements and best practice, and aim to foster long-term investment, financial stability and business integrity.

Additionally, AI Hilal Bank has established a sound and effective Shari’ah Governance Framework, with key mechanisms and functionalities to ensure effective and independent Shari’ah oversight as per the requirements of the Central Bank of the UAE and the Higher Shari’ah Authority.

The AI Hilal Bank Board of Directors collectively has a wide range of knowledge, skills, and experience to guide and advise Executive Management on the performance and strategy of the Bank.

Board’s oversight of risk management

The AI Hilal Bank Board of Directors has overall responsibility for setting the risk appetite and ensuring all risks are effectively managed. In fulfilling this responsibility, the Board has established the Board Risk Committee (BRC) to oversee the monitoring, management and review of all types of risks. Furthermore, the BRC, in conjunction with Executive Management, defines the risk appetites and strategy, which are periodically reviewed to monitor compliance with the overall risk appetite and make recommendations to the Board.

The BRC is also responsible for reviewing the appropriateness and effectiveness of risk management systems and controls. Other responsibilities of the BRC include regularly reviewing and monitoring the inherent risks of AI Hilal Bank, including credit, market, liquidity, regulatory, reputational, strategic, operational and Shari’ah non-compliance risks.

Board oversight of financial reporting, compliance and internal controls

AI Hilal Bank’s Directors are responsible for oversight of financial reporting and integrity of financial disclosures. To this end, the Board has established the Board Audit Committee (BAC) to assist with executing its duties relating to financial reporting, compliance and internal controls. During 2023, the Board, together with the BAC, assessed the objectivity and effectiveness of AI Hilal Bank’s financial reporting and disclosure procedures. This included the review of accounting policies, principles and judgements. Additionally, the Board, with the assistance of the BAC, ensured that adequate internal policies were implemented and reviewed to comply with the regulatory requirements as prescribed by the Central Bank of the UAE and the Securities and Commodities Authority.

AI Hilal Bank’s Board received, via the BAC, reports from Executive Management on remediation activities related to the Central Bank of the UAE’s inspection, as well as action plans to ensure continuous compliance with new regulations.

The guiding principles of the AI Hilal Bank Corporate Governance Framework mirrors that of the ADCB Corporate Governance Framework, which is fourfold:

 Responsibility

 Fairness

 Accountability

 Transparency of disclosures

AI Hilal Bank – Board and Board Committees’ agenda

The Board regularly discusses various items that are fundamental to the direction of AI Hilal Bank, including business performance, strategy, risk appetite and management, compliance, digital transformation and human resources.

