



Al Ahli Bank of Kuwait - Egypt

SUSTAINABILITY REPORT

2023

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Introduction



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About this Report

Al Ahli Bank of Kuwait- Egypt is pleased to present our sustainability report for 2023, which demonstrates our alignment with Egypt's vision and our dedication to responsible business practices.

This report covers our Environmental, Social, and Governance (ESG) guidelines, performance, and activities, and exhibits our commitment to transparency to all stakeholders. As we formalize and prioritize our commitment to sustainability, we will continue to share our accomplishments and advancements with our stakeholders on an annual basis.



Scope and Reporting Period

In our inaugural sustainability report, we present Al Ahli Bank of Kuwait-Egypt's (ABK-Egypt) ESG (Environmental, Social, and Governance) performance, focusing on material topics identified through impact assessment and stakeholder engagement. The data provided pertains exclusively to ABK-Egypt's operations, unless explicitly stated otherwise. This report encompasses the period from January 1, 2023, to December 31, 2023.

Disclosures outside the specified reporting dates are included if deemed relevant to the context of the report.

Throughout this document, we use the terms "Al Ahli Bank of Kuwait - Egypt," "ABK-Egypt," "the Bank," or "it" interchangeably to refer to Al Ahli Bank of Kuwait - Egypt.



Reporting Frameworks

ABK-Egypt has reported in accordance with the GRI Standards. Additionally, the report outlines alignment with the UN Sustainable Development Goals (UN SDGs), as well as the SASB Standards on Commercial Banks, the TCFD Recommendations, and the UN Global Compact (UNGC) Principles.



Forward Looking Statements

This report may contain certain forward-looking statements relating to the Bank's business. These may be identified in part through the use of forward-looking terminology such as "will", "planned", "expected", and "forecast". Such statements reflect the Bank's current views concerning future events and are subject to certain risks, uncertainties, and assumptions. Many factors could also cause the Bank's actual results, performance, decisions, or achievements to be materially different from any future results that may be expressed or implied by such forward-looking statements.



Assurance

Masader, a corporate sustainability consulting firm (SAE), has provided a limited assurance statement on the content of this report.

Please refer to the **Limited Assurance Statement**.



Contact Points

Ms. Eman Negm

Head of Sustainability and Sustainable Finance

✉ Email: enegm@abkegypt.com

Ms. Lina El Dakak

Sustainable Finance Senior Officer

✉ Email: ldakak@abkegypt.com

Al Ahli Bank of Kuwait – Egypt (Head office)

📍 Building B227 - B228, Smart Village, km-28
Cairo - Alex Desert Road, 6th of October



CEO and Managing Director's Message

Khaled El Salawy
CEO and Managing Director, ABK-Egypt

Dear Stakeholders,

A Commitment to Comprehensive Reporting

It is my pleasure to present to you ABK-Egypt's inaugural Sustainability Report, detailing our progress and commitment to sustainable practices for the fiscal year 2023. As part of our dedication to transparency, we have aligned our reporting with global standards, including GRI and SASB, ensuring that our stakeholders have a clear, accurate, and detailed view of our journey towards sustainability.

Environmental Stewardship and Carbon Consciousness

In 2021, we undertook the assessment of our carbon footprint for the first time, focusing on our headquarters. This baseline has allowed us to broaden our emission assessments across a wider scope of operations and to develop a comprehensive decarbonization action plan that guides our efforts towards a more sustainable future.

Championing Diversity and Inclusion

Our workforce has grown to 1,589 employees, with women representing 35%—an increase from the previous year. This reflects our commitment to fostering a diverse and inclusive workplace. Moreover, women now hold 31% of management positions, signifying our dedication to empowering female leadership within our bank.

Recognition and Certifications

In recognition of our growth and commitment to excellence, we have been honored as the Fastest Growing Bank in Egypt for 2023 by the International Business Magazine. Additionally, we have achieved certifications in ISO 22301 for Business Continuity Management, ISO/IEC 20000-1 for IT Service Management, and ISO 27001 for Information Security Management, which speak to our robust operational frameworks.

Social Contributions and Financial Inclusion

Our contributions to social progress are quantifiable, with EGP 6,000,000 in donations impacting various sectors such as medical care, education, and financial inclusion. Our support for financial inclusion has directly benefited 1,400 individuals. Furthermore, SMEs are integral to our approach to community empowerment, with a 25.9% share of our SMEs Portfolio from our total lending portfolio.

Supporting Local Economies

In procurement, we have bolstered the local economy by allocating 96% of our budget to local suppliers, and 94% of our total suppliers are local businesses. This approach strengthens community ties and fosters local economic growth.

Strategic Direction for Sustainable Finance

In 2023, we established a dedicated Sustainability and Sustainable Finance Department, and laid out a three-year direction and strategy for 2024-2026. This strategy is inte-

grated within our 5-year corporate objectives, ensuring that sustainability is at the core of our business practices.

ESG Capacity Building and Integration

Our commitment to education and integration of ESG principles is tangible, with the establishment of an ESG Champions Network and induction sessions for new hires. Our environmental and social lending portfolio now stands at EGP 1,725 MN, covering 38 projects and constituting 4.7% of our total lending portfolio.

Looking Ahead with Purpose

Looking ahead, as we embark on ABK-Egypt's strategic path for the next three years, our vision is anchored in five pillars—Profitability, Process, Customer, Team, and Risk—focusing on improving our bank's triple bottom line: People, Planet, and Profits. We are working to minimize our operational footprint, embrace energy-saving infrastructure, and ensure our facilities are inclusive for people with disabilities. In collaboration with DFIs, we will continue to seek new markets and develop sustainable products to meet our customers' evolving needs.

We're introducing a robust ESRM framework to manage environmental and social risks, safeguarding our portfolio and emphasizing responsible banking.

We are excited to share our journey and milestones with you as we progress towards a more sustainable future for our bank and community.

We are also investing in our team, building capabilities and knowledge to manage environmental and social risks effectively. The introduction of a new Environmental and Social Risk Management system exemplifies our proactive approach to identifying and mitigating potential risks within our portfolio.

As we move forward, we will continue to integrate sustainability into every facet of our operations, striving to create value for our customers, employees, and the communities we serve. This report stands as a testament to our journey thus far and our unwavering commitment to a sustainable future.

2023 ESG Highlights

Prioritizing the Environment



9,794 MWh

Total energy consumption



15,777 m³

Total water usage



5,328 mtCO₂e

Total absolute scope
3 emissions



4,944 mtCO₂e

Total absolute scope
1+2 emissions

Nurturing Our Team



35%

Representation of female
employees in our workforce (Up
from 33% in 2022)



31%

Female representation
in management positions
(middle and senior levels)



100

New Hires receiving ESG
Induction sessions



63%

Of our total new hires are
under 30 years old



58,732

Hours of training delivered
to our employees

Establishing Governance Principles



100%

Of our employees received
acknowledge ethics &
compliance material



100%

Board of Directors and
employees have formally
acknowledged compliance with
our Code of Conduct



25%

Female Representation
in the Board



40%

Female Representation in
the Executive Management

2023 ESG Highlights

Integrating the Community



EGP 6 Mn

Total community donations and investments



96%

Spending on local suppliers out of total expenditure

Placing Customers at the Apex



21%

Net Promoter Score (NPS)



97%

Of complaints were closed within the agreed TAT

Focusing on Sustainable Economic Contributions (Sustainable Finance)



EGP 1,726 Mn

Total Environmental and Social Lending Portfolio (4.7% of total lending portfolio)



EGP 1,366 Mn

Total Social Lending Portfolio



EGP 360 Mn

Total Environmental Lending Portfolio

Building on a Sustainable Platform

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Who We Are

About ABK Group

Al Ahli Bank of Kuwait (ABK) was established in Kuwait in 1967. Today it operates 29 branches in Kuwait, 45 in Egypt, and 3 in the UAE, in Abu Dhabi, Dubai, and the Dubai International Financial Centre (DIFC). Over the past 50 years, ABK has grown to become one of the most respected banks in the region.

Establishing Excellence Since 1967



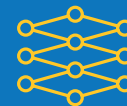
Since its establishment in 1967, ABK has evolved into a leading financial institution in the region, providing a comprehensive range of financial and banking services across its markets in Kuwait, Egypt, and the United Arab Emirates.

Recognized Safety and Credibility



ABK's commitment to safety is underscored by its recognition as one of the 10 safest banks in the Middle East by Global Finance. Additionally, the bank maintains strong credit agency ratings of A2 from Moody's and A from Fitch, reaffirming its financial strength and stability.

Robust Network Across Markets



In Kuwait, ABK boasts 29 centrally located branches, while in the UAE, it maintains two full-service branches in Abu Dhabi and Dubai, along with a wholesale banking branch in the Dubai International Financial Centre (DIFC). ABK-Egypt is marked by a total of 45 branches as of 2023, showcasing its commitment to a widespread and accessible network.

Strategic Alliances for Long-Term Growth



Driven by long-term regional aspirations, ABK-Egypt has forged strategic alliances with world-class financial partners. Notably, the bank's co-branding success with Emirates Airlines on ABK-Egypt credit cards has provided cardholders with the unique opportunity to earn and redeem Skywards Miles for Emirates flights seamlessly.

Holistic Financial Services through Ahli Capital Investment Company



Through its subsidiary, Ahli Capital Investment Company, ABK extends a wide range of financial services, including asset management, portfolio management, wealth management, investment banking, custody, and consultative services. The subsidiary manages high-performance funds, including the Ahli Kuwaiti Fund and Gulf Kuwaiti Fund, achieving notable yields through securities investment in Kuwait and GCC countries.

Diversified Success in Retail and Commercial Operations



Beyond retail operations, ABK excels on the commercial front. The Corporate Division focuses on financing for construction, real estate, and trade sectors, offering loans, letters of credit, guarantees, and financing services. Simultaneously, the Treasury and Investments Division provides effective foreign exchange and interest rate services for Kuwait, the Gulf, and international markets.

ABK Group Ratings | Moody's A2 - Fitch A



Who We Are

ABK - Egypt at a Glance

The Bank was originally founded in Egypt in 1978 as Alexandria Kuwait International Bank (AKIB). AKIB was one of the first private Banks in Egypt and was later rebranded to Egyptian Commercial Bank (ECB). In 2005, Piraeus Bank Group acquired ECB and changed its name to Piraeus Bank Egypt. In November 2015, Al Ahli Bank of Kuwait (ABK) acquired Piraeus Bank Egypt as part of its plans to expand its regional presence, reinforce ABK's competitive position and provide additional value to clients and stakeholders. Piraeus Bank Egypt was rebranded as ABK-Egypt and currently operates 45 branches across 19 governorates.

Since the acquisition, the Bank has witnessed impressive growth in terms of both market share and revenue, with the balance sheet growing from EGP 9.2 billion to over EGP 97.6 billion and net profits reaching EGP 2,803 million in 2023. Furthermore, the Bank has maintained a low ratio of non-performing loans, and the customer base has grown considerably across corporate, SMEs and retail banking.

The Bank has made significant investments in digital banking, enabling customers to execute a broad range of transactions from the convenience of their homes. ABK-Egypt was one of the first banks in the country to spearhead the introduction of wearable payment solutions and avail an electronic platform (E-KYC) to authenticate the identities of customers and validate their information when registering on ABK Mobile Wallet app.

After eight years of double-digit growth and measurable progress, ABK-Egypt looks forward with great optimism and enthusiasm to continue to cement its leading position in the Egyptian market through offering clients best-in-class service while ensuring its core values of transparency, integrity, simplicity and excellence are at the heart of all business operations. In line with ABK's Mission, the Bank will strive to consistently provide experiences that simplify and enrich people's lives.

Our Vision



Re-imagining a Simpler Bank.

Our Mission



To consistently provide experiences that simplify and enrich people's lives.

Transparency

We are clear and open in all our dealings with our customers and stakeholders; transparency is at the core of what we do.



Simplicity

We constantly strive to make banking simpler for our customers with easy documentation and processes, friendly people, fast delivery, and better products and services because we believe that 'Doing things simply' is not 'doing simple things.'

OUR CORE VALUES

Integrity

We're driven by what's good for both our customers and shareholders in the long term, that's because we believe that customer satisfaction leads to long-term value for our shareholders.



Excellence

Excellence is a consequence of the values we define as: 'Simpler, faster, better.'

Market Presence



ABK-Egypt operates from its Head Office in Smart Village, Giza, and boasts a network of 45 branches, 116 ATMs, and 1,589 employees across various Egyptian Governorates. Geographically distributed, our branches cater to Retail, Corporate, and SME customers, offering a diverse portfolio of financial and investment products alongside user-friendly banking services

EGP 2.8 bn

Net Profits



45

Branches



1,589

Employees



112

ATMs



600k+

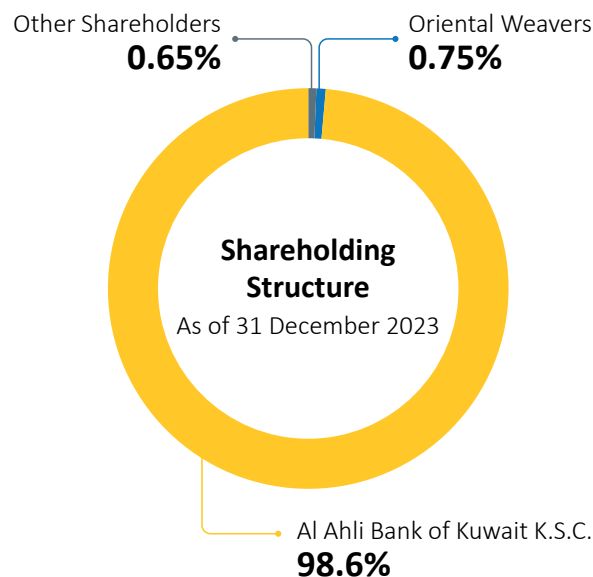
Customers



ABK-Egypt's Expansion: A New Branch at New Cairo

In 2023, ABK-Egypt opened a new branch in Agora Mall, Fifth Settlement, New Cairo, as part of its expansion strategy to serve a growing customer base across Egypt. The modern branch aims to cater to diverse customer segments, including digital solutions for a dedicated Wealth Management office for affluent clients.

Shareholders



Awards



Fastest Growing Bank in Egypt for 2023

International
Business Magazine

Certifications



ISO/IEC 20000-1 for 2023

IT Service Management System



ISO 22301

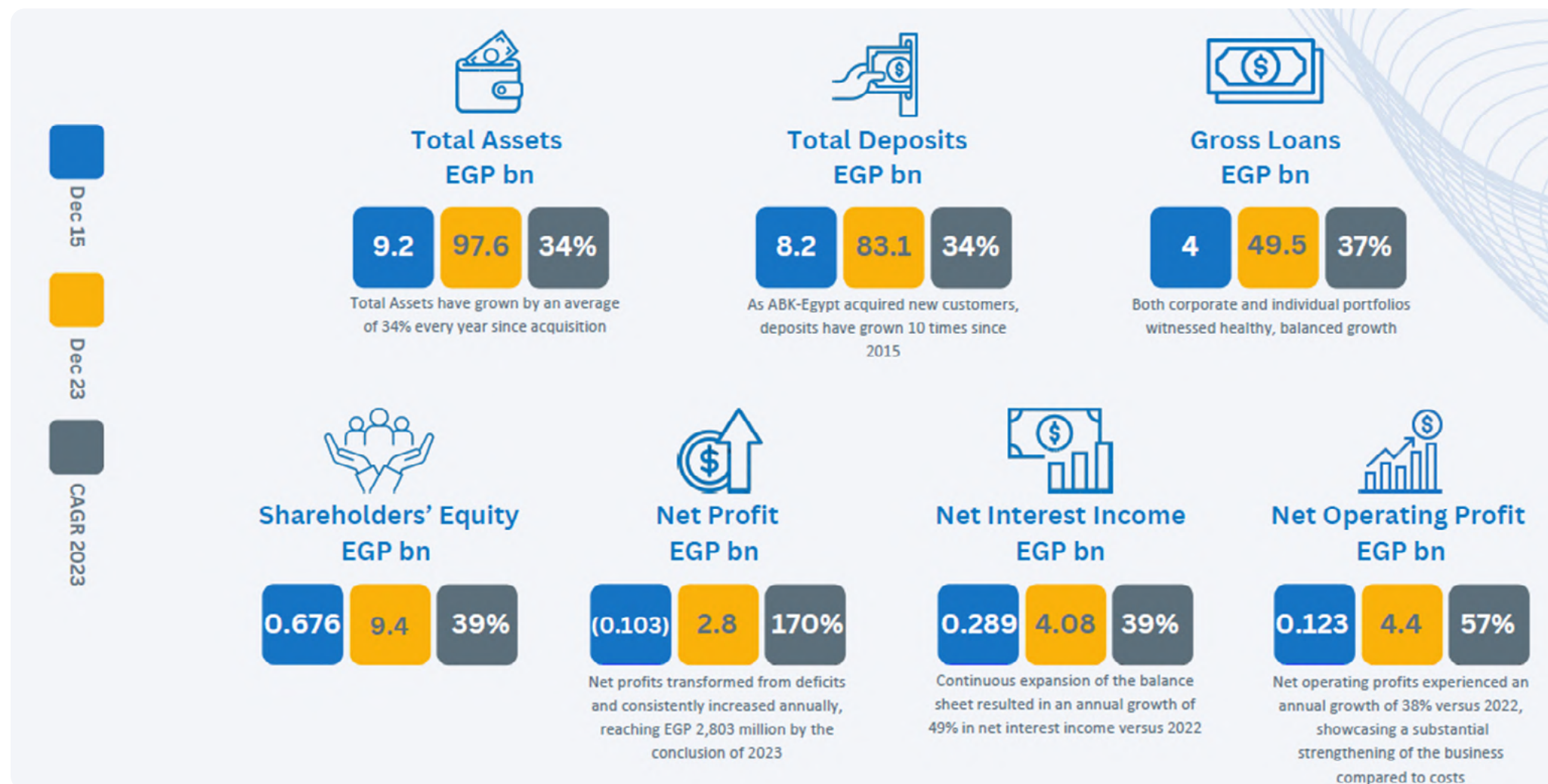
Business Continuity Management System



ISO 27001

Information Security Management System

Our Financial Performance - Maintaining Success Over 8 Years



Committing to ESG Initiatives

At ABK-Egypt, ESG considerations are foundational to our sustainability commitment. Our strategic vision integrates sustainability principles into every aspect of our operations, aligning with our responsibility to Egypt's society, environment, economic and ethical governance.

Goals and Directions

Description



Fostering Sustainable Digital Solutions

ABK-Egypt is transforming its digital setup to enhance customer experience and sustainability. Introducing a new online/mobile banking platform and migrating its ATM switch to enhance system performance and efficiency.



Team Empowerment and Sustainable Practices

Prioritize a sustainable culture by promoting collaboration, expanding team capabilities, and emphasizing risk mitigation. This commitment is evident in its focus on reducing risk concentration, automating credit decisions, and optimizing collections strategies.



Sustainable Growth in Retail Banking & Branch Network

Sustainable growth in retail banking, prioritizing asset diversification, individual deposits, and sustainable retail network operations. This aligns with the Bank's focus on financial growth and environmental and social sustainability.



Engaging with Customers and Communities for Sustainable Impact

Marketing strategy focuses on customer engagement, empowering its workforce, and CSR initiatives. The Bank plans to boost brand awareness, engage customers digitally, and build sustainable community partnerships, aligning with its values for societal impact and sustainability.

Goals and Directions

Description



Marketing & Communication Goals

Aim at brand enhancement, customer engagement, and staff involvement. Furthermore, we are dedicated to corporate social responsibility, ensuring our marketing and communication efforts contribute positively to society and align with our sustainability objectives.



Speed and Convenience

At ABK-Egypt, sustainability extends to operational efficiency, ensuring swift services across diverse banking channels while maintaining convenience.



Customization & Value Maximization

Leveraging data insights for tailored offerings isn't merely about profitability; it's about ensuring customer satisfaction and fostering long-term value creation.



Balanced Growth

Prioritizing growth alongside risk management forms a crucial pillar of sustainable banking practices. ABK focuses on maintaining a healthy cost structure while ensuring stable, consistent growth.



Financial Inclusion

Foster financial inclusion as a core pillar of its strategic vision. Dedicated to providing accessible and affordable financial services to all segments of society, including those historically underserved or excluded from traditional banking systems. Bridge the gap by offering tailored financial products and services to various demographics, including youth, women, and individuals from lower-income segments.

Our Strategic Direction

In line with our comprehensive 5-year plan (2022-2026), ABK-Egypt has established a strategic vision where sustainability takes center stage within our banking operations. Our primary aim is to elevate our rankings by 2026. To achieve this, we steadfastly align our short-term strategies with the broader 5-year vision of ABK-Egypt. Key stakeholders actively identify, formulate, and set KPIs that resonate with our long-term objectives. The sustainability strategy has been fully integrated into the Bank's 5-year Strategy and Direction.

