



1. Organisational Position

Emirates NBD Internal Audit department is an independent appraisal function established by the Board of Directors to examine and evaluate the activities of the Emirates NBD Group. The Internal Audit function is headed by the Group Chief Audit Officer, who is accountable to the Board of Directors through the Board Audit Committee.

Staff members of Internal Audit are organisationally independent of all other functions in the bank. To maintain this independence in the discharge of their responsibilities, Internal Audit staff members are not assigned nor are they expected to engage in activities, which are subject to their review. The Group Chief Audit Officer also has indirect reporting lines to the Group Chief Executive Officer in respect of day-to-day administrative matters.

Department resources, manpower and budget are approved by, and subject to, the periodic review of the Board Audit Committee.

2. Authority and Scope

The department has an undisputed right of access to any and all information, records and resources of the organisation, necessary for the discharge of its responsibilities. The Group Chief Audit Officer is authorised to initiate, either directly or through third party resources, such review activity as necessary, to enable the department to fulfill its responsibilities and meet its objectives.

Group Internal Audit functional responsibilities extend to the activities of all divisions within the Group and subsidiaries, as well as where appropriate, those entities, if any, which from time to time, Emirates NBD manages under specific Technical Services agreements.

3. Functional Responsibilities

The department's primary objectives will be achieved through the performance of a comprehensive and systematic programme of independent audits designed to:

- provide assurance that risks to which the Group's business are exposed have been identified, quantified and are monitored;
- ascertain the degree of compliance with laws and regulations in the country of operations, in addition to the Group's own internal policies and procedures;
- evaluate the adequacy and effectiveness of financial/operating controls and determine the reliability of procedures, and integrity of financial/operating information available to management, and upon which business decisions are based;
- evaluate the adequacy and effectiveness of the Corporate Governance environment;
- assess the extent to which assets are accounted for and safeguarded from losses, howsoever arising;
- assess the quality of risk assets recorded in the Bank's books, and the adequacy of provisions created to cover any potential losses;
- appraise the quality of performance in carrying out assigned responsibilities,
- recommend operating enhancements,
- perform 'follow-ups' to assess and report on the degree to which management has addressed risks and complied with recommendations previously made.

In addition, the department as an independent reviewer will participate in the development and implementation of new products and projects involving the introduction or modification of support systems and processes.



4. Planning

The Internal Audit Mission is achieved through a risk based annual audit plan approved by the Board Audit Committee.

5. Reporting

Observations and findings arising from internal audit activity will be summarised at the completion of an audit into a formal "Audit Report" which will capture observations, management agreed action and timelines for the action to occur.

Every effort will be made to ensure that all matters concerning factual content are resolved with appropriate line management before the Audit reports are issued.

Audit Reports will be issued to the Chief Executive Officer, Chief Risk Officer and Divisional and Line Management in the area audited together with any other relevant management personnel.

At the end of each quarter, a "Quarterly Audit Report" is prepared for Board Audit Committee which collates and provides a summary of audit activity completed this quarter (including new audit findings) and follow up of previously reported matters that require Board Audit Committee attention.

Internal Audit's "Quarterly Audit Report" is considered at meetings of the Board Audit Committee which meets at least four times per annum.

The Chief Executive Officer, Chief Financial Officer and Group Chief Audit Officer are permanent attendees of the Board Audit Committee. Other members of management may attend such meetings by invitation.

6. Standards and Ethics

The work of the Emirates NBD Group Internal Audit department will be performed to the standards documented in the Internal Audit Policy, Standards & Procedures manual, which will be reflective of industry best practice.

Internal audit staff will at all times adhere to the Bank's code of conduct & ethics and the personal professional standards as identified in the manual.