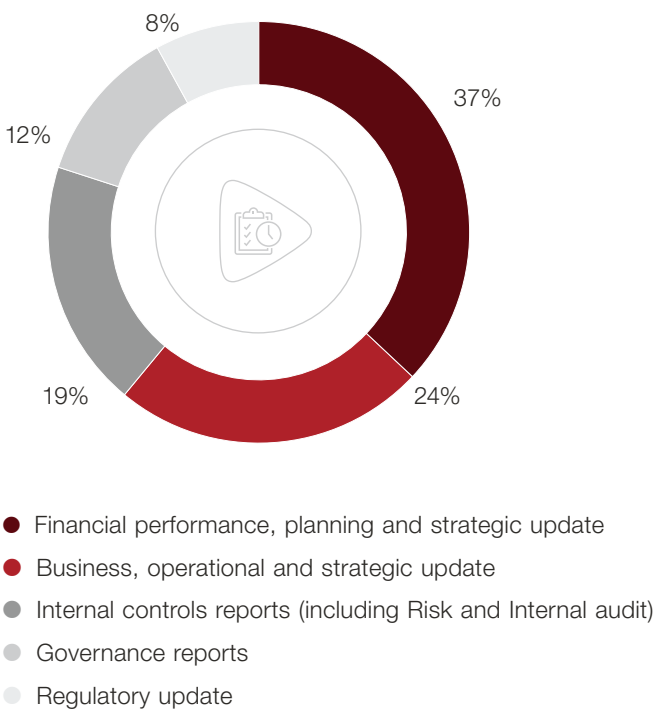
Topic	Sub-topic	Topics discussed at 2023 meetings											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Technology	Efficiency, digitisation and innovation update		●			●		●		●	●		●
Detailed business, operational & other reviews	Chief Executive Officer update	●				●		●		●			●
Other business updates	AI Hilal Bank Kazakhstan (AHBK) update								●		●		
	Retail portfolio update						●						
Financials	Financial results	●				●		●			●		
	Budget												●
Risk	Risk report	●	●	●		●	●	●		●	●		●
	Emerging key risks								●	●	●		
	Risk appetite statement					●			●	●	●		●
Governance	Policies and terms of reference		●	●									●
	Board related matters including Board evaluation										●		
	Executive management KPI scorecards		●										
	Shari’ah governance update	●				●	●			●			●
Regulatory and compliance	UAE Central Bank notices	●				●		●			●		●
	UAE Central Bank baseline examination report & thematic reviews		●					●	●		●	●	
	Compliance update		●			●		●		●	●	●	
Internal audit	Internal audit updates and plan for 2023	●	●			●		●		●	●	●	●
HR related matters	HR & Emiratisation update		●		●		●	●					

AI Hilal Bank – Board meetings and time allocation

2023 AI Hilal Bank Board of Directors meetings

Date of Board meeting	Number of Director attendees	Number of Director attendees by proxy	Names of absent Directors (all attended except)	Number of Board resolutions passed
13 February 2023	5/5	–	–	3
9 May 2023	4/5	–	Ala’a Eraiqat	2
19 July 2023	5/5	–	–	3
19 September 2023	5/5	–	–	1
24 October 2023	4/5	–	Saoud Al Jassem ⁽¹⁾	2
11 December 2023	4/4	–	–	5
20 December 2023	4/4	–	–	2

Time allocation for 2023 Board meetings



Board composition and remuneration

The Board of AI Hilal Bank, which was appointed in May 2019, collectively has diverse skills and experience, including retail banking, treasury, risk, finance, sustainability, operations, and customer service.

ADCB employees who are also appointees to the boards of Group subsidiaries do not receive board remuneration for such roles.

The Board met seven times in 2023. The table above shows the Board’s attendance.

(1) Saoud Al Jassem resigned as Director of the Bank on 15 November 2023

Al Hilal Bank – Board Risk Committee (BRC)

Committee composition (As at 31 December 2023)



Deepak Khullar
Chair



Kevin Taylor



Mohammed Al Jayyash

Committee remit

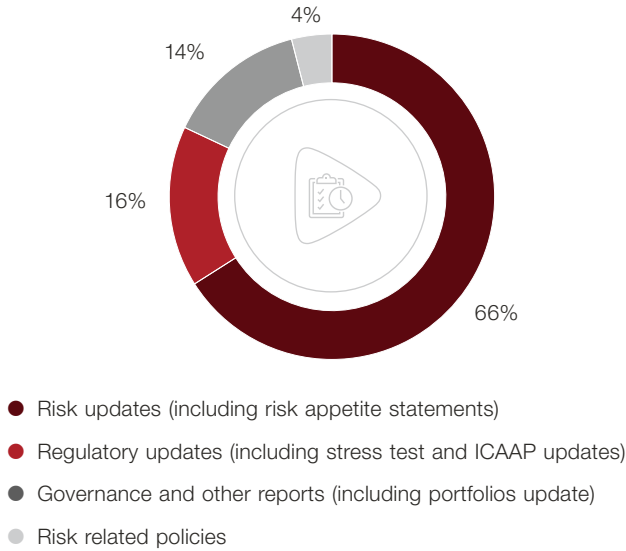
The primary responsibility of the BRC is to enable the AHB Board to fulfil its duties in relation to the oversight of the following:

- The AHB risk appetite and risk strategy
- The development and implementation of AHB’s Risk Governance Framework
- Alignment of AHB’s strategic objectives with its risk profile
- The risks associated with AHB’s asset portfolios
- Development and implementation of risk management strategies and limits
- Compliance with regulatory requirement relating to risk management
- AHB’s public reporting on risk management matters
- The independence and effectiveness of the risk management departments

2023 BRC meetings

Date of BRC meeting	Number of attendees	Names of absent members
7 Feb 2023	2/3	Kevin Taylor
29 Mar 2023	3/3	–
7 Jun 2023	2/3	Kevin Taylor
23 Aug 2023	3/3	–
12 Oct 2023	3/3	–
5 Dec 2023	3/3	–

Time allocation for 2023 BRC meetings



Al Hilal Bank – Board Audit Committee (BAC)

Committee composition (As at 31 December 2023)



Kevin Taylor
Chair



Mohammed Al Jayyash

Committee remit

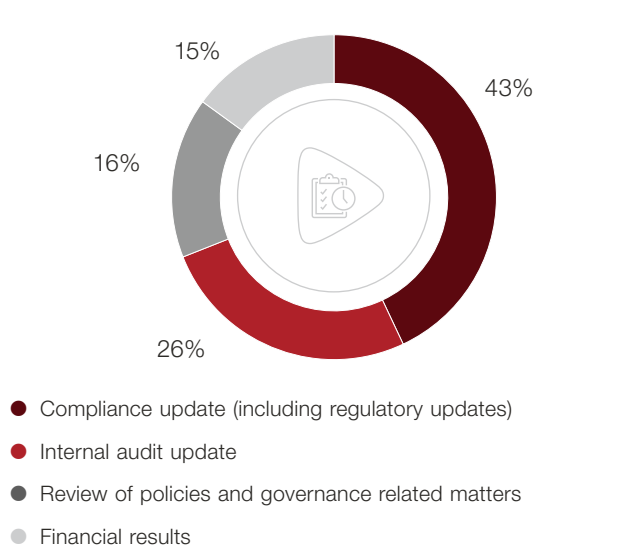
The primary responsibility of the BAC is to enable the AHB Board to fulfil its duties in relation to the oversight of the following:

- The integrity of AHB’s financial statements
- The qualifications, independence, and performance of AHB’s External Auditor
- The qualifications, independence, and performance of AHB’s Internal Audit and Compliance departments
- The AHB internal control framework to ensure it is adequate to establish a properly controlled operating environment for the conduct of AHB’s business
- Compliance with applicable legislative requirements, and with the Group policies
- The qualifications, independence, and performance of AHB’s Internal Shari’ah Audit department

2023 BAC meetings

Date of BAC meeting	Number of attendees	Names of absent members
13 Feb 2023	2/2	–
8 May 2023	2/2	–
17 Jul 2023	2/2	–
8 Aug 2023	2/2	–
12 Sept 2023	2/2	–
23 Oct 2023	2/2	–
7 Dec 2023	2/2	–

Time allocation for 2023 BAC meetings



Al Hilal Bank – Board Nomination, Compensation, HR & Governance Committee (NCHRG)

Committee composition (As at 31 December 2023)