Setting Aligned Long-Term and Short-Term Strategies

ABK-Egypt emphasizes strategic alignment across its organization to fulfill its mission and vision. The strategic planning department plays a crucial role in integrating long-term goals with annual strategies, ensuring coherence with ABK Group's objectives. This process involves setting clear visions, formulating measurable objectives, and conducting thorough analyses to capitalize on market opportunities. Effective communication and implementation strategies are then employed to foster collaboration and achieve desired outcomes, with continuous performance measurement to gauge progress.

ABK-Egypt – 3-Year Direction and Sustainability Strategy 2024-2026



Profitability

Boost the Bank's triple bottom line (the 3Ps): People, Planet, and Profits

This involves exploring new markets, clients, products, and services in sustainability areas. Additionally, the bank seeks to tap into new sources of funds and finance from Development Financial Institutions (DFIs), aligning its operations with sustainable practices.



Process

Sustainability will help increase the efficiency of operations and costs

The Bank plans to minimize paper consumption and improve infrastructure to support energy-saving techniques. Furthermore, the bank aims to make its branches accessible for people with disabilities and obtain certifications in waste management, energy management, and green building for its branches.



Customer

Meet customers' aspirations in sustainability areas

The Bank strives to acquire affordable funds and technical assistance through collaboration with DFIs. It also aims to offer tailored and innovative sustainable products to its customers. Additionally, the bank seeks to increase customer awareness of local, regional, and international challenges and regulations related to climate change, identifying opportunities that arise from these developments.



Team

Building the necessary capabilities & knowledge

The Bank plans to conduct orientation sessions on Sustainability and Sustainable Finance for new employees. It also aims to establish an ESG champions network within the organization. Furthermore, capacity building on Environmental and Social Risk Management (ESRM) will be provided to all risk and business officers.



Risk

Introducing the New ESRM system

By implementing this system, the bank aims to ensure early identification and management of such risks, safeguarding its operations and reputation.

By focusing on these pillars, the bank strives to achieve sustainable profitability, optimize processes, meet customer expectations, enhance team capabilities, and effectively manage risks in alignment with its sustainability strategy.

Collaborating with Stakeholders

ABK-Egypt bank values working together with customers, employees, and the community. They believe in open communication to understand everyone's needs and expectations. By doing this, the bank aims to create positive and lasting relationships. ABK-Egypt bank is committed to responsible banking practices and making a positive impact on society in the long term. The primary aim is to incorporate stakeholder input into the Bank's functions, fostering ongoing enhancement and ensuring alignment with their needs and aspirations.

| Stakeholder Group | Their Most Important ESG Topic | How we Engaged |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  Customers & Clients | Client satisfaction, morally sound banking practices, equitable pricing, information safeguarding, and data confidentiality. | Customer satisfaction surveys, one-to-one meetings, online and mobile banking, branch visits, social media, and customer contact centers. |
|  Employees | Health and well-being, training and career development, information security, data privacy, and resource consumption. | Annual engagement surveys, internal communication through email and the intranet, learning and development programs, and training sessions. |
|  ABK Group | Corporate governance, sustainability strategy, performance indicators, financial and non-financial reporting, group policies and procedures. | Regular gatherings, updates, periodic quarterly and yearly disclosures, and internal correspondence using emails and teleconferences. |
|  Investors and Business Partners | Corporate governance, board independence and diversity, Bank-wide policies, transparent ESG disclosure, and ESG-related commitments and strategies. | Quarterly and annual disclosures, including earning press releases, analyst and investor calls, one-on-one and group investor meetings, and investor conferences. |
|  Governmental Entities & Regulators | Backing Egypt's national sustainable development plans and agendas (Egypt Vision 2030, National Climate Change Strategy 2050, and the CBE's Sustainable Finance Principles and ESG directives). | Public disclosures (e.g., regulatory reporting), surveys (e.g., Sustainable Finance surveys as per the CBE), consultations, forums, and conferences. |
|  Local Communities | Responsible for Banking and investments, community investments, donations, and volunteering. | Official letters, social media, and field visits. |
|  Suppliers | Responsible Procurement & Sustainable Supply Chain Management, and Green Procurement | Calls and conference calls, Surveys, one-on-one and virtual meetings |

Defining What Matters Most

Materiality Assessment

We conducted our first materiality assessment in 2023 to determine and prioritise topics of significant relevance to our business operations and national context. The elements of our materiality assessment were based on our alignment with ABK Group and built on a four-step methodology, which is as follows:

01 Understanding the Context

Initially, we examined the strategic priorities of both ABK Group and ABK-Egypt, alongside Egypt's prevailing national priorities and strategies. This analysis encompassed trends within the banking industry and the regulatory framework set forth by the CBE, in addition to aligning with the objectives outlined in Egypt's Vision 2030.

02 Identification of Material Topics

Following the contextual assessment, we compiled a broad spectrum of industry-specific topics guided by global standards like GRI, SASB, and insights from ESG rating agencies. Subsequently, we refined this pool to focus on topics most pertinent to Egypt's national context and those directly correlated with ABK's strategic imperatives.

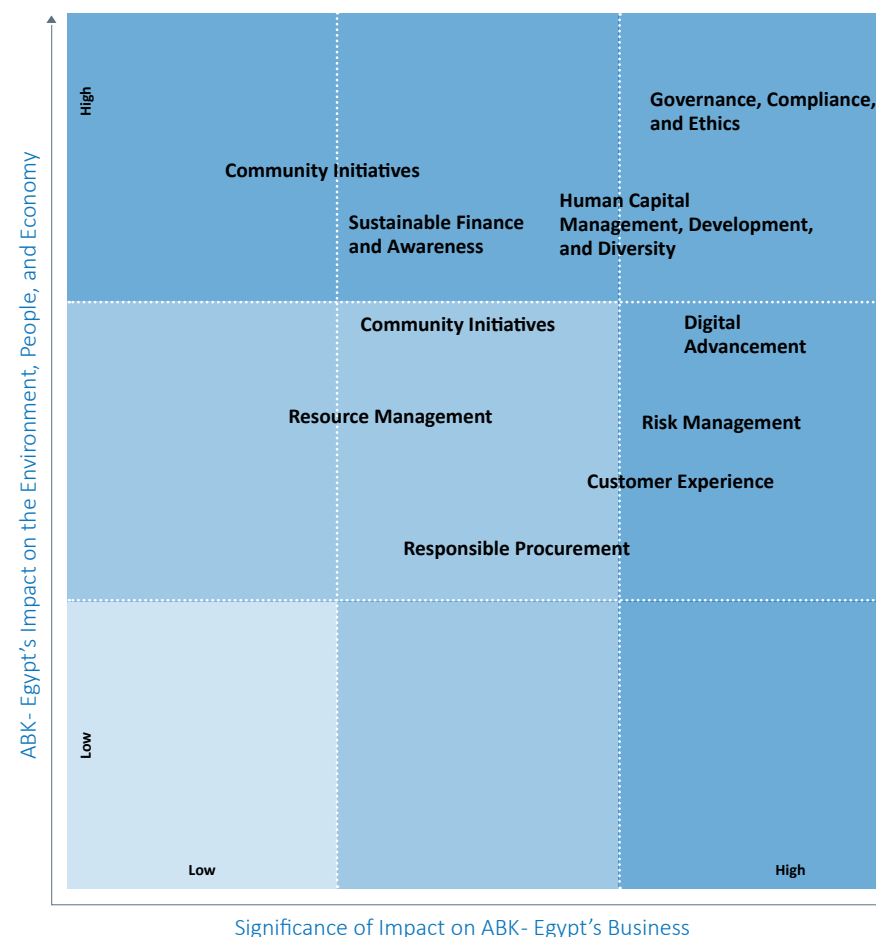
03 Stakeholder Engagement

To ensure a holistic perspective, we engaged in stakeholder consultations. This involved conducting surveys, workshops, and interviews with internal stakeholders such as employees, department heads, and executive leadership. These interactions provided invaluable insights into the perceived significance of various topics.

04 Prioritizing & Validating Material Topics

Expanding upon stakeholder input, we conducted an evaluation to prioritize the identified material topics. This comprehensive process entailed evaluating alignment with current national priorities, adherence to CBE regulatory mandates, and relevance to ABK-Egypt's operational framework. Subsequently, each topic was validated and ranked based on its significance and potential impact.

Materiality Matrix



Establishing Governance Principles

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Within ABK-Egypt's halls, an unwavering commitment to ethical governance is the forged as the cornerstone of operations. Central to this fabric of governance are robust risk management strategies and an unyielding commitment to compliance, meticulously aligned with regulatory standards. ABK-Egypt has long upheld principles of transparency, fairness, and efficiency—building confidence among investors, shareholders, and stakeholders. This commitment goes beyond rules, integrating sustainability and ethical behavior into every decision. As challenges shift, the Bank evolves its governance, grounded in ethical values, adapting and innovating for a resilient future.

Corporate Governance

As ABK-Egypt aligns with international standards and best practices, the commitment to robust governance, and transparency becomes paramount. ABK-Egypt recognizes that a steadfast commitment mitigates risks and unlocks opportunities for sustainable growth and positive societal impact. By having a strong governance body, ABK-Egypt demonstrates its dedication to responsible business practices.

Governance Structure

Ahli-Bank of Kuwait- Egypt (ABK-Egypt) has established a robust corporate governance framework aimed at upholding stringent standards and practices across the organization. Our commitment to excellence in corporate governance is emphasized by the implementation of clear and comprehensive guidelines, policies, and procedures.

Under the Corporate Governance Code, ABK-Egypt has devised effective mechanisms to diligently oversee the organization's operations, thereby reinforcing our dedication to upholding the highest standards of corporate governance. We continually evaluate and enhance our governance structure to ensure its relevance and alignment with evolving trends and best practices in the corporate governance landscape.

For further details about ABK-Egypt's Compliance and Corporate Governance , please visit our [website](#).

Key Policies



Board of Directors Code of Conduct

Staff Code of Conduct

Conflict of Interest policy

Board of Director's conflict of Interest policy

Related Party Transactions

Customer Confidentiality Policy

External Auditor Independence Rotation

Whistleblowing Policy

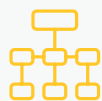
Corporate Social Responsibility policy

Disclosure & Transparency policy

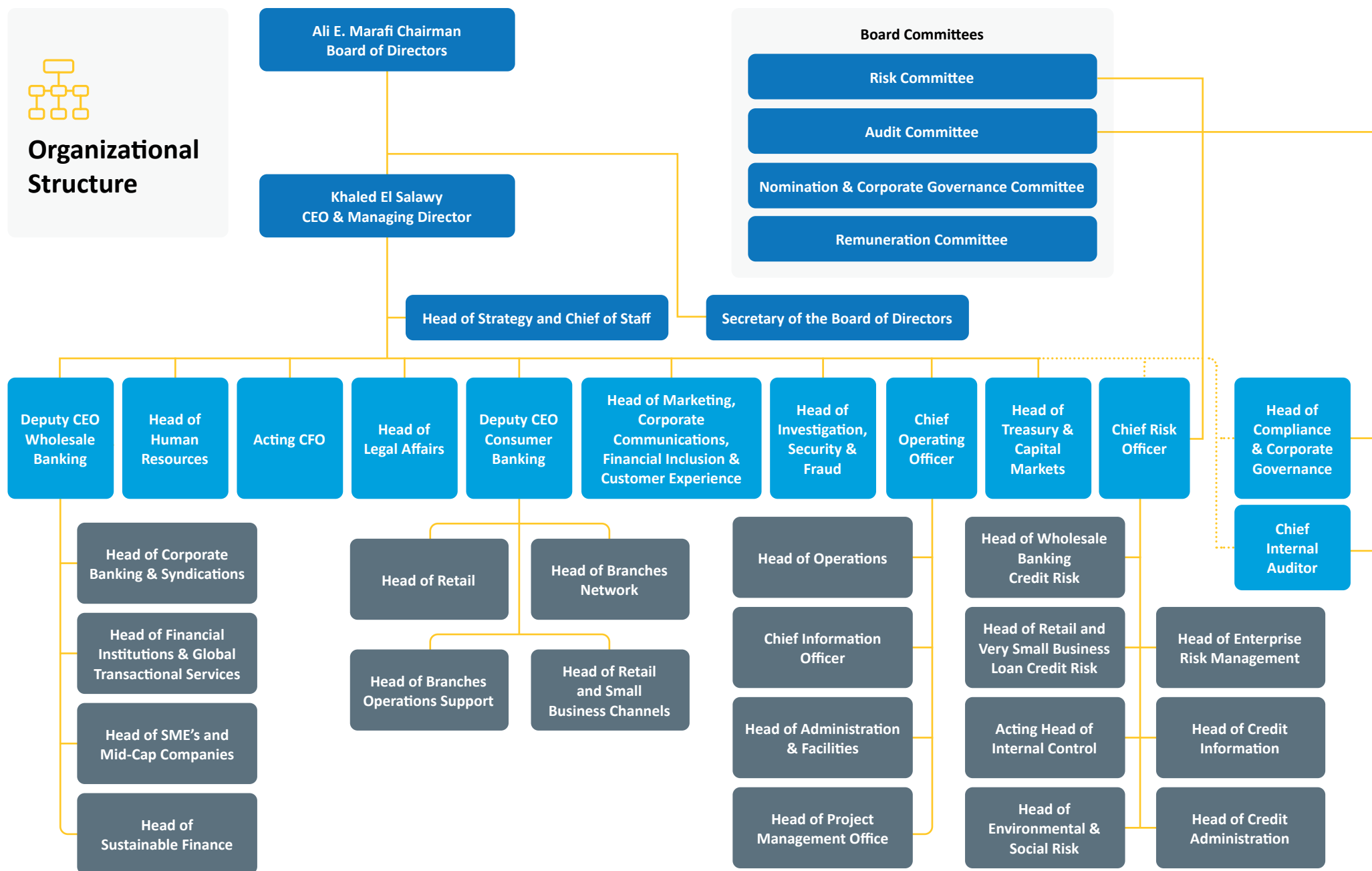
Customer Complaints Handling Procedures

ABK-Egypt's Extended Governance Oversight Framework of its Subsidiaries





Organizational Structure



Board of Directors

At the core of Corporate Governance, ABK-Egypt recognizes the significant role of the Board of Directors. The Board, acting as stewards on behalf of the Bank's shareholders, assumes responsibility for overseeing the Bank's operations with integrity and professionalism. Ensuring effective governance, ABK-Egypt maintains a clear segregation of duties between the Chairman and CEO & Managing Director while also striking a balance between Executive, Non-Executive, and Non-Executive Independent directors. With a deliberate mix of backgrounds, perspectives, functional competencies, and governance expertise, the Board reflects the diversity necessary for robust decision-making. Currently, the Board comprises eight members, including two Executive Directors, three Non-Executive Directors, and three Independent Non-Executive Directors.

8

Board Members



25%

Female Representation












25%

Independent Board Members



Board Structure as of 31st December 2023

| Board Member | Position | Board Meetings Attendance (%) | Joining Date |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------|--------------|
|  Ali Ebrahim Hejji Hussain Marafi | Chairman- Non-Executive | 100% | Dec. 2015 |
|  Khaled Nabil El Salawy | CEO & Managing Director- Executive | 100% | May 2016 |
|  Khaled Mahmoud Abdel Aziz Mahmoud | Independent Board Member- Non-executive | 100% | Mar. 2019 |
|  Khaled Lotfy Hassan Mohamed El Attar | Independent Board Member- Non-executive | 100% | Jun. 2019 |
|  Jamal Ahmad Syed Iqbal | Non-Executive Board Member | 100% | May 2020 |
|  Shiamak Edul Soonawalla | Non-Executive Board Member | 86% | May 2020 |
|  Sherin Mohamed Hamed Mohamed | Deputy CEO-Wholesale Banking-Executive | 100% | Apr. 2022 |
|  Hania Mohamed Abdel Rahman Sadek | Independent Board Member – Non-Executive | 100% | Dec. 2022 |
|  Dimitri Scoufaridis | Secretary of the Board of Directors | Not a Board Member | |

Board Committees

By the directives outlined in the CBE and Banking Sector Law 194/2020 and adhering to the stipulations of the “Code of Governance for Egyptian Banks,” ABK-Egypt has implemented a structured framework consisting of four Board Committees. These committees have been strategically devised to support and augment the Board’s execution of duties and responsibilities.

The committees have the authority to access any necessary information for their responsibilities and can seek resources and consultations to facilitate efficient task completion. The committees operate by each committee’s working charters, approved by the board of directors. The Board committees encompass the following:

Audit Committee

The committee plays a crucial role in supporting the Board of Directors of ABK-Egypt by assisting in the oversight of various key aspects. The committee ensures the integrity of ABK-Egypt’s financial statements, conducts reviews of internal control arrangements to enhance the effectiveness and efficiency of operational processes. The committee also provides oversight of the Internal Audit Division, ensuring that internal audit activities are conducted in accordance with established standards and objectives. Furthermore, it assesses the independence and objectivity of the External Auditor, reinforcing the integrity of the external audit process.

Formation of the Audit Committee:

| Committee Member | Role |
|---------------------------------------------|-----------------------|
| Hania Mohamed Abdel Rahman Sadek | Committee Chairperson |
| Khaled Lotfy Hassan Mohamed El Attar | Member |
| Shiamak Edul Soonawalla | Member |

Risk Committee

The committee supervises the Bank’s risk profile and endorses the Risk Management Framework established by the Board of Directors, ensuring its alignment with the Group’s strategy and policies. It ensures comprehensive coverage of all significant risks across the Bank’s portfolios and activities, considering their interrelationship. Additionally, the committee fosters a culture of risk awareness and management throughout the Bank.

Formation of the Risk Committee:

| Committee Member | Role |
|---------------------------------------------|--------------------|
| Khaled Lotfy Hassan Mohamed El Attar | Committee Chairman |
| Khaled Nabil El Salawy | Member |
| Jamal Ahmad Syed Iqbal | Member |
| Shiamak Edul Soonawalla | Member |

Remuneration Committee

The committee’s role includes establishing the remuneration framework for the Board of Directors, board members, and senior executives. This framework encompasses salaries, allowances, bonuses, in-kind benefits, incentive shares, and other financial elements.

Formation of the Remuneration Committee:

| Committee Member | Role |
|---------------------------------------------|--------------------|
| Khaled Mahmoud Abdel Aziz Mahmoud | Committee Chairman |
| Jamal Ahmad Syed Iqbal | Member |
| Khaled Lotfy Hassan Mohamad El Attar | Member |

Nomination & Corporate Governance Committee

The committee aims to assist the Board of Directors in supervising existing and evolving principles, practices, and processes. This support is geared towards cultivating a culture across the Bank and its subsidiaries that embraces corporate governance standards.

Formation of the Nomination Committee:

| Committee Member | Role |
|------------------------------------------|--------------------|
| Ali Ebrahim Heijji Hussain Marafi | Committee Chairman |
| Khaled Mahmoud Abdel Aziz Mahmoud | Member |
| Shiamak Edul Soonawalla | Member |

Executive Management



Khaled El Salawy
Chief Executive Officer
and Managing Director



Sherine Hamed¹
Deputy CEO
Wholesale Banking



Khaled Barakat
Deputy CEO,
Consumer Banking



Amr Tantawi
Chief Risk Officer



Hisham Sherif
Chief Operating Officer



Amr Seif
Head of Treasury and
Capital Markets



Abd El Rashed Farahat
Head of Legal Affairs



Ahmed El Sayed Ali
Chief Internal Auditor



Islam Gomaa
Chief Information Officer



Ahmed Khashaba
Head of Retail and Small
Business Channels



Amira Shaaban
Head of Human Resources



George Siha
Acting Chief Financial Officer



Ayman Shahin
Head of Wholesale
Banking Credit Risk



Hisham Shawky
Head of Operations



Iman El Essawy
Head of Retail Banking

¹Ms. Sherine Hamed resigned effective Dec 2023 & was replaced by Ms. Niveen Wefky effective Jan 2024.



