Risk Management & Business Continuity

1. Risk Management
2. The Board’s Role in Evaluating Economic, Environmental & Social Risks
3. Business Continuity Management
The global financial sector changed following the 2008-9 crisis. Society as a whole now has a justifiably increased sensitivity towards financial institutions. This heightens the criticality and potential impact of any financial, organisational or reputational risk. We see this as a positive change. It highlights the value of sustainability and the importance of having strong risk management extending throughout all business practices.

Our Group Risk Management team is instrumental in identifying major existing and emerging risks and risk drivers. This starts with all the risks of legal or regulatory sanctions, fines and losses associated with damage to our reputation as a result of a failure to comply with applicable laws, regulations policies or good practices. They also measure and manage such risks against the backdrop of changing macro-economic conditions that can directly influence our forward strategy.

As with our ethics practices, the sustainability agenda is a key driver for this team, they bring a strongly proactive approach to risk management. It extends into monitoring and controlling everything that might impact how any of our stakeholders – employees, customers, partners and communities – feel about us as a bank, and how we can protect their interests. Through solid monitoring processes and robust policies, we can and do mitigate their risk exposure in a dependable and sustainable way.

Risk Management (102-11), (102-30)
In keeping with the wider culture of our organisation and the overall nature of our Sustainability Framework, we follow a strongly inclusive and open approach to issues of risk. All employees are encouraged to raise critical economic, environmental or social risks with the relevant Board Committees, depending on each one's area of responsibility.

To make this easy and efficient for everyone, we have clear lines of responsibility and a transparent, structured process. Any critical concerns must be addressed through the Group General Counsel, the Group Chief Risk Officer or the Chief Compliance Officer. These topics will then be raised with the responsible Board Committee. The Committee receiving the critical information will, in turn, address the issues with the appropriate employees and take necessary action. The Board is informed whenever there are any updates on Bank policies and regulations during their regular meetings. The implementation of any changes requires Board approval.

Economic, environmental and social risks fall under Operational and Reputational Risk and are addressed accordingly. The Chief Risk Officer (CRO) is responsible for implementing risk policies as required, and for defining risk strategy across the Emirates NBD Group. The CRO reports on the overall risks and management landscape on a quarterly basis. During 2018, several risk issues (all within the regular course of business) were raised and addressed by the BRC and other committees. These included risk, audit, compliance and legal matters. All issues were addressed appropriately and as per the Committee's guidelines.

For more information regarding Credit Risk – Corporate Banking, Credit Risk – Retail Banking, Internal Rating Systems Development, Capital & Portfolio Analytics and Operational Risk, please refer to the 2018 Annual Report.
A sustainable organisation is one that considers all the ‘what-ifs’, that plans for all possible risks to its business continuity and can continue to operate and deliver in all possible circumstances. Effective business continuity measures are, therefore, critical and we accordingly have robust processes in place.

We are committed to protecting our employees, and ensuring all key functions have continuity plans that will maintain the sustainability of our business operations: first - safeguard our operations, data and revenues; second - mitigate risks; third - sustain market and customer confidence. As an overall objective – to completely maintain ‘business as usual’ conditions. Three key aspects of our plan and approach are:

**Our Work Area Recovery Site**

Emirates NBD has a Work Area Recovery Site. This is an alternate location, where one or more departments can relocate swiftly to resume critical functions in case the primary location is not accessible or functional. Details of the location are provided to all employees, and the site is managed by our Group Operational Risk Team.

**Our Business Continuity Coordinators**

For each specific unit of our business, we have nominated one primary and one backup coordinator from our employees. They act as a point of contact for all business continuity management activities.

**Our Crisis Management Plan**

We have a detailed plan that guides our management in handling a crisis. This plan provides clarity on the roles and responsibilities of all employees and teams involved during a crisis. It also sets out a clear governance structure for every potential crisis management situation.