Mohammed Al Jayyash
Chair



Saoud Al Jassem

Committee remit

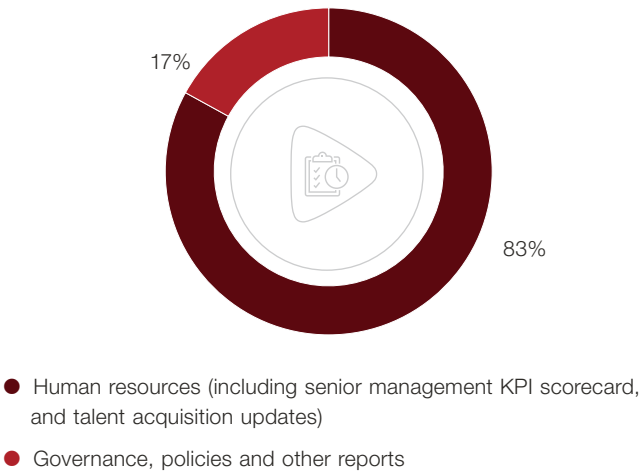
The primary responsibility of the NCHRG is to enable the AHB Board to fulfil its duties in relation to the oversight of the following:

- The appropriate composition of the AHB Board
- The nomination of appropriate Directors to the AHB Board and its Committees
- Assessment of the performance of the Board, Committees, each Director, and Executive Management
- Development of succession plans for the AHB Board and Executive Management
- Remuneration policies for the AHB Board and Executive Management
- Evaluation of the AHB Board's performance and adoption and monitoring of action plans arising from it
- AHB's public reporting on corporate governance and remuneration matters
- AHB's human resources strategy, including Emiratisation
- Development of the AHB Corporate Governance Framework
- AHB's compliance with regulatory requirements relating to corporate governance
- AHB's corporate culture and values, including its governance culture

2023 NCHRG meetings

Date of NCHRG meeting	Number of attendees	Names of absent members
8 Feb 2023	2/2	–
5 Apr 2023	2/2	–
14 Jun 2023	2/2	–
15 Aug 2023	2/2	–

Time allocation for 2023 NCHRG meetings



Annual Report of the Internal Shari’ah Supervision Committee of Al Hilal Bank

Issued on: Tuesday, 20th of Rajab 1445 AH, corresponding to 1 February 2024

To: Shareholders of Al Hilal Bank ('the Bank')

After greetings,
Pursuant to the requirements stipulated in the relevant laws, regulations, and standards ('Regulatory Requirements'), the Internal Shari’ah Supervision Committee of the Bank ('ISSC') presents to you its Annual Report for the financial year ending on 31 December 2023 ('Financial Year').

1. Responsibility of the ISSC

In accordance with the Regulatory Requirements and the ISSC's charter, the ISSC's responsibility is stipulated as to:

Undertake Shari’ah supervision of all businesses, activities, products, services, contracts, documents and business charters of the Bank; and the Bank's policies, accounting standards, operations and activities in general, memorandum of association, charter, financial statements, allocation of expenditures and costs, and distribution of profits between holders of investment accounts and shareholders ('Bank's Activities') and issue Shari’ah resolutions in this regard, and to determine Shari’ah parameters necessary for the Bank's Activities, and the Bank's compliance with Islamic Shari’ah within the framework of the rules, principles, and standards set by the Higher Shari’ah Authority ('HSA') to ascertain compliance of the Bank with Islamic Shari’ah.

The senior management is responsible for compliance of the Bank with Islamic Shari’ah in accordance with the HSA's resolutions, fatwas, and opinions, and the ISSC's resolutions within the framework of the rules, principles, and standards set by the HSA ('Compliance with Islamic Shari’ah') regarding the Bank's Activities, and the Board bears the ultimate responsibility in this regard.

2. Shari’ah standards

In accordance with the HSA's resolution (No. 18/3/2018), and with effect from 01/09/2018, the ISSC has abided by the Shari’ah standards issued by HSA and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as minimum Shari’ah requirements, in all fatwas, approvals, endorsements and recommendations, relating to the Bank's Activities without exception.