Khaled Yousri
Head of Financial
Institutions and GTS



Lamia Rabie
Head of Branches Network



Mohamed Sayed
Head of Administration
and Facilities



Mohamed Samir
Head of Investigation,
Security and Fraud



Nimet El Oteifi
Head of Compliance and
Corporate Governancer



Sarah Mashhour
Head of Marketing , Corporate
Communications, Financial
Inclusion & Customer Experience



Nadim Nassef
Head of Branches
Operations Support



Rania Farouk
Head of Corporate
Banking & Syndications



Ahmed El Guindy
Acting Head of SME's
and Mid-Cap Companies



Eman Negm
Head of Sustainability
and Sustainable Finance



Joseph Adly
Head of Retail and VSBL
Credit Risk



Abeer Abdel Aziz
Head of Project
Management Office



Sherif Helal
Head of Environmental
and Social Risk Management
(ESRM)



Montasser Ahmed
Head of Credit
Administration



Maha Nassef
Head of Enterprise Risk
Management



Ahmed Arafa
Head of Credit Information



Mai Maged
Acting Head of
Internal Control

35%

**Female Representation in
the Executive Management**



Management Committees



Asset-Liability Management Committee (ALCO)

ALCO is responsible to set, monitor & approve all policies and strategies related to the management of the Bank's Assets & Liabilities in terms of funding, liquidity, pricing, profitability, investment & risk, and to oversee the Bank's FX portfolio, positions & strategy to ensure bank's adherence with the Bank's and Central Bank of Egypt's limits and guidelines.



Provision and Business Recovery Committee

The Committee follow-ups on non-performing Corporate, SME's & Retail client's portfolio as well as recommends restructuring & settlement agreements that include write-offs and approve all local/ IFRS impairment provisions within Central Bank of Egypt's directives/H.Q. guidelines.



Executive Credit Committee

The Committee acts as a forum to review, recommend, and approve credit requests and to handle other credit related matters and is chaired by the CEO and Managing Director. It also provides direction and advice to ABK Group Board Credit and Investment Committee (BCIC) on credit and investment granting to support and facilitate decision-making process.



Credit Committee

This Committee is a sub-committee of the Executive Credit Committee, created with the purpose of facilitating the credit process, ironing out issues, and agreeing on conditions before seeking approval from the higher committee. It is responsible for reviewing, recommending and approving credit requests and other credit related matters.



Procedures Committee

The Committee reviews and approves operating procedures to meet the business needs and to enhance & accelerate the approval cycle to issue the Bank's procedures.



Market Funds Committee

The Committee aims to control and supervise the activity of funds established by the Bank, and to approve the creation/ sponsorship of additional funds and to obtain the Central Bank of Egypt approval (as applicable) related to increase in the Bank's capital fund contribution.



Branch Premises Committee

The Committee governs the approval of new branch locations, relocation and or renovation of existing branches across the network.



Human Resources Committee

The Committee is a senior management forum to discuss HR related material issues and approval of the HR related matters.



Crisis Management Committee

The Committee is set up in case of a crisis and is responsible for deciding the activation of the Business Continuity Plan (BCP) and the supervision of the recovery action.



Process Simplification Committee

The committee was newly established in 2022. It is responsible for enhancing, redesigning and automating solutions that simplify workflow and key processes in the bank – while ensuring adequate controls are in place.



Management Risk and Control Committee

The Committee provides independent oversight that operational risk is appropriately managed within appetite levels & operational business and governance controls are adequate, and significant issues related to the business such as operational risk events, legal, compliance, information security and regulatory risk are appropriately escalated and reported.



Tendering Committee

The Committee is responsible for monitoring & controlling the tendering process to ensure optimum adherence with the procurement procedures.



Fraud Management Committee

The Committee's purpose is to keep the business abreast with fraud related developments and counter measures and formulating cohesive and effective fraud & risk management strategies.



Tariff Committee

The Committee aims to review and approve Bank's tariff applied to services & products.



Executive Committee

The Committee is chaired by Mr. Khaled Nabil El Salawy CEO & Managing Director, Executive Board Member

The committee reviews key business issues and makes recommendations to the Board of Directors. ExCo consists of 8 members from the Executive management recommended by the CEO & Managing Director and approved by the Board of Directors.



Digital Innovation Committee

The committee is responsible for the formulation and implementation of the digital strategy for ABK-Egypt to ensure that the bank is capitalizing on new opportunities and trends in line with overall bank strategy.

The committee will study relevant trends and discuss their impact on existing and future products and services to ensure expanding ABK-Egypt's footprint in the financial service sector.

Suggestions should be studied and presented in the format of a business case, so that new business models, products and services are targeting profitable segments, addressing the right unmet needs and helping both the bank and the customer to interact in the most efficient and effective way.

The committee can draw on any expertise within the bank or outside by extending invitations to the committee meetings.



Ensuring Regulatory Compliance

In a dynamic financial landscape, adhering to evolving industry standards and regulations are paramount for ABK-Egypt. This commitment extends beyond geographical borders, requiring vigilance and adaptability to ensure adherence to multifaceted standards across the banking sector.

Key Policies



External Auditor Independence Rotation

Disclosure & Transparency Policy

Compliance Policy

Internal Audit Charter

Foreign Account Tax Compliance Act (FATCA) Policy

Compliance and Regulatory Oversight

The compliance function within ABK-Egypt stands as a cornerstone of the Bank's governance framework, diligently addressing legal, regulatory, reputational, and conduct-related risks. This multifaceted department is pivotal in recognizing and mitigating risks while ensuring alignment with the Bank's strategic objectives.

The compliance function operates within a robust framework aimed at enabling senior management and the Board of Directors to efficiently identify and address risks. This involves policy development to meet regulatory requirements and protect client interests, as well as implementing preventive measures to mitigate financial loss or reputational damage stemming from non-compliance with laws and regulations. Additionally, the compliance function focuses on fostering a culture of compliance throughout the organization to ensure widespread adherence to standards.

Annual Compliance Training

ABK-Egypt maintains robust governance through annual compliance training sessions focused on key objectives. Efforts encompass comprehensive Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) training, including a 100% completion rate for 63 employees trained at the Egyptian Banking Institute (EBI). Quarterly sessions targeted AML enhancements and provided updates to Compliance Representatives, ensuring their alignment with evolving compliance dynamics. A broad e-learning refresher for 1,000 employees, including new hires, emphasized AML/CFT protocols. Specialized training for top management and the board underscored their role in setting compliance standards.

Compliance dedication also extends to Regulatory, FATCA, and Common Reporting Standard (C.R.S) objectives. Tailored sessions for branch customer service heads to ensure their proficiency in training staff on FATCA requirements, extending compliance to customer-facing roles. Similar rigorous sessions enhanced Corporate, SME officers, and branch operation heads' understanding of regulatory intricacies. Anticipating C.R.S treaty enactment, focused sessions prepared teams for compliance with C.R.S requirements. These strategic initiatives reflect ABK-Egypt's unwavering commitment to high compliance standards and fostering a culture of awareness at every organizational level.

63%

Employees Received Compliance Training



Internal Audit

Internal Audit Division is an independent function of ABK-Egypt. The function governs itself by adherence to the IIA's mandatory guidance.

The Internal Audit Division provides an independent objective assurance and consulting services through a systematic and disciplined approach by evaluating and improving the effectiveness of risk management, control and governance processes to help ABK-Egypt accomplish its objectives and goals.

External Auditor's Evaluation of ABK-Egypt's Internal Audit function

ABK-Egypt's Internal Audit activity underwent an external quality assessment conducted by "KPMG." This periodic evaluation, performed every five years, aims to ensure alignment and adherence to the high standards set by the Institute of Internal Auditors (IIA).

The results of the external quality assessment review of the Internal Audit Function that was conducted by one of the Big Four Firms in September 2023, came out with the below overall rating which is considered the top rating:

"Generally Complies with the IIA Standards"

The final report was shared with all related stakeholders, of which were the CBE, the Board Audit Committee, the Board of Directors, and the Bank's leadership.

This rigorous process emphasizes maintaining and demonstrating robust compliance and adherence to industry-recognized standards, contributing to the bank's assurance of effective internal controls and risk management.

Strengthening Controls: Root Cause Analysis of ABK-Egypt's Audit Findings

Starting in 2023, a comprehensive root cause analysis was conducted for all audit findings within the Bank. This analysis aimed to delve into the underlying reasons behind any audit issues identified, facilitating proper remediation strategies and preventing recurrence.

By analyzing the root causes, the Bank could formulate targeted and effective remediation measures. This process was vital in providing value-added recommendations and enhancing existing processes. Ultimately, it enhanced the Bank's control environment, improving risk mitigation measures and ensuring a more robust and resilient operational framework.



Upholding Ethical Standards

Ethical adherence forms the foundation of ABK-Egypt's operations, reflecting its commitment to responsible business practices. Upholding ethical principles requires a comprehensive integration of these values throughout the organization. This is not only a legal requirement but a fundamental aspect of responsible business conduct, which ABK-Egypt strongly commits to.

Key Policies



Code of Conduct

Related Party Transactions Policy

AML/CFT Compliance Policy

Whistleblowing Policy

Conflict of Interest Policy

Code of Conduct

Board of Directors Code of Conduct

The Code of Conduct for the Board of Directors is a testament to the Bank's dedication to upholding the highest standards of ethical behavior. It articulates the principles and practices essential to supporting the Bank's commitment to ethical conduct. This code serves as a framework to avoid conflicts and ensure proper conduct among board members. The Board is responsible for setting and updating these standards in alignment with legal and regulatory developments. A critical facet of this code involves all board members signing a declaration, affirming their comprehension and adherence to the Code of Conduct and relevant legal regulatory requirements and Bank policies.

Employees Code of Conduct

Additionally, ABK-Egypt has crafted a Code of Conduct for Staff, meticulously designed to direct every employee towards practices that fulfill their responsibilities to stakeholders while complying with laws, regulations, and internal policies. This code covers various aspects, including responsible, honest, fair, and ethical behavior and conflict of interest avoidance. Safeguarding bank property and data. Confidentiality of client information, compliance with disclosure rules and prohibition of insider trading, prevention of money laundering and corruption, among others. Each employee must acknowledge receipt and understanding of this code, committing to adhere to its stipulations and reporting any observed misconduct in line with stipulated procedures.

Whistleblowing Policy

At ABK-Egypt, we have implemented a comprehensive Whistle-blowing policy that aligns with both the Group's requirements and the CBE Code for Banks' Governance. This policy is readily accessible to all staff members through the Bank's intranet, ensuring ease of reference for anyone seeking guidance. We actively encourage employees to report any observed behavior or acts that they believe may contravene the Bank's Code of Conduct or raise doubts about the appropriate course of action in a given situation. Employees are empowered to report to their supervisors, managers, or other designated personnel, fostering a culture of accountability and transparency within the organization.

Furthermore, ABK-Egypt is committed to ensuring that individuals who come forward with reports in good faith are not subjected to retaliation. It is our firm policy to prohibit any form of reprisal against employees who identify misconduct by others. We uphold the confidentiality of all communications related to whistleblowing reports, providing dedicated channels such as a designated telephone line and email for this purpose. These measures are implemented to ensure the confidentiality and security of whistleblowers, allowing them to report concerns without fear of adverse consequences.

Employees have the option to raise concerns through two channels: a dedicated email address, whistle_blowing@abkegypt.com, and an internal hotline number, 74112. Additionally, all employees are encouraged to directly contact the Chairman to communicate any concerns regarding potential violations. Independent investigations will promptly follow-up on these reported concerns, with communication facilitated through email at amarafi@abkegypt.com.

Anti-Money Laundering and Combating Financing Terrorism

ABK-Egypt strictly adheres to Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) laws and regulations established by the Central Bank of Egypt (CBE), the Egyptian Money Laundering Combating Unit (EMLCU), and follows recommendations from the Financial Action Task Force (FATF). The AML & CFT unit operates within the Compliance & Corporate Governance Division, maintaining independence and reporting directly to the Board Audit Committee. The Head of Compliance & Corporate Governance reports any suspicious money laundering or terrorist financing activities to the EMLCU after conducting thorough due diligence.

The unit submits an annual AML & CFT report to the EMLCU, approved by the Board, as required by Article 38 of the Executive Regulations of AML Law No. 80/2002. This unit also disseminates directives and regulations from the EMLCU and CBE to relevant stakeholders within the bank.

ABK-Egypt has implemented a sanctions program aligned with both international and local laws and standards to prevent any violations. The AML/CFT team comprises experienced staff who stay informed about all pertinent local and international laws and regulations to fulfill their responsibilities effectively. The unit provides specialized training programs via E-Learning for all bank staff and through the Egyptian Banking Institute, ensuring they remain updated on AML and CFT measures and regulations. The Internal Audit Division regularly evaluates the adequacy of ABK-Egypt's AML & CFT Program to ensure it remains current and robust.

30

AML sessions conducted in 2023

80%

Percentage of employees who have completed the AML training

Anti-Corruption and Bribery

ABK-Egypt is committed to maintaining a strong and transparent organizational culture that upholds the highest ethical standards. While the Bank does not have a separate Anti-Bribery and Corruption policy, its management approach is effectively embedded within the Code of Conduct. The Code of Conduct serves as a comprehensive framework, clearly outlining the Bank's stance against corruption and bribery. ABK-Egypt ensures that all employees are familiar with the Code of Conduct and their responsibilities in preventing and reporting any suspicious activities related to corrupt practices. Through regular training sessions and awareness programs, employees are empowered with the knowledge of relevant laws and regulations concerning anti-corruption measures. The Bank conducts thorough risk assessments to identify potential areas vulnerable to corruption or bribery, establishing robust controls to mitigate these risks effectively. Clear reporting mechanisms and a structured whistleblowing policy are in place to encourage and protect employees who report any suspected incidents of corruption or bribery. Regular monitoring and audits are conducted to ensure compliance with the embedded anti-corruption and bribery measures, swiftly addressing any deviations and taking appropriate disciplinary actions. ABK-Egypt also collaborates with relevant authorities and aligns its practices with global anti-corruption standards, adopting best practices recommended by international organizations to strengthen its anti-corruption measures.

Conflicts of Interest

At ABK-Egypt, our management approach towards conflicts of interest is rooted in a policy framework that safeguards the institution's integrity, its stakeholders' interests, and the broader community's welfare. Recognizing the diverse roles within our institution, we have tailored Conflict of Interest policies for both the Board of Directors and all employees. These policies meticulously identify circumstances that may give rise to conflicts of interest, establish robust systems and measures to manage such conflicts effectively, and provide clear guidelines for disclosing actual or potential conflicts of interest situations. This dual-policy approach ensures that every member of our organization is equipped with the necessary framework to navigate potential conflicts ethically and responsibly.

We adhere to the principle of Avoidance of Conflicting Interests, wherein no Board member or Senior Management staff is permitted to find themselves in a position where their personal interests conflict, or could be perceived to conflict, with those of the Bank.

Cultivating an Ethical Culture lies at the heart of our Conflict-of-Interest management approach. We have cultivated an environment where any behavior that could cast doubt on our commitment to ethical conduct is vehemently opposed. Moreover, at ABK-Egypt, we firmly believe in Collective Responsibility in managing conflicts of interest. It is not the sole obligation of a select few; rather, it is a collective duty that extends to every member of our organization. We foster an environment where all individuals are encouraged and empowered to identify and address potential conflicts, thereby reinforcing our commitment to transparency and ethical conduct at every level.

Related Party Transactions

Our Related Party Transactions Policy is a comprehensive guide outlining the laws and regulations pertinent to such transactions. It underscores the critical controls in place, including Monitoring, Identification, Approval, Disclosure, and Reporting, ensuring a robust framework that governs these transactions.



Monitoring Framework

Continuous oversight and monitoring mechanisms are established to ensure ongoing scrutiny of related party transactions, mitigating potential risks and ensuring compliance.



Identification

Rigorous processes are in place to identify and assess related party transactions, allowing for their appropriate classification and handling.



Approval

Related party transactions undergo a thorough approval process, ensuring that they are reviewed and sanctioned by the appropriate authorities to uphold transparency and compliance.



Disclosure and Reporting

Complete and transparent disclosure of related party transactions is mandated. This transparency ensures that all pertinent information is available to stakeholders and relevant regulatory bodies as required.



Identifying and Managing Risks

ABK-Egypt prioritizes mitigating risks as a cornerstone of its sustainable growth strategy. The proactive approach involves robust risk management practices to safeguard the bank's operations and interests, thereby maintaining stakeholder confidence and preserving its reputation. This strategy not only addresses challenges posed by evolving risk landscapes but also positions the bank to uncover opportunities, gaining a competitive edge and fostering sustainable growth. However, the delicate balance between risk mitigation and innovation, crucial for unhindered growth, presents a significant challenge. Failure to identify, mitigate, or manage risks is acknowledged as potentially resulting in financial losses, operational disruptions, and reputational damage.

Key Policies



Environmental and Social Risk Management (ESRM) Policy

Sustainable Finance Policy

Enterprise Risk Management Framework

ICAAP Framework

Risk Appetite Framework

Risk Management Framework

ABK-Egypt understands the dynamic nature of risks & their interdependencies and in order to ensure that sound risk management is delivered across the different Bank's activities. The Enterprise Risk Management (ERM) has built an integrated framework reflecting the best market practices & the international standards. The department performance is assessed through an articulated Risk Appetite Statement, described in a set of key Risk indicators with a defined level of risk appetite, tolerance & limits. The Risk appetite statement is aligned with the Bank's strategic objectives, and it covers asset quality, solvency, concentration, earnings, liquidity, FX, interest rate and other metrics, such as those related to operational risk, reputation risk, regulatory compliance, IT, and information security.

Sub-Units



Provisions
& Portfolio
Management



Capital Planning
& Stress Testing



Market &
Liquidity Risk



Operational Risk
Unit & Business
Continuity



Information
Security

At ABK-Egypt, stress testing plays a crucial role in anticipating and preparing for adverse unexpected outcomes by employing forward-looking simulations under various severity degrees. These simulations encompass historical events as well as hypothetical scenarios, categorized as either systematic, related to the overall market, or idiosyncratic, specific to ABK-Egypt. The impact of these stress tests is assessed against key metrics including the capital adequacy ratio, which considers risk-weighted assets and the capital base, as well as profitability and other comprehensive income reserves where applicable.

Risk Categories



Market Risk

This risk relates to potential adverse impacts on asset, liability, or revenue values due to market conditions or rate/price movements. The Bank measures market risk daily for trading book positions, ensuring independent monitoring and approval of limits for major exposures. The Asset Liability Management Committee (ALCO) oversees and approves appropriate limits in line with Board policies. Capital assessment for market risk occurs under both Pillar I and Pillar II.



Foreign Exchange Risk

The Bank faces exposure to currency value fluctuations in its holdings and future cash flows in other currencies. Instruments like spot, forwards, and options help mitigate this risk. Treasury centrally manages foreign exchange exposures, setting limits for open positions and authorized currencies. The Bank assesses foreign exchange risk under Pillar II, utilizing historical volatility-based stress tests.



Interest Rate Risk

Arising from a mismatch in the repricing of loans and deposits, this risk affects the Bank's net interest income. The Bank manages this by quantifying exposures using repricing gaps and monitoring these against predefined limits. Simulations estimate the impact of interest rate scenarios on net interest income. Internally, the Bank assesses capital for interest rate risk under Pillar II.



Liquidity Risk

Pertains to the ability to meet financial obligations through access to funding at reasonable rates. The Bank analyzes projected liquidity needs, establishes management policies, and conducts stress tests to assess impacts under various scenarios. Liquidity risk appetite is governed by parameters such as liquid assets, loans to deposits, and stress tests under severe scenarios. The Bank assesses liquidity risk under Pillar II and adheres to Basel III recommendations, monitoring the Liquidity Coverage Ratio and Net Stable Funding Ratio daily.



Operational Risk

The Bank assesses operational losses and risk categories defined by Basel III. Cybersecurity and AML risks are measured separately due to their distinct significance.

Risks stemming from the documentation and execution of contractual rights are evaluated, including Credit Risk Mitigation (CRM) risks considering stressed collateral values.



Legal Risks

Stress scenarios are used to assess legal risks as part of the operational risk scenario analysis



Strategic and Reputation Risk

Capital for these risks is stressed across mild, medium, and severe scenarios to assess potential impacts on the Bank's standing and strategic objectives.



Cybersecurity Risk

Threats and attacks on the Bank's information assets are analyzed with varying severity levels to prepare adequate defenses.



AML Risk

Stress scenarios are created to identify potential losses arising from Anti-Money Laundering (AML) risks.



Climate Risk

The Bank identifies, and measures risks associated with climate change, incorporating appropriate capital charges to address these risks. This model was applied for ABK Group reporting only while at ABK-Egypt, the model is not yet applied and still in the process of capacity building.



Risk Appetite Statement and Limits

ABK Group has articulated a risk appetite statement describing the permissible boundaries within which risks are managed. This statement is the foundation for setting risk-taking capacities, establishing risk buffers, defining limits aligned with business strategies, and monitoring and reporting risk indicators. The risk appetite statement considers capital adequacy, Risk-adjusted return on capital, asset quality, concentration risk, interest rate risk, earnings volatility, liquidity risk, operational risk, reputational risk, AML risk, and regulatory compliance.

Monitoring and Reporting of Risk Appetite

The Group periodically monitors risk appetite, limits, and thresholds to assess risk exposure levels. This monitoring facilitates corrective actions to maintain risk levels within acceptable ranges, ensuring alignment with defined risk appetite parameters.

Risk Control and Governance Structure

The Bank maintains a comprehensive risk control mechanism, employing qualitative and quantitative analysis techniques. This involves identifying, measuring, monitoring, and controlling risks. The Risk Management Division, reporting directly to the Board Risk Committee, is structured to ensure effective compliance with risk control processes, including credit risk management, financial risk, operational risk, IT risk, compliance, and governance.

Risk Management Training Programs

ABK-Egypt recognizes the significance of risk management trainings and conducts multiple sessions to ensure its employees are well-equipped in managing risks effectively. These programs include the COSO Workshop, which provides an overview of the COSO Internal Control framework and focuses on building a Risk Control Matrix. There is also an AML Refresh Session for Executives, specifically targeting the Head of ERM. The Financial Risk Management Course

covers the process of identifying and analyzing risks, while the IFRS-9 program focuses on its implementation for banks and financial institutions.

ABK-Egypt also offers training on the International Framework of Basel Accords and the upcoming Basel IV regulations. Certification programs include CORO for Operational Risk Officer, CRISC for Risk and Information System Control, CISM for Information Security Manager, eCPTP for Professional Penetration Tester, ECTHP v2 for Threat Hunting Professional, and eWPT for Web Application Penetration Test. These training programs contribute to the development of employees' expertise in risk management, fostering a strong risk management culture within the organization.



Advancing Environmental and Social Risk Management (ESRM)

In 2023, ABK-Egypt established its dedicated Environmental and Social Risk Management (ESRM) division. Reporting directly to the Chief Risk Officer (CRO), this division assumes vital responsibilities to solidify ABK-Egypt's commitment to sustainability.

The ESRM division holds several crucial responsibilities within the organization. Firstly, it focuses on integrating environmental and social risks throughout the Risk Management Framework by conducting awareness sessions across departments. Secondly, efforts are underway to enhance analytical techniques for identifying, measuring, and controlling E&S risks by implementing an automated ESRM toolkit. Additionally, plans are being developed to manage portfolio concentrations in regions and sectors with heightened environmental risks. The division has also proposed and received approval for the development of an E&S Credit Risk Man-

agement Procedures Manual. Moreover, it suggests Key Risk Indicators (KRIs) to serve as benchmarks for environmental and social risk exposure. Finally, the division ensures regular reporting to the Chief Risk Officer/Board Risk Committee, providing detailed insights into the Bank's E&S risk practices, environmental risk exposures, portfolio breakdowns, high-risk transactions, incidents of non-compliance, and significant E&S accidents.

ESRM Defense Model

1st Line of Defense

Business staff should assess E&S risk before accepting new businesses and in the ongoing management of business relationships, particularly for sectors with higher E&S risk.

2nd Line of Defense

The risk management function and sustainability & sustainable finance department should monitor the business line's implementation of the Bank's environmental & social risk management system ESMS, including challenging practices and decisions, where appropriate. At the same time, the compliance function should ensure adherence to applicable rules and regulations.

3rd Line of Defense

The internal audit function serves as the last line of defense, integrating E&S risk considerations into the audit plan as part of its independent review. Also, the Internal audit is responsible for testing relevant controls and risks.

ESRM Manual

This serves as a guide for the Bank's stakeholders involved in various stages of assessing the environmental and social risks associated with potential lending projects or transactions. Its primary objective is to ensure that the projects or transactions being considered do not pose a liability to the Bank. The manual provides clear instructions on the process responsibilities, tools, and timelines for conducting E&S risk assessments. Additionally, it includes a comprehensive collection of supporting documents such as checklists and standardized formats that enable the evaluation of these risks in a systematic manner.

ESMS System Self-Assessment

ABK-Egypt has adopted the IFC - Diagnostic Tool for Financial Inclusion to conduct a self-assessment of its Environmental and Social Management System (ESMS). This tool allows users to evaluate the current state of their ESMS and identify any gaps that need to be addressed. Through a series of questionnaire answers, the assessment concludes whether the Bank is on the right track in terms of environmental and social management. The tool helps highlight areas where improvements can be made, providing valuable insights for the Bank to focus on and work towards enhancing their ESMS. Overall, the self-assessment tool aids in promoting continuous improvement and ensuring that the Bank's environmental and social management practices align with industry standards and best practices.

Enhancing Credit Analysis through ABK-Egypt's Environmental and Social Risk Management Policy

ABK-Egypt's Credit Risk Management has embraced sustainability principles, issuing its ESRM policy. This policy aligns with the CBE's guiding principles, emphasizing the integration of environmental and social factors into credit assessments for granting or renewing credit facilities. Key components of ABK Egypt's ESRM Policy include:



Screening of specified
Exclusion/Negative list of
prohibited activities.



Categorization of risk profiles
based on the assessment of
environmental impacts.



Review of Environmental
& Social Due
Diligence Questionnaire.

In Credit Analysis, the Following Steps are Undertaken:

- ✓ Summary/description of the transaction and its type.
- ✓ Industry and sub-activity analysis.
- ✓ Country of origin of product/operation.
- ✓ Categorization of Environmental and Social (E&S) risks as high, moderate, or low.
- ✓ Site visits to assess compliance with environmental and social principles, utilizing a checklist and exclusion list.
- ✓ Evaluation of potential negative impacts on people and the environment, including compliance with Egyptian laws, health and safety regulations, and risks associated with agricultural products.
- ✓ Assessment of whether the borrower/prospect adopts an Environmental and Social Management System (ESMS), including policies, procedures, training, and designated personnel for monitoring.
- ✓ Ensuring adequate labor working conditions and compliance with Egyptian labor laws.
- ✓ Development of an action plan for Environmental and Social risk management

ABK Egypt's structured approach to Environmental and Social Risk Management in Credit Analysis enhances the sustainability and resilience of its credit portfolio while promoting responsible lending practices.

Building Expertise in Environmental and Social Risk Management

Training programs and sessions play a crucial role in raising awareness among the departments involved in managing environmental and social (E&S) risks. These sessions focus on capacity building and aim to ensure that the management of E&S risks is integrated into the overall credit risk management process.

113

Training Hours



37

Attendees



This includes activities such as screening transactions, conducting due diligence, developing action plans, and implementing legal covenants. The sessions ensure that all heads and officers in the risk departments are familiar with the ESRM framework, enabling them to effectively identify, assess, and mitigate E&S risks throughout the lending process.



During 2023, a set of training programs and sessions were delivered across the Bank as follows:

ESRM – Related Training Programs

ESRM and ESMS by IFC

The program aims to enhance knowledge and skills in Environmental and Social Risk Management (ESRM) and Environmental and Social Management Systems (ESMS). It provides a unique platform for professionals in the banking sector to exchange insights, learn best practices, and discuss innovative strategies in these critical areas.

Climate Finance Acceleration Program Module 1 USAID & EBI

This module introduces participants to key concepts, definitions, standards, reporting frameworks, and classification systems in climate finance. It also examines the international regulatory landscape and supervisory trends, exploring their implications for Egypt's financial sector.

Climate Finance Acceleration Program Module 2_ USAID & EBI

In this module, participants investigate green growth opportunities, net-zero pathways, decarbonization strategies, and greenhouse gas (GHG) accounting to support sustainable development. The training provides a thorough understanding of climate risk assessment and management, covering physical and transition risks, scenario analysis, and climate strategy and governance.

Principles for Responsible Banking Academy by UNEP FI with (BMZ / GIZ and the Chartered Banker Institute)

This academy offers courses designed to help banks implement the Principles for Responsible Banking. Participants are required to attend one of the four learning courses that best match their job function. The key objective is to equip bankers with the expertise and tools needed to address the triple planetary crisis encompassing climate change, nature loss, pollution, and related social issues.

Green Finance Academy Egypt- by Frankfurt School of Finance & Management

The aim of this academy is to equip trainees with the necessary knowledge to effectively promote and communicate the value proposition of sustainable financial products. It enables participants to identify and capitalize on emerging opportunities in the growing market for sustainable investments, driving profitability and ensuring long-term success for the bank.

Investigations and Fraud Management

ABK-Egypt places significant emphasis on robust investigations and fraud prevention as integral components of its commitment to sustainability and ethical business practices. By vigilantly detecting and addressing fraudulent activities, the bank upholds transparency, accountability, and stakeholder trust. These efforts not only mitigate financial risks but also safeguard assets and ensure the sustainable operation of the bank. To streamline internal processes and enhance efficiency, the bank focuses on reducing turnaround time without compromising quality and plans to bolster security measures by integrating systems. Collaborative efforts with the IT department aim to develop a comprehensive case management system to centralize fraud cases, ultimately benefiting customers through expedited processes and more effective outcomes.

In terms of policy updates, ABK-Egypt has implemented significant enhancements to its “Periodic Security Management Work Procedures” to strengthen operational security, including strict controls for head office visitors, and monthly equipment checks at branches. Planned policy changes involve refining Fraud Control and Fraud Investigation Procedures to remove redundancies, introduce dynamic reports, and augment existing procedures with innovative measures such as Auto Dealer Evaluation and sample visits. ABK-Egypt’s policies are aligned with global and national standards, drawing guidance from organizations such as Mastercard Scenarios and the Association of Certified Fraud Examiners (ACFE) to ensure adherence to industry benchmarks and uphold ethical standards in operations.

Fraudulent Cases

115

Detected
Fraud Cases



0

Financial
Losses Incurred



During the period spanning from January to December 2023, ABK-Egypt detected a total of 115 cases related to fraudulent activities. Prompt action measures were diligently undertaken upon the identification of these cases to safeguard the Bank and its customers against the risks. Despite the detection of these instances, ABK-Egypt did not incur any financial losses due to these fraudulent activities. This outcome underscores the efficacy of the bank’s robust security measures and swift response protocols, ensuring that despite the occurrence of fraudulent attempts, the financial integrity and security of the bank and its stakeholders remained intact.



Focusing on Sustainable Economic Contributions



Inside this Chapter

Sustainable Finance

39

Understanding the interconnectedness between ABK-Egypt's operations and the broader economic landscape, the Bank is committed to fostering positive economic growth and contributing to sustainable development. ABK-Egypt is committed to actively managing the Economic Impact of its operations. By navigating risks, addressing challenges, and seizing opportunities, the Bank aims to contribute meaningfully to economic well-being while ensuring the sustainability of its business in a dynamic economic landscape.

Sustainable Finance

Sustainable finance is an integral part of ABK-Egypt's commitment to responsible banking. The Bank recognizes that sustainable finance encompasses the integration of ESG considerations into its core financial activities. ABK-Egypt adopts a proactive management approach to sustainable finance, aiming to create positive impact while maintaining financial stability and profitability.

ABK-Egypt's Sustainable Finance Strategy

ABK-Egypt is aligning itself with Egypt Vision 2030, the SDGs, and CBE sustainable finance framework, alongside other international and local standards and regulations. The strategy for sustainability and sustainable finance focuses on economic resilience, green and inclusive communities, governance, and people and human capital.

ABK-Egypt is committed to conducting its business operations and commercial activities in a socially responsible and environmentally sustainable manner. This commitment reflects ABK-Egypt's dedication to contributing positively to society and the environment while also supporting Egypt's national development goals and global sustainability initiatives.

Under the set 2024-2026 sustainability strategy, one of the main pillars includes enhancing sustainable finance criteria in the bank's financing activities. This holds under it 4 main points:



Incorporating elements of Sustainable Finance



Integrating tech solutions for environmental and social risk assessment.



Supporting financial inclusion with a diverse array of services



Promoting funding for climate change mitigation projects.

Key Policies



Sustainable Finance Policy

ESRM Policy

ABK-Egypt is to consider ESG factors in its investment and financing decisions to support sustainable activities, in line with the CBE's leadership in sustainable finance. This commitment is reinforced by ABK's Sustainable Finance Policy alongside the ESRM Policy. ABK's objective is to foster growth in a more inclusive and green economy by acknowledging its responsibility in addressing challenges like environmental degradation, global warming, greenhouse gas emissions, poverty, inequality, and unemployment.

Sustainable Finance Enactors

The sustainable finance department established mid-June 2023 was developed guided by regional and international agreements, goals and standards. This alignment encompasses significant frameworks such as the SDGs outlined in the UN 2030 Agenda, the Principles of Responsible Banking (PRB), Equator Principles, and the UN guiding principles on business and human rights.

Additionally, ABK-Egypt's approach integrates national frameworks and regulations like Egypt's Vision 2030, the CBE sustainable finance framework, and its financial inclusion strategy spanning from 2022 to 2025. Furthermore, the bank adheres to Egyptian Environmental Affairs Agency (EEAA) standards, along with national strategies addressing human rights and women's empowerment. This comprehensive strategy also includes a commitment to Egypt's national climate change strategy for the year 2050, showcasing ABK-Egypt's dedication to responsible and sustainable financial practices in line with global and local initiatives.

Opening Initiatives: Integrating ESG Principles into the Bank's DNA



ESG Champions Network

A network of ESG champions from across the bank has been established to enhance communication and embed ESG principles throughout all departments.

38 ESG Champions trained



ESG Induction for New Hires

ESG capacity building sessions for beginner ESG understanding

100 Employees Participated



Developing the ESRM System

An ESRM policy was developed, validated by the board, and communicated to all risk officers in the department to integrate environmental and social considerations into the credit risk assessment process proactively.



Setting the Sustainable Finance Policy

ABK-Egypt has implemented sustainable finance criteria to guide its activities, enhancing the consideration of sustainability factors in credit and bank decisions. (As seen below).

Bringing Sustainable Finance to life at ABK-Egypt

All divisions, roles, and business lines within ABK-Egypt are governed by the sustainable finance policy, guiding internal stakeholders towards economic sustainability. This policy encourages ABK-Egypt to prioritize responsible environmental and social impacts across all banking activities, including lending, investing, and underwriting, while adhering to good governance. This is enacted through the six sustainable finance pillars set by ABK-Egypt guided by the newly founded sustainability and sustainable finance department with chosen champions, set as focal points in each function to anchor the ESG principles.



ABK-Egypt's 6 Pillars of Sustainable Finance



1

Environmental and Social Risk Management

ABK-Egypt has established an Environmental and Social Risk Management (ESRM) department to identify and assess risks related to activities like lending to deforestation-involved businesses or investing in environmentally harmful projects. This proactive approach integrates environmental and social considerations into the credit risk assessment processes. The ESRM policy sets clear procedures aligned with CBE directives, implemented gradually to reduce transaction risks stemming from clients' environmental and social factors.

2

Sustainable Lending

ABK-Egypt offers sustainable lending to businesses and individuals meeting CBE's eligibility criteria. The bank develops various sustainable lending products, such as those addressing climate change or enhancing financial inclusion.

3

People

ABK-Egypt supports projects promoting social inclusion and enhancing people's lives, such as those focusing on clean water access, sanitation, education, and healthcare.

4

Governance

ABK-Egypt has a solid governance structure in place to support its sustainable finance activities. This includes having a board of directors that is committed to sustainability and a management team that is responsible for implementing ABK-Egypt's sustainable finance strategy.

5

Economic Resilience

ABK-Egypt backs resilient businesses in sustainable sectors with a competitive advantage, aiming for long-term economic stability. Job creation and economic opportunity projects are prioritized in the bank's financing sectors.

6

Carbon Footprint: Operational Activities

ABK-Egypt prioritizes environmental responsibility by measuring and reducing its carbon footprint, maintaining high energy, water-saving standards, and improving waste management. The bank also works to reduce carbon footprint in its portfolio and among its suppliers.

2023 Total ABK-Egypt Direct Lending Portfolio

EGP 36,809 Mn

Environmental and Social Lending Portfolio:

38

Projects

EGP 1,726 Mn

(4.69% of the Total)

Environmental Lending



EGP 360 Mn

Social Lending



EGP 1,366 Mn

Sustainable Finance Portfolio

ABK-Egypt adheres to the sustainable finance framework set by the CBE and utilize the classification of environmental and social projects to identify and prioritize sustainable transactions within its credit portfolio. The Bank's approach is comprehensive, focusing on both social and environmental categories to maximize the possible impacts ABK-Egypt can have.

ABK-Egypt is committed to financing and investing in projects and businesses that contribute to sustainable development.



Social Lending Portfolio

Our social lending portfolio plays a significant role in our sustainable finance initiatives, showcasing our dedication to community engagement. According to the CBE's social pillar classifications, health projects accounted for the largest portion, representing **74%** of the social direct lending portfolio and **59%** of our overall sustainable finance direct lending portfolio. The second largest portion falls under refinancing of microfinance projects, including smaller initiatives, making up **22%** of the social direct lending portfolio in 2023 and **17%** of the total sustainable direct lending portfolio. Additionally, social infrastructure projects constituted **4%** of the social direct lending portfolio and **3%** of the total sustainable direct lending portfolio, highlighting another key area of interest for ABK-Egypt.

2023 Social Lending Portfolio

27
Projects

3.7%
of the Total Lending Portfolio

EGP 1,366 Mn
In Funding

Health



22
Projects

74%
of the Social Direct
Lending Portfolio

EGP 1,009 Mn

Refinancing of Microfinance Projects



1
Projects

22%
of the Social Direct
Lending Portfolio

EGP 300 Mn

Social Infrastructure



4
Projects

4%
of the Social Direct
Lending Portfolio

EGP 57 Mn



Environmental Lending Portfolio

Aligning closely with the CBE's environmental projects classification, our environmental lending portfolio reflects a strong commitment to supporting projects that promote sustainable water management and conservation, climate smart agriculture and sustainable waste management. The highest portion of the investments in 2023 were dedicated towards climate smart agriculture, constituting **63%** of the total environmental direct lending portfolio of 2023, followed by water management with **36%** and waste management with **0.3%**.



2023 Environmental Direct Lending Portfolio

| | | |
|-----------------------|---------------------------------------------|---------------------------------|
| 11 Projects | 1% of the Total Lending Portfolio | EGP 360 Mn In Funding |
|-----------------------|---------------------------------------------|---------------------------------|

Climate Smart Agriculture



| | | |
|----------------------|---------------------------------------------------------------|-------------------|
| 5 Projects | 63.4% of the Environmental Direct Lending Portfolio | EGP 228 Mn |
|----------------------|---------------------------------------------------------------|-------------------|

Water



| | | |
|----------------------|---------------------------------------------------------------|-------------------|
| 4 Projects | 36.3% of the Environmental Direct Lending Portfolio | EGP 131 Mn |
|----------------------|---------------------------------------------------------------|-------------------|

Waste management (Reuse & Recycling)



| | | |
|----------------------|--------------------------------------------------------------|--------------------|
| 2 Projects | 0.3% of the Environmental Direct Lending Portfolio | EGP 0.98 Mn |
|----------------------|--------------------------------------------------------------|--------------------|

Nurturing Our Team

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ABK-Egypt recognizes that its most invaluable asset is its people. The Bank's unwavering commitment to its employees' well-being and growth is a main foundational pillar. By cultivating a diverse, inclusive, and nurturing workplace environment, ABK-Egypt ensures that its workforce is empowered and inspired to contribute their best. This section shows a glimpse of our endeavors in fostering professional development, nurturing talent, and prioritizing employees' health, safety, and overall welfare.

Valuing Our Workforce

Our people are a fundamental pillar to the inclusive and diverse workplace. Recognizing the importance of a fair and equitable environment, ABK-Egypt is dedicated to creating opportunities for all employees, irrespective of gender, ethnicity, age, or other characteristics. ABK-Egypt's commitment to equal and fair opportunities are integral to its values of fairness and inclusion. By navigating risks, addressing challenges, and embracing the opportunities presented by diversity, the Bank aspires to cultivate an environment where every employee can thrive and contribute to the organization's success.

Workforce Overview

At ABK-Egypt, our commitment to diversity and inclusion is integral to our operational ethos, reflecting in our concerted efforts to cater to the diverse needs of our regional client base. Embracing the rich backgrounds within our workforce, we foster an environment that values and celebrates diversity across gender, age, physical capabilities, and nationality, aligning with our vision.