3. Duties undertaken by the ISSC during the Financial Year

The ISSC undertook Shari’ah supervision of the Bank’s Activities through review of those Activities, and monitoring through Internal Shari’ah Control Division and Internal Shari’ah Audit Division in accordance with the ISSC’s authorities and responsibilities, and pursuant to the Regulatory Requirements in this regard. The ISSC’s activities included the following:

- a. Convening six meetings during the financial year
- b. Providing fatwas, opinions and resolutions on matters presented to the ISSC in relation to the Bank’s Activities
- c. Monitoring compliance of policies, procedures, accounting standards, product structures, contracts, documentation, business charters, and other documentation submitted by the Bank and its subsidiaries to the ISSC for approval
- d. Ascertaining the level of compliance of allocation of expenditures and costs, and distribution of profits between holders of investment accounts and shareholders with parameters set by the ISSC
- e. Supervision through internal Shari’ah supervision department and internal Shari’ah Audit of the Bank’s Activities including executed transactions, adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard
- f. Providing direction to relevant parties of the Bank and its subsidiaries to rectify (where possible) findings cited in the reports submitted by internal Shari’ah supervision department and internal Shari’ah audit
- g. Approving remedial rectification and preventive measures related to identified errors to prevent their reoccurrence in the future
- h. Specifying the amount of Zakat due on each of the Bank’s share
- i. Specifying the amount of Zakat due on the depositor’s reserves

- j. Monitoring charity account sources and payments
- k. Communicating with the Board and its subcommittees, and the senior management of the Bank concerning the Bank compliance with Islamic Shari’ah

The ISSC sought to obtain all information and interpretations deemed necessary in order to reach a reasonable degree of certainty that the Bank is compliant with Islamic Shari’ah

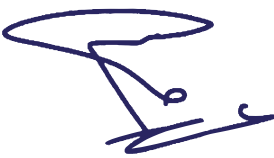
4. Independence of the ISSC

The ISSC acknowledges that it has carried out all of its duties independently and with the support and cooperation of the senior management and the Board of the Bank. The ISSC received the required assistance to access all documents and data, and to discuss all amendments and Shari’ah requirements

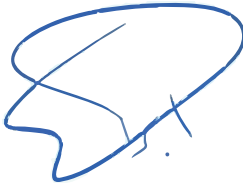
5. The ISSC’s Opinion on the Shari’ah Compliance Status of the Bank

Premised on information and explanations that were provided to us with the aim of ascertaining compliance with Islamic Shari’ah, the ISSC has concluded with a reasonable level of confidence, that the Bank’s Activities are in compliance with Islamic Shari’ah, except for the incidents of non-compliance observed, as highlighted in the relevant reports. The ISSC also issued directions to take appropriate measure in this regard. The ISSC formed its opinion, as outlined above, exclusively on the basis of information perused by the ISSC during the financial year.

Signatures of members of the Internal Shari’ah Supervision Committee



Professor Jassim Al Shamsi
Chairman



Dr. Ibrahim Almansoori
Deputy Chairman



Dr. Salim Ali Al-Ali
Member

ADCB Board Secretariat and Group Company Secretary

ADCB's Board Secretariat acts as the main interface between ADCB's Board of Directors and the Executive Management. Additionally, the Board Secretariat acts as the Group's caretaker for governance matters, including the Group's Corporate Governance Framework and governance-related regulatory compliance matters. The Board Secretariat also acts as an administrator for the Board's activities and works closely with the Board and the Executive Management to facilitate communication and transparency.

ADCB's Board, as part of the independence requirements set by applicable corporate governance regulations, appointed Rami Raslan as Group Company Secretary in 2021. Raslan joined ADCB in 2008 and contributed to the Group's journey to becoming a regional leader in corporate governance for more than a decade. He holds a Bachelor's Degree in Business Information Systems from the University of Lincoln, an Executive MBA from London Business School. Raslan is a qualified Chartered Company Secretary, and is a Fellow of the Corporate Governance Institute (previously, the Chartered Governance Institute UK & Ireland).

Rami Raslan

Group Company Secretary

+971 2 697 3771

ADCBBoardsecretariat@adcb.com



Abu Dhabi Commercial Bank

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