1,589

Total Workforce in 2023



35%

(up from 33% in 2022) | Female Representation in 2023



31%

Female Representation in Management Positions in 2023



39%

Female Representation Among New Hires



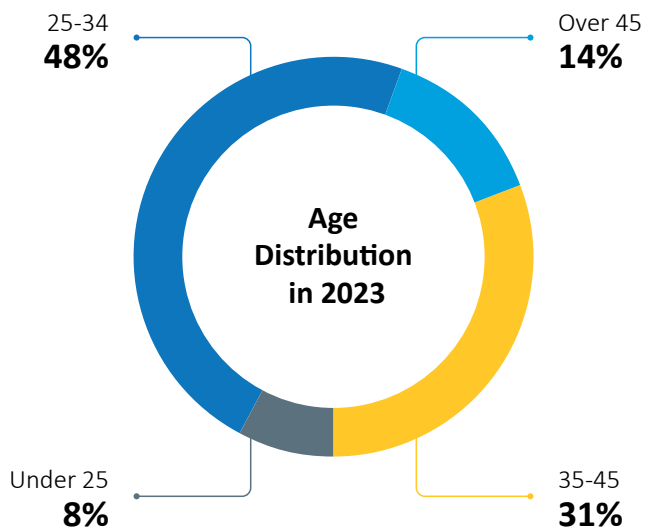
2%

PwD Representation



Age Diversity

Out of a total of **1,589** employees, **8%** are under 25 years old, **31%** fall within the 35-45 age group, **14%** are over 45, and the largest segment of the workforce, comprising **48%**, falls within the 25-34 age range. This diverse age distribution reflects the value ABK-Egypt places on leveraging a wide range of experiences and perspectives within its workforce.



Gender Diversity

The workforce at ABK-Egypt consist of 35% female representation, spread out amongst employee categories. We aim to ensure equitable representation across genders and provide equal opportunities.

35%

Female Representation in 2023
(2% growth from 2022)



36%

Female Representation in Entry Level positions in 2023

30%

Female Representation in Senior Management in 2023

33%

Female Representation in Executive Management in 2023



Female Empowerment by ABK-Egypt

In support of International Women's Day and the Central Bank of Egypt's financial inclusion initiative, ABK-Egypt provided benefits in the month of March in support of female empowerment; including free savings account opening, debit card issuance, personal accident insurance, and registration in the ABK Wallet electronic wallet. These benefits aim to empower women by facilitating financial access, security, and digital capabilities improving access to financial institutions and female financial literacy,

Employees with Disabilities

ABK-Egypt aims to commit to Egyptian regulations of PwD employment. Therefore since 2022 efforts were placed in increasing PwD representation in the workforce, such as ensuring the workplace is a comfortable environment. Since 2021, PwD representation grew by **192%** from **13** employees to **38** employees in 2022, which remained the commitment in 2023.

ABK-Egypt is committed to further enhancing the representation of PwD within its workforce. This commitment is evident by the **4%** PwD representation of total new hires, showcasing the bank's ongoing efforts to promote diversity and inclusion.

2%
of the Total Workforce



New Hires

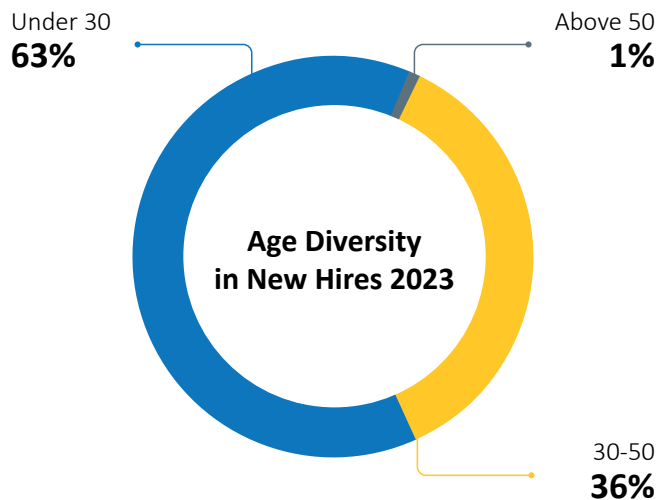
In 2023, ABK-Egypt's new hires amounted to 381 employees, showcasing a gender diversity ratio of 39% female representation in alignment with the organization's strategy. The high rate of female employment demonstrates ABK-Egypt's commitment to increasing gender diversity.

381

New hires in 2023



The new hires of 2023 consisted predominantly of employees under 30 (63%) demonstrating the youth employment efforts conducted by ABK-Egypt.



Employee Turnover

Throughout the reporting period, the total turnover rate stood at **184** employees, with **36%** female and **64%** male representation, reflecting the workforce distribution. ABK-Egypt acknowledges the importance of turnover within its workforce and is committed to comprehending the factors driving employee departures. Our goal is to minimize turnover and improve the overall employee experience within the organization.

Performance Evaluation and Appraisals

At ABK-Egypt, we uphold the practice of conducting annual performance appraisals for all employees as a fundamental aspect of our commitment to evaluating and acknowledging their contributions. To ensure alignment with KPIs across the Bank's divisions, specific objectives are mutually agreed upon for each employee. Regular reviews are conducted to assess individual performance against these objectives and their collective contribution to the team. At the conclusion of each year, each employee receives an official performance rating according to a predetermined timeline.

The appraisal process commences with employees completing self-appraisal forms. Subsequently, formal review meetings, led by line managers, are convened to offer feedback and establish a consensus on the evaluation of objectives. Following the completion of these meetings and upon the employees' agreement, Human Resources applies the rating distribution guidelines to finalize the scores. These scores are then transmitted to division heads to initiate the moderation process.

Leading Our People

Leading our people form the cornerstone of ABK-Egypt's commitment to nurturing a skilled and empowered workforce. Recognizing that continuous learning is essential in a dynamic business landscape, ABK-Egypt invests in programs and initiatives to foster professional growth and innovation among its employees. By navigating risks, addressing challenges, and leveraging the opportunities a skilled and continually evolving workforce presents, ABK-Egypt strives to maintain a competitive edge while ensuring its employees are equipped for success in their roles.

Wellbeing, Health, and Safety

At ABK-Egypt, we place a high priority on fostering employee well-being by providing parental leaves, comprehensive employee benefits, occupational health and safety protocols, and the organization of various employee events. To evaluate the effectiveness of these endeavours in promoting employee well-being, ABK-Egypt conducts annual employee satisfaction surveys. These surveys serve as a tool to assess and evaluate employee satisfaction and engagement levels, allowing us to continuously improve our workplace environment and policies.

Health and Safety at the Workplace

At ABK-Egypt, safeguarding the health and safety of employees is paramount. Our approach to occupational health and safety begins with a rigorous hazard identification process, involving workplace inspections, consultation with experts, and analysis of past incidents. We assess potential harm to individuals and evaluate existing control measures before categorizing risks based on their probability and severity. Following a systematic hierarchy of control measures, including elimination, substitution, engineering controls, administrative controls, and personal protective equipment, we prioritize risk mitigation. By implementing this approach, we ensure that hazards are effectively managed, and the likelihood of harm is minimized. ABK-Egypt remains dedicated to providing a safe work environment for all employees, fostering a culture of health and safety throughout the organization.

Health and Safety Training

ABK-Egypt prioritizes employee health and safety through comprehensive training programs. Employees attend mandatory sessions provided by the HSE department or authorized external parties. Close coordination with relevant departments ensures operations impacting health and safety are addressed promptly. Communication channels such as emails, calls, and meetings are utilized to engage staff, handle concerns, and promote participation. In 2023, 15 training sessions were conducted, highlighting the commitment to ongoing education and support for a safe work environment.

15

Training Sessions



40

Trainees



Wellbeing: Supporting Parents

At ABK-Egypt, our goal is to offer a work environment that supports parents and promotes a healthy work-life balance. This commitment is reflected in the high rate of employees returning to work after maternity and paternity leave in 2023.

Total Return to Work Rate

95%



Employees Who Returned to Work After Parental Leave

100% of Males



90% of Females



ABK-Egypt offers parental leave to both fathers and mothers, resulting in a high return-to-work rate in 2023. This highlights the organization's commitment to supporting a stable work-life balance for parents, fostering a healthy environment for both mothers and fathers.



Celebrating Our Employee of the Para-Taekwondo National Championship

ABK-Egypt proudly recognizes and celebrates the remarkable achievement of Abdul Rahman Mahmoud, a valued member of the Internal Audit department, who clinched the Gold Medal in the National Championship for Para-Taekwondo. As an organization committed to fostering talent and supporting its employees in various aspects of their lives, ABK-Egypt applauds Abdul Rahman's victory in the tournament organized by the Egyptian Taekwondo Federation. This aligns with the encouragement of promising talents within its workforce.

Beyond Disability – A Journey of Strength and Success

ABK-Egypt is honored to have one of its employees, Mohamed Hussein, who is not only a distinguished athlete of Police Club and the Egyptian national team but also a valued member of our finance department. Mohamed has earned numerous awards, including the National Championship, Egypt Cup, and titles in both African and World competitions. He notably secured the National Championship Shield in weightlifting and competed in the 2024 Para Powerlifting World Cup in Sharm El Sheikh.

Despite being a person with disabilities and using a prosthetic leg, Mohamed exemplifies resilience and dedication, inspiring many with his remarkable journey.



Cultivating Talent and Skills

Employees are paramount at ABK-Egypt, reflecting the Bank's commitment to creating a work environment that prioritizes its workforce. Acknowledging that employees and talents are the organization's backbone, ABK-Egypt invests in comprehensive programs to ensure their physical and mental health, fostering a culture of safety and care. ABK-Egypt is dedicated to creating a workplace where all stakeholders feel safe, valued, and supported in their well-being.

Learning and Development

ABK-Egypt places a strong emphasis on employee learning and development, employing a comprehensive framework that includes personalized career development plans and focused training programs. The Bank actively encourages internal mobility, enabling employees to broaden their expertise and explore different roles within the organization.

The Bank conducts over **128** different types of training programs falling under multiple categories. ABK-Egypt believes in providing mutually beneficial training programs, by choosing programs aimed at improving operational excellence while also growing the professional capacities of the workforce.

58,732

Total Training Hours













36.7

Average Training Hours Per Employee



Categories

| | | |
|-------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | Financial Management | Enhancing financial decision-making skills and risk management strategies for better organizational performance and profitability |
|  | IT and Technical | Equipping participants with essential technical skills and knowledge to effectively manage and operate IT systems and databases. |
|  | Compliance | Providing comprehensive training on regulatory compliance |
|  | Anti-Fraud | Providing fraud prevention measures to safeguard against financial crimes. |
|  | Banking Operations and Management | Improving efficiency and accuracy in banking operations while enhancing knowledge of various financial products and services. |
|  | Leadership and Management | Developing strong leadership qualities and management skills for effective team management and strategic decision-making. |
|  | General Skills & Development | Offering a diverse range of skills development programs including communication, digital marketing, and business analysis. |
|  | Legal | Educating stakeholders on legal aspects of banking operations |
|  | Customer Service and Experience | Training provided to enhance customer service skills and creating improved customer experiences, creating an institution trained in customer engagement excellence |
|  | Customer Rights Protection | Training provided to enhance employees' understanding of customer rights, regulatory compliance, handling complaints, and protecting customer privacy. |

Talent Acquisition and Development

Reaching out to the Youth

At ABK-Egypt, our commitment to identifying and nurturing young talent extends beyond mere recruitment; it's a cornerstone of our sustainable business practices. We firmly believe in providing promising individuals with opportunities to grow and contribute to the dynamic landscape of the banking industry and foster a sustainable future. Our active engagement in various programs and events is a testament to our dedication to shaping future leaders with a sustainable mindset.

Youth Outreach

01

Engineers Summit 2023: Cultivating Innovation

The Engineers Summit is a pivotal platform where innovation converges with potential, creating opportunities for sustainable solutions. ABK-Egypt eagerly participated in this summit held at the Greek Campus. Our enthusiastic presence represents our unwavering commitment to discovering and nurturing the brightest minds among the new generation, with a keen focus on nurturing sustainability-driven initiatives. During this event, our recruitment team offered insights into the diverse career opportunities available across various departments at ABK-Egypt, emphasizing our commitment to fostering sustainable talent.



02

Egypt Career Summit 2023: Empowering Future Leaders for Sustainable Growth

Our participation in the Egypt Career Summit 2023 reflects our belief in the potential of the new generation and our dedication to developing youth with a sustainability-oriented mindset. This summit allowed students to interact with our recruitment team, allowing them to explore the array of job opportunities and internship programs available at ABK-Egypt, emphasizing our focus on sustainable career development.



03

Building Connections and Opportunities through Universities Fairs

ABK-Egypt actively participates, sponsors and engages in prestigious employment fairs across leading universities, emphasizing sustainable career paths. These events serve as invaluable platforms to engage with aspiring talents, fostering meaningful conversations about sustainable career paths and providing insights into the dynamic banking landscape. We maintain a consistent presence in university career fairs, offering avenues to explore exciting career paths and internship opportunities with a solid aim of empowering and enlightening youth.



Investing in Promising Young Talents

Our commitment transcends mere recruitment efforts. ABK-Egypt is resolute in providing ongoing training, employment opportunities, and empowerment programs that harness the potential of promising young talents while instilling a sustainable mindset. We endeavor to foster an environment that nurtures innovation and cultivates growth opportunities for the next generation of leaders committed to sustainability.

Youth Employment & Training

01

ABK-Egypt Credit Academy: Fostering Learning and Growth

The ABK-Egypt Credit Academy, now in its third installment, epitomizes our unwavering commitment to structured learning opportunities for Fresh graduates. The participants certified through this program were equipped to make substantial contributions across departments and encouraged to integrate sustainable practices. Our rigorous selection criteria, focusing on communication, analytical skills, and academic excellence, ensure the inclusion of talents aligned with our strategic vision of sustainability.



02

Summer Internship Program: Investing in Potential, Fostering Mindsets

Tailored for second and third-year university students, our Summer Internship Program offers a hands-on immersion into the banking industry while nurturing a consciousness for sustainable practices. This month-long training in our branches or head office departments provided invaluable firsthand knowledge, significantly enhancing students' prospects of entering the financial sector with a sustainability-oriented approach.



Placing Customers at the Apex



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Customers are the pinnacle of the Bank's continuity, purpose and vision. ABK-Egypt's dedication lies at providing unparalleled customer service and value. The Bank endeavors to go beyond conventional and traditional banking by understanding and addressing the diverse needs of its customers. By placing customers at the zenith of operations, ABK-Egypt aims to deliver innovative financial solutions, exceptional experiences, and unwavering support, ensuring that every interaction exceeds expectations and contributes to the financial well-being of its clientele.

Enhancing the Customer Journey

With a commitment to excellence, ABK-Egypt aims to deliver a seamless, customer-centric banking journey that exceeds expectations. ABK-Egypt's commitment to elevating Customer Experience reflects its dedication to building enduring relationships and sustaining customer trust. By proactively addressing risks and challenges, ABK-Egypt positions itself to seize opportunities for continuous improvement and innovation, ensuring a positive and memorable banking experience for all customers.

Key Policies



Customer Confidentiality Policy

Complaints & Customer Rights Protection Procedure

Complaints & Customer Rights Protection Guide



Ensuring Customer Satisfaction and Managing Complaints

At ABK-Egypt, customer satisfaction is our top priority. We are dedicated to providing innovative, high-quality financial solutions and services, tailored to meet and exceed our customers' needs and expectations.

2,771

Total Customer Complaints Received
(down from 5,588 in 2022)

98%

Complaints closed within the
Agreed turnaround time (TAT)

15 Days

Agreed Resolution TAT

ABK-Egypt aims to improve complaints closure turnaround time (TAT) for better service to our customers. The initiative resulted in a significant achievement, with 98% of received complaints closed within the agreed TAT of 15 days. This efficiency ensured customers received timely responses, allowing for the efficient handling of complaints while identifying procedural gaps and reviewing and amending procedures based on the Compliance and Customer Protection Unit (CCPU) recommendations covering process gaps, reducing the volume of related complaints. Additionally, the Customer Rights Protection Guide assists in disseminating banking awareness to ABK-Egypt customers, educating them on their responsibilities and rights, enhancing customer awareness, and empowering them to present their complaints efficiently through various touchpoints.

The Bank is always keen to address customers' concerns and complaints. This is achieved through improved customer communication through different channels and enhanced customer complaints processing and response, through the Complaints & Customer Protection Unit of the Bank, where complaints are directed through the call center, branches or directly to Management.

The main stakeholder involved in the grievance mechanism for review and improvement of it is the regulators central bank of Egypt and Central bank of Kuwait where it does not contradict any of the set instructions by CBE.

Customer Rights Protection

At ABK-Egypt, safeguarding customer rights and promoting banking awareness are core responsibilities. The Bank is dedicated to upholding principles that protect customer rights while nurturing a culture of confidence and comfort among its clientele. As part of this commitment, a customer rights protection campaign is conducted to raise awareness and educate customers about their rights. Additionally, the Customer Rights Protection team conducts mystery shopping surveys to assess the level of service provided to the Bank's clients across its various branches..

ABK-Egypt obtained ISO/ 27001:2013 certification for its compliance with international standards of data protection and information security. Providing an extra layer of assurance to all clients and customers that all their data and transactions will always be handled with the outmost security and privacy.

For more information about ABK-Egypt's Customer Rights Protection, and communication channels, please visit our [website](#).

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Innovating Our Offerings

In pursuing innovation, ABK-Egypt focuses on pioneering products and services that reflect the dynamic landscape of the financial sector. However, this journey is not without risks. Innovating new offerings brings risks related to market acceptance, technological disruptions, and regulatory compliance. The failure of new offerings might lead to financial losses and damage the Bank's reputation. Developing pioneering products and services requires substantial research, investment, and technological advancements. Adapting to rapidly changing customer needs while maintaining quality and security standards presents a significant challenge. Nevertheless, innovation leads to differentiation and competitive advantage. Pioneering products and services can attract new customers, enhance customer loyalty, and position the Bank as an industry leader, fostering growth and profitability.

Innovative Product Offerings and Commitment to Customer Satisfaction

Through a commitment to innovation and customer-centricity, we have established key pillars to drive future growth and enhance customer satisfaction. Our focus on product development involves closely monitoring competitor movements and implementing proactive and reactive retention strategies to maintain market leadership. We prioritize the development of new products and enhancements to existing ones, always ensuring strict adherence to risk policies and efficient management of acquisition costs across all channels. Additionally, our dedication to promotion involves running market-competitive sales and customer promotions to attract and retain customers while maintaining our market share. Our agile approach to launching new products ensures that we remain responsive to market needs and trends, delivering innovative solutions that meet the evolving needs of our customers. Through these efforts, ABK-Egypt reaffirms its commitment to innovation and customer satisfaction, empowering customers to achieve their financial goals while driving sustainable growth for our organization.

ABK-Egypt's Diverse Product Offerings

ABK-Egypt introduced a range of diverse products in 2023, catering to the varying needs of its customers. These products were designed to enhance the value proposition and expand the product mix of the bank.

Credit Cards Promotional Campaigns

ABK-Egypt launched multiple credit card promotional campaigns, including the "Ramadan campaign," "Eid & Eastern campaigns," "Dormant Credit Card Campaign," and "Educational Fee Instalment Campaign." These initiatives aimed to boost card usage and enhance the business figures associated with credit cards.

Enhanced Assets Programs Policy Lending Framework

The bank focused on strengthening its lending framework for loans and cards, thereby enhancing the value proposition of these offerings. This initiative aimed to provide customers with improved access to credit and align the bank's lending policies with customer needs.

Wealth Debit Platinum Card

ABK-Egypt introduced the Wealth Debit Platinum card as a new product. This exclusive card offering aimed to enhance the bank's product mix, catering to customers seeking premium banking services and privileges.

Auto Loans Downpayment Program

In an effort to make auto loans more accessible, ABK-Egypt launched downpayment programs offering discounts of 30% and 40% for auto loans. These programs also included the provision of free insurance policies, further enhancing the product offering for auto loans.

Liability Products

ABK-Egypt expanded its liability product offerings by launching a USD 3 years Certificate of Deposit (CD) and a USD 1-year floating Term Deposit (TD). These products aimed to provide customers with diverse savings options and contribute to the bank's liabilities product mix.

Commercial Auto Loans Program

Recognizing the demand for commercial auto loans, ABK-Egypt launched a dedicated program to cater to this market segment. The program aimed to provide financing solutions tailored to the needs of businesses and individuals looking to purchase commercial vehicles.

Revamped Secured Auto Loans Program

ABK-Egypt revamped its existing secured auto loans program to offer an improved value proposition. This initiative aimed to provide customers with attractive financing options for their vehicle purchases while ensuring the security of the loan.

Repricing of Saving Accounts and CDs

To align with market dynamics, ABK-Egypt repriced its Local Currency (LCY) saving accounts, companies' CDs, and individuals' CDs. This initiative aimed to provide competitive interest rates and flexible terms, enhancing the bank's liabilities product offering.

Partnership Agreements

To enhance the value proposition of its cards, ABK-Egypt established partnership agreements with 15 selected partners, such as hotels and electronics retailers. These collaborations aimed to provide cardholders with exclusive benefits, discounts, and privileges when engaging with these partner establishments.

Auto Loan Promotions and Enhancements

ABK-Egypt introduced various promotions and enhancements for auto loans, including the "Top-Tier Agencies new Incentive," "100% financing program," and "Exotic Programs new loan amounts." These initiatives aimed to provide customers with flexible and attractive options when financing their vehicle purchases.

Broadening Accessibility to Services

At ABK-Egypt, expanding financial reach involves entering new markets or demographics, bringing opportunities and risks. Expanding into new markets might face regulatory hurdles, market saturation, or economic uncertainties in the target regions. Adapting services to diverse cultural and socioeconomic contexts poses logistical and operational challenges. Yet, this expansion creates opportunities for market growth, new revenue streams, and fostering financial inclusion. It enables the Bank to serve underserved populations, providing financial stability and creating a broader customer base. Reaching new markets demands comprehensive market research, localized strategies, and an understanding of the unique financial needs of each segment. Overcoming these challenges presents opportunities for sustained growth and increased financial accessibility.

Accessible Banking

ABK- Egypt is committed to ensuring accessible banking services for all its customers. As part of this commitment, the Bank has equipped its branches and ATMs with accessibility features to accommodate individuals with disabilities and diverse needs. Through initiatives such as wheelchair ramps, tactile signage, and accessible entryways, ABK- Egypt aims to create an inclusive banking environment where every customer can access services independently and with ease.

6

Number of Accessible Branches for PwDs



13

Number of ATMs Accessible to PwDs



Financial Inclusion & Literacy

ABK-Egypt places a high importance on promoting financial inclusion, aiming to make sure that everyone, including different market segments and individuals, can easily avail themselves of vital banking services. The Bank's approach is in line with the country's objectives and the plans of the CBE, with a particular emphasis on offering simplified and easily accessible services that come with inclusive advantages, catering to the various sections of society.

Serving All Segments

Under the umbrella of the CBE's initiatives, ABK-Egypt has celebrated various events, offered facilitated financial services and extending banking services to everyone. The Bank's offering were diverse, including and not limited to: opening fee-free savings accounts, obtaining complimentary direct debit cards, access to ABK-Egypt's electronic wallet, and free personal accident insurance policy.

Farmer's Day



مبادرة الشمول المالي للاحتفال بعيد الفلاح
افتح حساب توفير بدون مصاريف من ١-١٥ سبتمبر



Arab Financial Inclusion Day



بمناسبة اليوم العربي للشمول المالي
افتح حساب بدون مصاريف خلال الفترة من ١-٣٠ أبريل



World Savings Day



Women's Day



International Youth Day



Promoting Financial Inclusion Across Diverse Communities

Educational Campaigns at Elsewedy Technical Academy

Stemming from the Bank's belief in the importance of raising awareness on the importance of financial literacy among youth, the Bank organized a series of financial and digital literacy awareness campaigns for students in El Sewedy Technical Academy, and a financial literacy seminar for undergraduate students who joined the Bank's 2023 summer internship program which was attended by over **100 students**, targeting raising awareness on financial literacy, the importance of saving, as well as basic awareness on digital banking products.

Women's Day Financial Literacy Seminar

ABK-Egypt's commitment to developing financial acumen among women was evident in the educational seminar hosted for various segments, including housewives, employees, students, industrial workers, and entrepreneurs. The session emphasized the importance of savings financial planning and provided insights into banking products, aiming to empower women from diverse backgrounds.

Promoting Financial Inclusion for People with Disabilities

ABK-Egypt marked the International Day of People with Disabilities by launching an initiative focused on promoting financial inclusion. The initiative aimed to enhance awareness and offer financial literacy sessions, empowering individuals with disabilities to manage their finances effectively. To achieve this, ABK-Egypt organized three activation events across various locations. The primary objectives of these activations were to raise awareness about financial inclusion and improve financial literacy, particularly among people with visual impairments, providing them with solutions to tackle life's challenges. Collaboration partners included Al Nahda University, El Nour W El Amal Associations, and Nour El Baseera Associations.

Empowering Women and Youth through Financial Inclusion

On International Women's Day, A BK-Egypt conducted a seminar in conjunction with Al Orman Foundation in Bani Sweif Governorate. The seminar drew participation from a diverse group of **150 women**, encompassing housewives, employed individuals, students, and women with special needs. The primary objectives of the seminar were to promote financial literacy and facilitate the opening of accounts, with the overarching aim of expanding ABK-Egypt's client base.

ABK-Egypt participated in the **"International Youth Day"** under the auspices of the CBE that took place from August 1st to August 15th, 2023, as part of the Bank's strategy to foster financial inclusion and boost financial literacy amongst unbanked segments.

ABK-Egypt Celebrates Farmer's Day

On Farmer's Day ABK-Egypt collaborated with two distinct branches of the General Agricultural Cooperative Association for Credit across different governorates. The objective was to conduct two awareness sessions focusing on enhancing financial literacy among farmers. These sessions aimed to clarify banking fundamentals and emphasize the significance of saving, while also introducing the various types of Financial Inclusion accounts available through ABK-Egypt and elucidating their associated benefits. The ultimate goals of these sessions were to encourage the opening of accounts, thereby augmenting the client base of ABK-Egypt, while concurrently fostering increased awareness among farmers regarding financial matters.



Integrating the Community



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In the heart of ABK-Egypt's commitment lies the profound significance of community. With an unwavering dedication to societal welfare, the Bank endeavors to be more than just a financial institution. Community forms the cornerstone of its operations, driving initiatives that transcend beyond banking services. ABK-Egypt actively engages in community upliftment, focusing on sustainable impact. Through collaborative efforts and inclusive programs, ABK-Egypt aspires to fortify the communities it serves and foster a more vibrant, resilient, and connected society.

Encouraging Community Participation

Community Development and Empowerment are central themes in ABK-Egypt's commitment to social responsibility. The Bank recognizes that its success is intrinsically linked to the well-being and prosperity of the communities it serves. ABK-Egypt endeavours to be a catalyst for positive change, uplifting and empowering communities through various initiatives. ABK-Egypt's commitment to Community Development and Empowerment reflects its responsibility as a corporate citizen.

Empowering Communities through Sustainable CSR Initiatives

ABK-Egypt is dedicated to Corporate Social Responsibility (CSR) in its community engagement efforts. We believe in making a positive impact beyond banking services by supporting various social and environmental initiatives. Our CSR programs aim to uplift communities, promote sustainability, and address pressing societal issues. Recognizing the importance of diversification, the Bank aims to broaden its initiatives across various sectors, with a particular emphasis on reaching underprivileged segments of society. Through strategic partnerships with NGOs, ABK-Egypt is committed to executing sustainable projects that will have a lasting impact, extending over a 5-year plan to maximize benefits for communities. This approach reflects the Bank's dedication to creating meaningful and enduring positive change while actively engaging stakeholders and amplifying its societal impact.



Medical Care



ABK-Egypt's Partnership with the Magdi Yacoub Global Heart Center (MYGHC)

Our partnership with Magdi Yacoub Global Heart Center marks a significant commitment to advancing healthcare infrastructure and improving access to critical cardiac services in Egypt. Through a financial donation totaling EGP 3 million, disbursed over three years covering the cost of a Double Wardroom, an ICU Cubicle, and an Outpatient Clinic. ABK-Egypt demonstrates its steadfast support for the construction of the MYGHC facility located in Giza.

The outpatient clinic at MYGHC is projected to serve over 3,500 patients annually, providing comprehensive cardiac evaluations, consultations, and follow-up care. Moreover, the double wardroom at MYGHC is poised to accommodate more than 133 patients and the ICU Cubicle is projected to serve approximately 65 patients annually.

3,500

Clinic Patients Served Annually



ABK-Egypt's Commitment to Healthcare Access for Behaira's Children

ABK-Egypt, in partnership with IBF, extends its commitment to healthcare access for Behaira's children through sponsoring and facilitating five medical convoys. This initiative aims to provide medical services, treatment, and medications to 3,500 children and 7,000 patients overall in underprivileged villages. The effort also includes health awareness sessions for children and caregivers, reinforcing ABK-Egypt's dedication to social responsibility and community welfare.

133

Wardroom Patients Served Annually



65 ICU

Patients Supported Annually



7,000

Patients in underprivileged villages are served (of which **3,000** are children)



Ibrahim Badran Foundation (IBF) and ABK-Egypt join forces for the third year in a row

ABK-Egypt signed agreement with Ibrahim Badran Foundation (IBF) in Q3 2023 to sponsor 10 medical convoys for children in Behaira Governorate and deliver quality healthcare services to children, after its successful partnership with the foundation in 2021 and 2022 that served children in Qalyubia and Sharqiyah governorates. The convoys were dispatched to provide healthcare services, treatment, and medications to 7000 children in underprivileged villages in Behaira in parallel to the general health awareness sessions done for children and their guardians.

7,000

children Included



Supporting Young Cancer Patients through the Children's Cancer Hospital 57357

ABK-Egypt continues its impactful partnership with the 57357 Cancer Hospital, demonstrating unwavering dedication to community support and healthcare. By funding the treatment of 16 young cancer patients, ABK-Egypt contributes to providing access to vital therapies and supportive care services

16

Cancer patients supported



ABK-Egypt's Partnership with Al Nas Hospital: Advancing Pediatric Cardiac Care

ABK-Egypt formalized an agreement with Al Nas Hospital, cementing our commitment to supporting the healthcare sector. The agreement entails a financial contribution of EGP 1,200,000 aimed at funding 10 open heart surgeries and Cardiac Catheterizations specifically tailored for children. This donation underscores ABK-Egypt's dedication to enhancing healthcare services and facilitating life-saving medical interventions within the community.

10

Open heart surgeries funded



Supporting Burn Victims through Ahl Masr Foundation

ABK-Egypt has collaborated with the Ahl Masr Foundation to provide critical treatment for burn victims. As part of its commitment, ABK-Egypt provided funding for life-saving medical equipment essential for treating burn victims. Through this initiative, ABK-Egypt aims to positively impact the lives of over 414,720 patients, underscoring its dedication to supporting those in need within the community.

414,720

Burn Victims Supported



Eliminating Hunger

ABK-Egypt's Continuous Partnership Efforts with the Egyptian Food Bank

With an innate understanding of the crucial role of corporate social responsibility, ABK-Egypt partnered with The Egyptian Food Bank (EFB) to distribute 1,000 boxes of food.

In the spirit of giving, ABK-Egypt's employees along with their families and little children participated in food packaging in an attempt to bring joy to the hearts of many Egyptian families in greater Cairo and Qalyubia Governorates.

1,000

Boxes Distributed



Education



ABK-Egypt Contribution to Galala University (GU)

ABK-Egypt has allocated a total amount of **EGP 500,000** to support Egyptian students by sponsoring their full academic tuition fees and providing scholarships. This contribution benefits **30 students** enrolled in various fields and programs at Galala University for the academic year 2022-2023. The supported disciplines include Pharmacy, Computer Engineering, Basic Sciences, Dental Medicine, Engineering, Physical Therapy, Nursing, Dentistry, Medicine, and Applied Health.

500,000 EGP

Total Amounts Contributed



30

Students Supported



Sponsorship and Scholarships at El Sewedy Technical Academy (STA)

ABK-Egypt has contributed to the education sector through its support of El Sewedy Technical Academy (STA). This contribution involves sponsoring a full class consisting of 32 students enrolled in the academy's three-year secondary level technical education program. Additionally, ABK-Egypt has established a scholarship fund to assist needy students in accessing education opportunities at the academy. This initiative underscores ABK-Egypt's commitment to promoting educational advancement and facilitating access to technical education for students in need.

32

Technical Education Students Supported



ABK-Egypt Donation to Kolena Maa Baad Organization (KMB)

ABK-Egypt has donated to the Kolena Maa Baad organization (KMB) with the aim of enhancing educational opportunities for Egyptian children. This contribution entails the sponsorship of one community classroom, catering to a total of 46 students in Fayoum governorate for the academic year 2023-2024. The donation covers various expenses including school supplies, teacher salaries, educational trips, workshops, training sessions, administrative costs, and maintenance. This initiative underscores ABK-Egypt's dedication to providing quality education to children residing in the most vulnerable villages of Egypt, particularly through the establishment of community schools.

ABK-Egypt and Zewail City of Science and Technology Public School Scholarship Fund

ABK-Egypt, in collaboration with the Zewail City of Science and Technology, is supporting the Zewail City of Science and Technology Public School Scholarship Fund. This initiative offers scholarships to outstanding students from public schools who are pursuing Bachelor of Science degrees. Over a five-year period from 2019 to 2023, the fund supported nine students in their educational endeavours.



Customer Collaboration for Community Progress

ABK-Egypt is committed to Customers Inclusion in its community engagement efforts. By actively involving and supporting its customers, the Bank ensures that the community's needs and concerns are at the forefront of its initiatives. ABK-Egypt strives to create opportunities for its customers to participate in and benefit from various social responsibility programs, fostering a sense of belonging and shared responsibility within the community.

El Sadaqa Certificate of Deposit

ABK-Egypt's El Sadaqa Certificate of Deposit embodies community engagement during the month of giving. Investors enjoy a distinguished 5-year return, with 100% directed to chosen charities, such as Children's Cancer Hospital Foundation 57357, Bahia Foundation, Magdi Yacoub Heart Foundation, Egyptian Food Bank and Ahl Misr Hospital for free burn treatment. This initiative underscores ABK-Egypt's commitment to channeling financial contributions into impactful community support, fostering a culture of compassion and philanthropy.



Harnessing Employee Engagement for Social Good

ABK-Egypt values Employee Participation in community engagement. We empower our employees to actively contribute to meaningful social responsibility initiatives. Their involvement reflects our commitment to fostering a more compassionate and socially responsible society.



Partnership with the Egyptian Food Bank



ABK-Egypt has teamed up with the Egyptian Food Bank in a community engagement initiative, distributing 1,000 food boxes to families in greater Cairo and Qalyubia Governorates. What makes this initiative impactful is the active involvement of ABK-Egypt's employees and their families in the food packaging process, adding a personal touch to the act of giving. This focused effort demonstrates ABK-Egypt's commitment to targeted community impact and corporate social responsibility.



Visit to Baheya El-Sheikh Zayed Foundation



As part of its commitment to Corporate Social Responsibility, ABK-Egypt organized a staff visit to Baheya El-Sheikh Zayed Foundation for Breast Cancer treatment. The visit aimed to provide moral support to cancer fighters and underlined the bank's dedication to supporting Egyptian women. In addition to the visit, ABK-Egypt, a long-term partner of Baheya, made a financial contribution to the construction of the hospital's Hematology laboratory. This contribution plays a vital role in facilitating early detection tests for tumors, furthering the bank's engagement in meaningful initiatives for the community's well-being.

The Visit also had an awareness seminar for the Bank's female employees on breast cancer, tackling the importance of early detection, treatment, and the necessary preventive measures. During the visit, a tour was organized inside the hospital for female bank employees to purchase handcrafted merchandise in support of Baheya fighters and gave out gifts to cancer fighters on behalf of the Bank as a gesture of reassurance and encouragement.

11 Women Participated | **20** Employees Participated



Ramadan Visit to 57357 Hospital

ABK-Egypt managed & organized a visit to 57357 Hospital that witnessed the participation of **12 employees** to decorate the hospital for the holy month of Ramadan in addition to gifting the children hoping to draw a smile on the children's face and help uplift their moral through their battle

Partnering with NGOs for Impact

In May, ABK-Egypt coordinated an exhibition enabling NGOs focused on people with special needs and disabilities to showcase and sell their products, with the audience being APK's head office staff. This event served to support individuals with disabilities, and promote their involvement in the community, by providing them with opportunities to contribute through entrepreneurship. The initiative aimed to empower individuals with disabilities, foster community integration, and encourage their economic independence.

ABK-Egypt also coordinated a clothing donation campaign in collaboration with Al Orman Association. The campaign's objective was to collect and distribute unneeded clothes, shoes, and bags from employees and direct it to individuals in need. The initiative sought to support impoverished communities in rural areas during the month of December by providing them with essential items to meet their basic needs.



Blood Drive Campaign

In March 2023, ABK-Egypt organized a blood drive campaign at its Smart Village Headquarters. This initiative aimed to support the "Abu El-Reesh El-Mounira" University Children Hospital in collaboration with Dr. Mohamed El Shabrawishy Hospital.

The primary goal of the campaign was to encourage ABK-Egypt's employees to actively participate in community services, emphasizing the significance of blood donation in treating and saving the lives of young patients. The initiative aligns with ABK-Egypt's broader strategy of enhancing public health and well-being through socially responsible actions.

Health screenings and monitoring were integral aspects of the campaign to safeguard the well-being of donors. Specialized physicians were engaged to conduct comprehensive health assessments on potential donors. These assessments included monitoring blood pressure and hemoglobin levels to ensure that donors were in optimal health condition before participating in the blood drive.

77 Employees have donated

Empowering SMEs

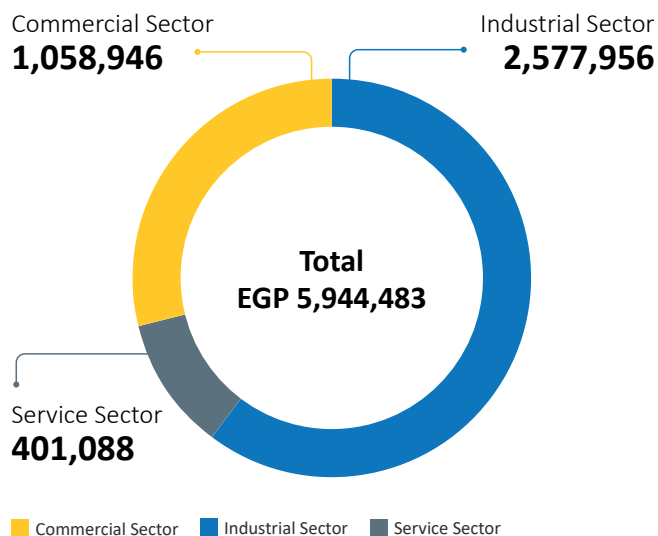
As a financial institution, ABK-Egypt understands the transformative power of empowering Small and Medium-sized Enterprises (SMEs) in fostering positive change and creating long-term value for stakeholders. ABK-Egypt views sustainable finance not only as a responsibility but also as an opportunity to drive positive change. By effectively managing risks, addressing challenges, and seizing opportunities, the Bank is committed to being a leader.

Supporting SMEs in Egypt

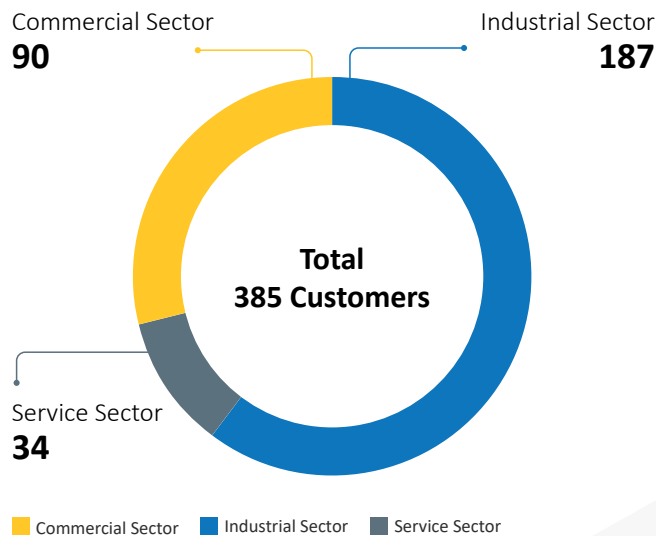
At ABK-Egypt, nurturing SMEs is part of our commitment to community empowerment, fostering innovation, and driving economic progress.

In line with the CBE's regulations, ABK-Egypt set a target of having SME loans make up 25% of its total portfolio. As of September 2023, the Bank has successfully surpassed this target, with SME loans accounting for 25.9% of the total portfolio. This achievement highlights the Bank's commitment to supporting small and medium-sized enterprises (SMEs) and their growth. Moreover, the Bank is actively acquiring new business in SME companies, indicating its dedication to expanding its presence in this sector.

SMEs Loan Portfolio



SMEs Customer Segmentation



359

Total No. of SMEs Financed in 2023



25.9%

Share of SMEs Portfolio from ABK-Egypt's Total Lending Portfolio (Exceeding the CBE's 25% mandate)



33%

Of total financed SMEs underwent an environmental and social screening



ABK-Egypt's Tailored Financial Solutions for SMEs

ABK-Egypt is committed to supporting SMEs through a range of financial solutions aligned with the CBE's initiative. These programs offer favorable rates of 5% and 8%, with pre-approved capped limits. Through these tailored offerings, ABK-Egypt aims to empower SMEs to thrive and grow in the competitive business landscape.

Our suite of products designed specifically for SMEs includes:



Overdraft facilities



Export finance



Trade finance facilities for purchase of fixed assets



Discounting against receivables



Supporting Local Businesses

In pursuit of sustainable and responsible business practices, ABK-Egypt strongly emphasizes Procurement and Supply Chain management. Recognizing these functions' pivotal role in the Bank's operations, ABK-Egypt is committed to fostering transparency, ethical sourcing, and resilience throughout its supply chain. ABK-Egypt views Procurement and Supply Chain Management as integral to its responsible banking strategy. By addressing risks, overcoming challenges, and capitalizing on opportunities, ABK-Egypt aims to build a resilient, sustainable, and ethically sound procurement and supply chain that aligns with its commitment to responsible business practices.

Upholding Ethical Standards in Procurement

Our procurement cycle operates on ethical principles and transparency. Stringent assessment processes, tendering procedures, and adherence to our code of conduct ensure that our supplier relationships are founded on integrity and ethical business practices. We prioritize collaborating with local suppliers who share our commitment to environmental responsibility, ethical labor practices, and community engagement.

159

total no. of local suppliers



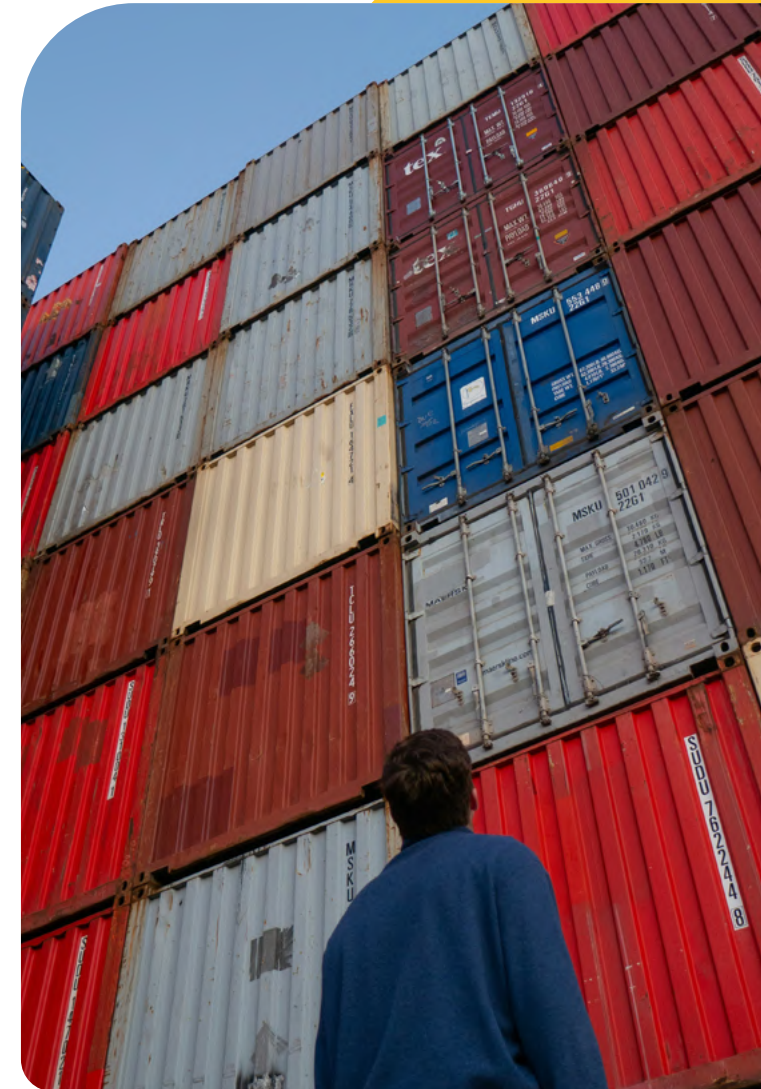
96%

the procurement budget spent on local suppliers



94%

% of total suppliers that are local





Towards Sustainable Supply Chain Management

ABK-Egypt is committed to promoting a sustainable approach across its supply chain management, implementing various practices to enhance efficiency, reduce environmental impact, and uphold ethical standards. In 2023, significant updates were made to all procurement and vendor management procedures, ensuring alignment with the Bank's operational efficiency and strategic goals. The introduction of an Enterprise Resource Planning (ERP) system streamlined processes from purchase requisition to final payment, improving turnaround time and operational efficiency.

Efforts to minimize paper consumption yielded tangible results, with a 30% reduction observed compared to the previous year, demonstrating ABK-Egypt's dedication towards resource efficiency. The bank engages with diverse suppliers, including those providing IT equipment, software, hardware, licenses, services, maintenance, and wholesale goods. Notably, the majority of procurement spending, totaling EGP 360,286,337 in 2023, was directed towards local suppliers, comprising 96% of the budget. Among the 159 suppliers, 94% are locally based.

While ABK-Egypt collaborates with suppliers globally for specific needs, such as IT services from Europe and the UAE, and security equipment from Europe, it prioritizes local suppliers for assets and furniture. Supplier assessment processes are rigorous, encompassing due diligence during registration and performance evaluations upon contract renewal. These measures ensure that suppliers uphold ethical practices, align with ABK-Egypt's values, and contribute to the bank's sustainability strategic goals.

ABK-Egypt's sustainable supply chain management strategy not only enhances operational efficiency but also promotes economic growth and social responsibility within the communities it serves. Through ongoing initiatives and partnerships, the bank continues to strengthen its commitment to sustainability across its procurement processes.



Supplier Code of Conduct

ABK-Egypt holds its suppliers to a high standard of conduct to ensure ethical and lawful business practices. All vendors and their employees are expected to adhere to a standard code of conduct while conducting business with ABK-Egypt. This entails operating with integrity, ethical behavior, and compliance with all relevant laws, rules, and regulations applicable to their industry and place of business. Specifically, vendors must refrain from engaging in bribery, corruption, embezzlement, extortion, kickbacks, excessive commissions, inducements, or any other prohibited business practices. They are also required to comply with all applicable Egyptian laws and regulations, including those pertaining to labor laws, privacy and data protection, antitrust, and fair competition.



Emphasizing Digital Transformation



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Improving Customer Interactions

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ABK-Egypt embraces digitization within its operational ethos in a swiftly evolving financial landscape. Our commitment delves into digital transformation, recognizing it as the bedrock of modern banking practices. Digitization isn't merely a technological upgrade; it embodies a strategic imperative, redefining how the Bank serves its customers, operates internally, and contributes to a sustainable future. By harnessing cutting-edge technologies and innovative digital solutions, ABK-Egypt is poised to revolutionize banking experiences, enhance operational efficiency, and pave the way for a more inclusive, secure, and technologically advanced financial ecosystem.

Innovating Within

In an era of rapid technological advancements, ABK-Egypt embraces the transformative power of digitization and innovation. This commitment reflects a response to contemporary market dynamics and a proactive approach to staying at the forefront of the evolution of financial services.

Key Policies



Information Security Policy

Secure System Development Policy

Information Asset Classification and Handling Policy

Change Management Policy

Information Security Third Party Policy

Information Security Compliance Policy

Information Security Management System (ISMS) Training Competency and Awareness Development Policy



Prioritizing Information Security

Recognizing the significant amount of sensitive data, it handles regularly, ABK-Egypt places utmost importance on data privacy and security. To this end, the bank has implemented rigorous procedures governing data privacy and security. These protocols extend beyond internal operations to encompass suppliers and business partners as well. They cover various aspects, including minimizing data collection and retention, controlling access to protected personal and sensitive data, securely transferring personal data to third parties, planning for data breaches and incident responses, and providing continuous training on data security while adhering to established data security standards. At ABK-Egypt, the Chief Information Security Officer (CISO) is responsible for privacy and data security.

The Information Security team regularly performs security checks and risk assessments on the bank's infrastructure and systems to detect any deviations from approved policies or information security standards. An annual review of the Information Security Policy is conducted to continuously improve it and ensure the proper implementation of existing policies. Additionally, the Bank's Internal Audit team consistently assesses compliance with information security policies and systems to provide an additional layer of control.



**ABK-Egypt
is certified to ISO 27001**

Data Security Awareness and Training

The Information Security team at ABK-Egypt oversees a thorough security awareness training program covering diverse topics. This training is facilitated through a learning management system. Additional measures to promote employee awareness of data security include distributing newsletters, conducting simulated phishing exercises, providing updates on social media platforms, sharing information on ABK's website, and displaying messages on ATM screens.

99%

Of total employees received information security training in 2023



Data Breaches and Response

ABK-Egypt has established a process for handling cybersecurity incidents, along with a Digital Forensics Investigation Procedure and an Information Security Incident Management Policy.



Innovative Foundations: ABK-Egypt's IT Management Strategy

ABK-Egypt's information technology management approach is anchored by several strategic pillars, each aimed at optimizing the bank's digital infrastructure and capabilities. Central to this strategy is the commitment to enhancing data analytics and development capabilities, enabling the bank to leverage insights for informed decision-making and improved customer experiences. Moreover, ABK-Egypt is undergoing a comprehensive network optimization project spanning 2023 and 2024, with the objective of enhancing agility, performance, and connectivity across all branches. Concurrently, the bank is actively pursuing opportunities in technology and Fintech, deploying advanced digital solutions tailored to meet the evolving needs of its clientele. Capitalizing on its infrastructure strengths, ABK-Egypt continues to invest in continuous improvement and capital expenditure to ensure a robust foundation for its operations. Cost-efficient solutions are prioritized to meet business requirements without compromising on technology robustness. Furthermore, ABK-Egypt places a strong emphasis on continuous training and development for all IT staff throughout 2023, recognizing the importance of expertise in driving IT innovation. Through these strategic pillars, ABK-Egypt is poised to foster a culture of innovation, resilience, and excellence, positioning itself for success in the dynamic landscape of digital banking.

Enhancing Security and Efficiency: ABK-Egypt's Digitalization Projects

ABK-Egypt has implemented a range of digitalization projects to enhance security, streamline processes, and improve efficiency. These initiatives have significantly impacted various areas of the organization, providing advanced threat detection, optimizing scanning tasks, improving HR attendance tracking, upgrading software performance, enhancing master data management, leveraging Q-Radar enhancements, optimizing costs, upgrading IVR system stability, enabling cash transactions through POS, and automating key processes for account management and compliance. These projects have not only strengthened security measures but also improved operational effectiveness.



Improving Customer Interactions

As technological advancements reshape the contours of the financial sector, ABK-Egypt recognizes the pivotal role of digitization in responding to contemporary market dynamics and staying at the vanguard of the evolution of financial services. ABK-Egypt diligently navigates the potential hazards, seeks to address inherent challenges, and capitalizes on the vast potential for growth and innovation in this dynamic sphere.

Leveraging Technology for an Enhanced Banking Experience

In 2023, ABK-Egypt undertook several digitalization initiatives to enhance its banking services and provide an improved customer experience. These initiatives focused on leveraging technology to streamline processes, improve accessibility, and cater to the evolving needs of customers.

Introducing New Internet and Mobile Banking Services



ABK-Egypt aimed to enhance the customer experience by launching new internet and mobile banking services. These services were aligned with the bank's digital transformation strategy and were expected to be launched as a pilot phase in mid-December. The objective was to provide customers with convenient and user-friendly digital banking solutions.

Partnering with Fintechs



The bank recognized the importance of collaborating with fintech companies to accelerate its digital transformation journey. By working inline with the digital transformation strategy, ABK-Egypt aimed to introduce new services and cash flow opportunities to the bank. Collaborating with fintechs offered the potential for co-branded opportunities and enhanced customer experience.

Website Redesigning and Revamping



ABK-Egypt prioritized improving its online presence by redesigning and enhancing its existing website. The bank achieved a new visual design, optimized navigation and user interface, and ensured mobile responsiveness. Additionally, efforts were made to improve page load speed, integrate interactive elements, and ensure compliance with accessibility and usability standards. These enhancements aimed to provide customers with an enhanced online experience.

Odoo System Implementation



ABK-Egypt implemented a comprehensive call center and complaint management system using Odoo. This implementation aligned with the bank's enhanced customer experience pillar and ensured strict compliance with all customer protection regulations. The system aimed to improve customer satisfaction, enhance customer retention, and effectively manage customer queries and complaints.

NPS Evaluation



ABK-Egypt initiated the evaluation of customers' calls to enhance their experience. This ongoing initiative aimed to gather feedback, identify areas for improvement, and further enhance the overall customer experience.

Migrating the ABK-Egypt ATM Switch



The bank focused on migrating its ATM switch, from Kuwait to Egypt. By bringing the ATM switch closer to its operations, ABK-Egypt aimed to enhance system performance and efficiency.

Digital Banking Services

ABK-Egypt's digital banking provides a user-friendly suite of services, including Online Banking, Mobile Banking App, Mobile Wallet, and the revolutionary Instant Payment Network. ATMs offer self-service options, while Phone Banking ensures 24/7 support. In summary, ABK-Egypt's digital banking ensures easy access and secure services for users

10,046

Total Number of Retail
Online Banking Customers



77,866

Total Number of Transactions



EGP 124 Mn

Volume of Transactions



Online Banking



ABK-Egypt Online Banking offers a secure platform for convenient financial management. Users can view accounts, transfer funds locally and internationally, and enjoy enhanced security with a soft token. The platform covers account management, online requests, and secure communication with the Bank. Registration is simple, requiring a signed agreement and using the provided debit/credit card and PIN. The ABK-Egypt Token, available for download, adds an extra layer of security. In summary, ABK-Egypt Online Banking provides easy access, efficient financial tools, and secure services for customers.

Mobile Banking



ABK-Egypt's Mobile Banking App offers a simplified and secure way to manage finances on the go. Users can download the app, log in or register with their Debit/Credit Card, and enjoy features like account monitoring, fund transfers, and Credit Card management. Security is ensured with the ABK-Egypt token, and users receive confirmation SMS for transactions. The app is free, easy to use, and emphasizes privacy. Legal considerations apply to individual customers, and users can withdraw consent at any time. In essence, it's a secure, user-friendly solution for mobile financial management.

Mobile Wallet



ABK-Egypt Mobile Wallet turns your mobile into a secure payment solution for purchases, transfers, and bill payments. Download the app, register, and enjoy benefits like easy recharge, cash transactions at ATMs, and seamless bill payments. The wallet enables instant money transfers, issues virtual cards for online shopping, and simplifies purchases with QR code scanning. Register online or at an ABK-Egypt branch, follow the SMS instructions, and set your Mobile Pin. ABK-Egypt Mobile Wallet offers swift and secure mobile transactions.

Instant Payment Network



ABK-Egypt's Instant Payment Network (IPN) revolutionizes 24/7 local transfers and payments. The app links multiple bank accounts, allowing instant and secure transactions between accounts, cards, and mobile wallets. Users can also make charitable donations directly through the app. IPN supports various recipient options, making it a streamlined solution for managing finances and making quick transactions.

Prioritizing the Environment



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Managing Resource Use

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Amid environmental uncertainties and evolving regulations, ABK-Egypt recognizes the pressing need to address issues, especially the ones related to climate change. However, within these challenges lie prospects for developing sustainable solutions. The Bank sees this as an opportunity to act toward environmental sustainability by adopting adaptable strategies that reinforce operational strength. Despite the gravity of environmental risks, ABK-Egypt envisions the potential for significant positive change. Collaboration is a crucial pillar in this pursuit. ABK-Egypt actively involves and collaborated with stakeholders, fostering a shared commitment to implement sustainable projects. The Bank remains resolute, navigating obstacles while seizing chances to embed environmentally conscious practices deeply into its operations.

Tracking our Environmental Impact

At ABK-Egypt, we recognize the importance of understanding and mitigating environmental impact. Through diligent efforts in quantifying our carbon footprint, we aim to chart a clear path toward reducing emissions and fostering sustainable practices. This section details our commitment to transparently measuring our carbon footprint across various operational domains, outlining this endeavor's risks, challenges, and opportunities. Our dedication to quantifying our carbon footprint aligns with our broader sustainability goals and our ongoing mission to contribute positively to the environment.

Our Carbon Footprint

ABK-Egypt took a vital step by conducting its first carbon footprint assessment for the year 2021, which focused solely on its headquarters operations. The assessment reflects the bank's commitment to sustainability and marked the beginning of efforts to understand and reduce its environmental impact.

Moving forward, the Bank has conducted a second assessment of its carbon footprint, covering the period from January 1st, 2023, to December 31st, 2023. In contrast to the previous assessment, which focused solely on our headquarters, this year's evaluation encompasses the entire organization. Given its broader scope, the 2023 assessment serves as the baseline for future comparisons.

Our carbon footprint assessment adheres to recognized standards including the Greenhouse Gas Protocol, the Intergovernmental Panel on Climate Change (IPCC) Guidelines for Greenhouse Gas Inventories, and the ISO 14064-1:2019 standards.

Read more in our 2023 Carbon Footprint Report.

10,272

Total Scope 1+2+3
Emissions
(mtCO₂e)

4,944

Total Scope 1+2
Emissions
(mtCO₂e)

0.16

Scope 1+2 Emissions
Intensity per area
(kgCO₂/ m²)

2.12

Scope 1+2 Emissions
Intensity per employee
(kgCO₂/ employee)



Operational and Organizational Boundaries

The organizational boundary for the carbon footprint report defines the business activities and operations included within the organization. Following the GHG protocol, the organization is responsible for reporting all greenhouse gas emissions from operations it operationally controls. Within the 2023 carbon footprint assessment are:

45

Facilities



31,871 m²



2,335

Full-time equivalents



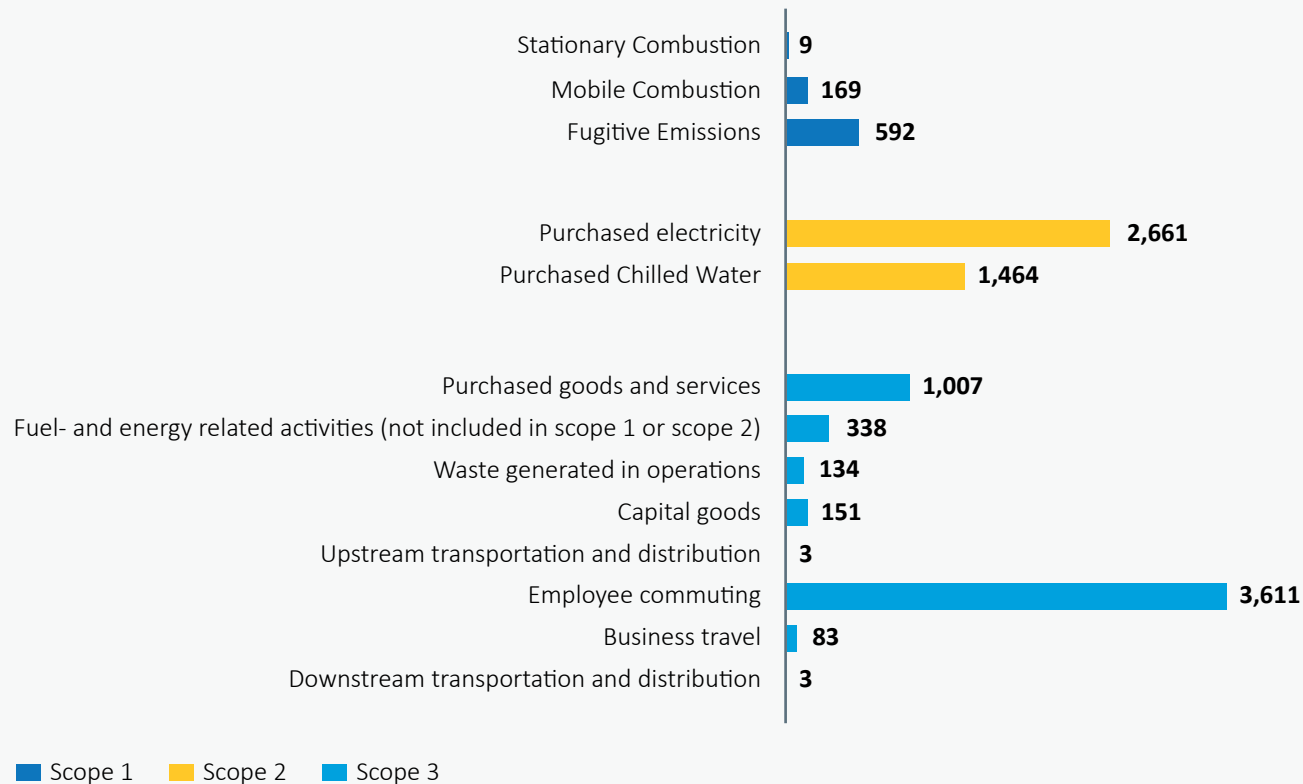
The operational boundaries pertain to the business activities of the reporting company that produce emissions and determine which activities should be considered in calculations and how they are categorized. Emissions are categorized into three scopes.

ABK-Egypt 2023 (Base Year) GHG Emissions Summary

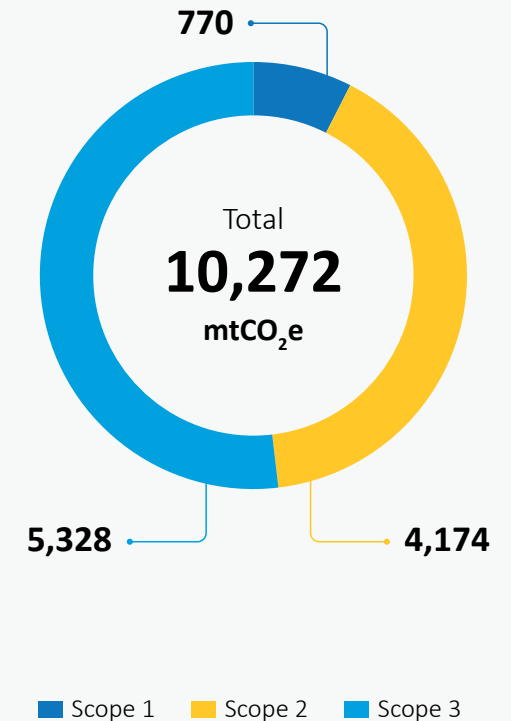
| SCOPE 1 (Direct Emissions) | | | |
|---------------------------------------------------------------------|------------------------------------|---------------|--------------------------|
| Stationary combustion | Fuel burning- Diesel | 9 | mtCO ₂ e |
| Mobile combustion | Fuel burning- Owned vehicles | 169 | mtCO ₂ e |
| Fugitive emissions | Refrigerant leakage | 592 | mtCO ₂ e |
| Total Scope 1 | | 770 | mtCO₂e |
| SCOPE 2 (Indirect Emissions) | | | |
| Purchased energy | Purchased electricity | 2,661 | mtCO ₂ e |
| | Chilled water | 1,464 | mtCO ₂ e |
| | ATMs | 48 | mtCO ₂ e |
| Total Scope 2 | | 4,174 | mtCO₂e |
| SCOPE 3 (Other Indirect Emissions) | | | |
| Purchased goods and services | Water consumption | 6 | mtCO ₂ e |
| | Paper consumption | 14 | mtCO ₂ e |
| | Monetary goods and services | 983 | mtCO ₂ e |
| | Bank cards | 4 | mtCO ₂ e |
| Fuel and energy-related activities (not included in Scope 1 & 2) | Stationary combustion WTT | 2 | mtCO ₂ e |
| | Mobile combustion WTT | 43 | mtCO ₂ e |
| | Transmission & distribution losses | 292 | mtCO ₂ e |
| Waste generated in operations | Office solid waste disposal | 124 | mtCO ₂ e |
| | Wastewater treatment | 9 | mtCO ₂ e |
| Business travel | Air travel & WTT | 33 | mtCO ₂ e |
| | Hotel stay | 50 | mtCO ₂ e |
| Employee commuting | Commuting & WTT | 3,611 | mtCO ₂ e |
| Upstream transportation and distribution & WTT | Internal courier shipment | 3 | mtCO ₂ e |
| Downstream transportation and distribution & WTT | External courier shipment | 3 | mtCO ₂ e |
| Capital Goods | Capital Goods | 151 | mtCO ₂ e |
| Total Scope 3 | | 5,328 | mtCO₂e |
| Total Emissions (Scope 1+2+3) | | 10,272 | mtCO₂e |

Emissions Summary

Absolute Emissions by Activity and Scope, 2023 (mtCO₂e)



Total Absolute Emissions by Scope, 2023 (mtCO₂e)



Decarbonizing our Operations

In response to the urgent need for environmental sustainability and the global call to mitigate climate change, ABK-Egypt has developed a decarbonization action plan. Recognizing the importance of financial institutions in driving positive environmental change, ABK-Egypt is committed to reducing its carbon footprint and promoting sustainability across its operations.

Setting Clear Objectives

ABK-Egypt's decarbonization action plan begins with setting clear and measurable objectives. These objectives encompass reducing carbon emissions associated with the bank's operations, investing in renewable energy initiatives, and promoting sustainable practices among its stakeholders.

Carbon Emission Reduction Strategies

Energy Efficiency Measures: ABK-Egypt aims to enhance energy efficiency across its branches and office spaces by implementing energy-saving technologies, such as LED lighting, smart heating, ventilation, and air conditioning (HVAC) systems, and optimizing equipment usage.

Renewable Energy Adoption: The bank is committed to increasing its reliance on renewable energy sources to power its operations. This includes exploring opportunities for solar panel installation on rooftops, investing in wind energy projects, and sourcing electricity from renewable energy providers.

Internal Policies and Practices

ABK-Egypt will engage its employees through awareness campaigns, training programs, and incentivizing sustainable practices in the workplace. By fostering a culture of sustainability, the bank aims to harness the collective efforts of its staff towards reducing its environmental impact.

Green Financing and Investment

ABK-Egypt recognizes the crucial role of finance in driving sustainable development. The bank is committed to offering green financing options to its clients, including loans and investment products tailored to support environmentally friendly projects. This may include financing for renewable energy projects, energy-efficient infrastructure, and sustainable agriculture initiatives.



Managing Resource Use

Resource Management is a cornerstone of ABK-Egypt's commitment to sustainable business practices. Recognizing the importance of environmental responsibility, the Bank is dedicated to minimizing its resources consumption, adhering to environmental regulations, and contributing to a greener future. This commitment aligns with ABK-Egypt's broader vision of responsible banking. ABK-Egypt recognizes that effective management is a responsible choice and a strategic imperative.

Resource Use

ABK-Egypt is dedicated to responsible resource management. As part of ongoing operational improvements, ABK-Egypt has committed to four responsible resource management strategies that will facilitate the attainment of the set sustainability goals.

Efficient Fixtures



Infrastructure Upgrades



Recycling and Re-Use



Continuous Improvement



Water Management and Conservation

At ABK-Egypt, we acknowledge the paramount significance of responsible water management and conservation in our real estate development endeavors. As champions of sustainable practices, we emphasize the responsible use of water resources, incorporating advanced technologies and practices to curtail consumption. Our dedication to minimizing water waste extends across landscaping, irrigation systems, and building design, driving our continuous pursuit of innovative solutions. ABK-Egypt is committed to ensuring that our developments are not only luxurious but also exemplify environmental responsibility through efficient water use.

We rely on the Egyptian water network system, primarily sourcing water from the river Nile. Depending on the location, ground-water or treated saline water is utilized. Wastewater is collected through the network system and undergoes treatment before final disposal. As a result of its operations, ABK-Egypt does not have significant impacts related to water discharge.

Water Reduction Initiatives

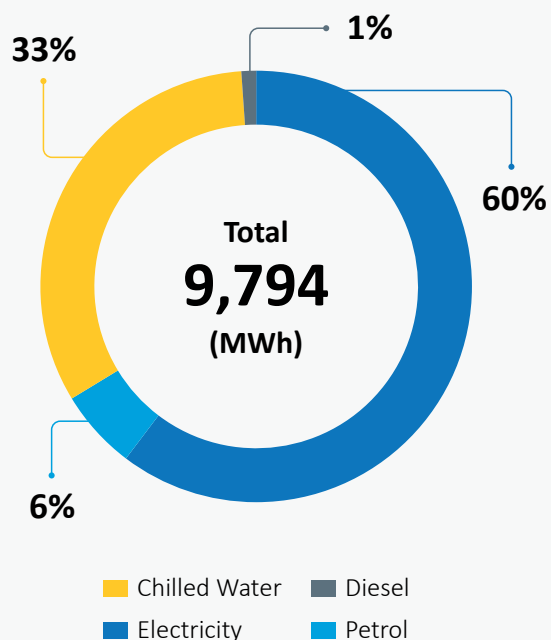
In 2023, ABK-Egypt advanced their water reduction capacity through these initiatives.

- 1 ABK-Egypt conducts regular maintenance on pipes and sanitary equipment to ensure no leakage.
- 2 Introducing Mixer Filters to reduce water consumption.
- 3 The chilled water utilized for ventilation within the headquarters are being recycled and reused reducing the overall water consumption – started in 2021.
- 4 Modified the chilled water pumps pipes to minimize the purchased chilled water quantities, and reuse the return water.

Energy Efficiency and Management

ABK-Egypt, dedicated to sustainable and responsible business practices, prioritizes energy efficiency and management within its operations. The Bank adopts a management approach, guided by a framework of policies, processes, and procedures. This holistic strategy aims to optimize energy utilization, minimize environmental impact, and uphold compliance with recognized standards and regulations. ABK-Egypt is committed to fostering a sustainable and energy-efficient business environment.

**Total Energy Consumption
by Source (MWh)**



Comprehensive Energy Audits

In pursuit of sustainable practices, ABK-Egypt conducts regular energy audits across its operations. These audits enable us to identify energy usage patterns, pinpoint areas of high consumption, and devise strategies to optimize energy efficiency.

Energy Reduction Initiatives

ABK-Egypt has implemented several strategic initiatives to enhance energy efficiency and reduce consumption across its branches.



LED Lighting

We are transitioning from conventional to energy-efficient LED lighting throughout ABK-Egypt associated branches, as well as installing motion sensors for reducing energy consumption.



Integrated WIFI thermostats

ABK-Egypt has integrated WIFI thermostats in its branches, enabling efficient control over cooling and heating systems. This implementation optimizes energy usage by standardizing temperature settings at a suitable temperature, minimizing unnecessary energy expenditure.



HVAC Systems

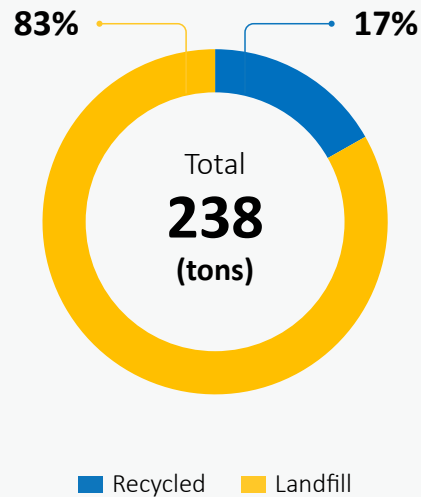
ABK-Egypt has embarked on an operational strategy to gradually reduce lighting and HVAC (heating, ventilation, and air conditioning) usage after working hours. The bank ensures optimal energy consumption without compromising comfort by standardizing cooling temperatures to a minimum of 24 degrees Celsius.

Waste Management

At ABK-Egypt, our efforts to minimize waste generation and champion recycling practices reflect our dedication to environmental stewardship within the banking industry, shaping a more sustainable and environmentally conscious future.

In our commitment to sustainability, we have monitored and managed our paper consumption and recycling efforts, primarily within our Head Office.

**Total Waste Generated
by Type of Waste**



238 tons

Generated Quantified Waste



40 tons

Recycled Waste



0.168

Waste Diversion Rate

Waste Handling and Reduction Initiatives

At ABK-Egypt waste handling has continuously been emphasized, after embarking on waste recycling projects in 2022 with third party handlers

In 2023, continued co-operation and co-ordination with a third-party waste handler for recycling all waste materials in a concerted effort to manage various types of waste responsibly, promoting a circular economy and minimizing environmental impact.



Monitoring and reporting on waste and recycled waste to assess improvements.



Our collaborative efforts with esteemed waste management partners are a cornerstone in fortifying our recycling initiatives. The positive impact of these partnerships is evident as we've successfully recycled 40 tons of varied waste materials, substantially contributing to environmental sustainability. Our collaborations operate under formal agreements, ensuring structured and effective waste management practices that align seamlessly with our commitment to responsible waste management.

As part of our waste reduction efforts, we focus on managing the paper and plastic consumption, thereby reducing the need for recycling in the first place.

Reduced Paper Consumption and Enhanced Efficiency

ABK-Egypt believes in the benefits of reducing paper consumption by optimizing our operations, leading to increased efficiency, substantial cost savings, and considerable reductions in paper waste across multiple ABK-Egypt divisions. Through meticulous Business Process Reengineering, we've successfully streamlined operations, reduced unnecessary expenses, and significantly minimized paper consumption in alignment with our sustainability goals.



Paper Consumption



The quantity of paper consumed was 15 tons in 2023

Paper Reduction Initiatives

By canceling the printing of Post-Dated Cheque (PDC) tickets and transitioning to automatic reports, we have positively impacted our green policy while achieving cost savings.

Our automated system now sends daily transfer reports to key personnel, including Regional Managers, District Managers, Branch Managers, Operation Heads, and Operations Officers. This implementation has saved an average of 18 monthly hours, streamlining operations and optimizing resource allocation.

Within the central H.Q. context (Branches excluded), our Project Management Process (PMO) Business Process Reengineering initiatives effectively reduced monthly paper usage, including through the corporate banking business process reengineering.

These comprehensive achievements illustrate our commitment to efficiency, substantial cost savings, and considerable reductions in paper waste across multiple ABK-Egypt divisions. Through meticulous Business Process Reengineering, we've successfully streamlined operations, reduced unnecessary expenses, and significantly minimized paper consumption in alignment with our sustainability goals.



ANNEXES

Inside this Chapter

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| Abbreviations and Acronyms | 94 |
| ESG Indicators | 96 |
| GRI Content Index | 104 |
| SASB Content Index | 115 |
| UNGC Content Index | 118 |
| TCFD Content Index | 119 |
| CBE Reporting Guidelines | 120 |
| Limited Assurance Statement | 121 |



Abbreviations and Acronyms

| | |
|-------------|------------------------------------------|
| ABK | Al Ahli Bank of Kuwait |
| ACFE | Association of Certified Fraud Examiners |
| AML | Anti Money Laundering |
| ATM | Automated Teller Machine |
| BCMS | Business Continuity Management System |
| BCP | Business Continuity Plan |
| Bn | Billion |
| BoD | Board of Directors |
| BPR | Business Process Reengineering |
| CBE | Central Bank of Egypt |
| CBK | Central Bank of Kuwait |
| CCPU | Compliance and Customer Protection Unit |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| CFT | Countering the Financing of Terrorism |
| CIO | Chief Information Officer |
| CMA | Capital Markets Authority |
| CRO | Chief Risk Officer |

| | |
|----------------|--------------------------------------------------|
| CRS | Common Reporting Standards |
| CSR | Corporate Social Responsibility |
| DFIs | Development Financial Institutions |
| DNS | Domain Name System |
| E&S | Environmental and Social |
| EBI | Egyptian Banking Institute |
| EBRD | European Bank for Reconstruction and Development |
| EGP | Egyptian Pound |
| EGX | Egyptian Exchange |
| ESG | Environmental, Social, and Governance |
| ESRM | Environmental and Social Risk Management |
| E-Waste | Electronic Waste |
| FATCA | Foreign Account Tax Compliance Act |
| FATF | Financial Action Task Force |
| FEB | Federation of Egyptian Banks |
| FI | Financial Institutions |
| FRA | Financial Regulatory Authority |
| FX | Foreign Exchange |
| FY | Financial Year |

| | |
|--------------|----------------------------------------------|
| GDP | Gross Domestic Product |
| GHG | Greenhouse Gas |
| GRI | Global Reporting Initiative |
| HR | Human Resources |
| IBAN | International Bank Account Number |
| IBF | Ibrahim Badran Foundation |
| ICAAP | Internal Capital Adequacy Assessment Process |
| ICT | Information and Communication Technology |
| IFRS | International Financial Reporting Standards |
| IIA | Institute of Internal Auditors |
| IPN | Instant Payment Network |
| ISSB | International Sustainability Standards Board |
| IT | Information Technology |
| KPI | Key Performance Indicator |
| KRI | Key Risk Indicators |
| KYC | Know Your Customer |
| MD | Managing Director |
| MDM | Master Data Management |
| MENA | Middle East & North Africa |
| Mn | Million |
| MW | Megawatt |
| MYGHC | Magdi Yacoub Global Heart Centre |

| | |
|----------------|-----------------------------------------------------|
| NCCS | National Climate Change Strategy |
| OTP | One Time Passcode |
| PCI DSS | Payment Card Industry Data Security Standard |
| PDC | Post-Dated Cheque |
| PMO | Project Management Office |
| PRB | Principles for Responsible Banking |
| PwD | People with Disabilities |
| ROI | Return on Investment |
| SASB | Sustainability Accounting Standards Board |
| SDG | Sustainable Development Goal |
| SLA | Service-Level Agreement |
| SME | Small and Medium-Sized Enterprise |
| SMS | Service Management System |
| STA | Elsowedy Technical Academy |
| SWOT | Strengths, Weaknesses, Opportunities, and Threats |
| TAT | Turnaround Time |
| TCFD | Task Force on Climate-Related Financial Disclosures |
| UN | United Nations |
| UNGC | United Nations Global Compact |
| USD | United States dollar |
| YOY | Year-on-Year |

ESG Indicators

Environmental Indicators

| Energy, Water, Materials, and Waste | | Unit | 2023 |
|-------------------------------------|-------------------------------|----------------|--------|
| Energy Consumption | Purchased electricity | MWh | 5,907 |
| | Purchased Chilled Water | MWh | 3,192 |
| | Diesel | MWh | 107.78 |
| | Petrol | MWh | 587.23 |
| | Total | MWh | 9,794 |
| Water | Municipal water intake | m ³ | 15,777 |
| Materials | Purchased paper | Tons | 15 |
| Waste | Non-hazardous waste generated | Total (tons) | 238 |

| Carbon Emissions | | Unit | 2023 |
|--------------------------|-----------------------------------------------------------------------|------------------------------------------|---------------|
| Scope 1 (Direct) | Total | mtCO ₂ e | 770 |
| Scope 2 (Indirect) | Total (location-based) | mtCO ₂ e | 4,174 |
| Scope 1+2 | Total | mtCO₂e | 4,944 |
| Scope 3 (Other Indirect) | Total | mtCO₂e | 5,328 |
| | Purchased goods and services | mtCO ₂ e | 1,007 |
| | Fuel and energy-related activities (not included in scope 1 and 2) | mtCO ₂ e | 338 |
| | Waste generated in operations | mtCO ₂ e | 134 |
| | Business travel | mtCO ₂ e | 83 |
| | Employee commuting | mtCO ₂ e | 3,611 |
| | Capital Goods | mtCO ₂ e | 151 |
| | Processing of sold products | mtCO ₂ e | 0.1 |
| | Upstream transportation & distribution | mtCO ₂ es | 3 |
| | Downstream leased assets | mtCO ₂ e | 3 |
| Scope (1+2+3) | Total | mtCO₂e | 10,272 |
| Carbon Intensity | Scope 1+2 per employee | mtCO ₂ e /employee | 2.12 |
| | Scope 1+2 per revenue | mtCO ₂ e /million EGP revenue | 0.416 |
| | Scope 1+2 per unit area | mtCO ₂ e /m ² | 0.16 |

Social Indicators

| Employees Profile | | 2023 |
|-------------------|------------------------------------|--------------|
| Employees | Total Employees² | 1,589 |
| | Male | 1,037 |
| | Female | 552 |
| | Permanent contract | 772 |
| | Male | 501 |
| | Female | 271 |
| | Temporary contract | 817 |
| | Male | 536 |
| | Female | 281 |
| | Full-time | 1,589 |
| | Male | 1,037 |
| | Female | 552 |
| | Employees with Disability | 38 |
| | Male | 28 |
| | Female | 10 |

² All employees are employed on a full-time basis.

| | | |
|----------------------------------|--------------------------|-------|
| Breakdown by Age | Under 25 | 126 |
| | 25-34 | 760 |
| | 35-45 | 488 |
| | Above 45 | 215 |
| Breakdown by Region ³ | Northern Coast Region | 89 |
| | Male | 56 |
| | Female | 33 |
| | Nile Delta Region | 34 |
| | Male | 23 |
| | Female | 11 |
| | Greater Cairo Region | 1,366 |
| | Male | 883 |
| | Female | 483 |
| | Suez Canal Region | 44 |
| | Male | 32 |
| | Female | 12 |
| | Upper Egypt Region | 40 |
| | Male | 30 |
| | Female | 10 |
| | Red Sea and Sinai Region | 16 |
| | Male | 13 |
| | Female | 3 |

³ The regions includes the governorates/ areas as follows: Northern Coast (Alexandria and Damanhour), Nile Delta (Zagazig, Tanta, 10th of Ramadan), Greater Cairo (Cairo, Giza, and Obour City), Suez Canal (Suez, Port Saied, and Damietta), Upper Egypt (Minya, Aswan, Beni Sweif, and Assiut).

| Diversity across Job Positions | 2023 |
|--------------------------------|-------|
| Entry Level | 1,157 |
| Male | 64% |
| Female | 36% |
| Under 30 | 47% |
| 30-50 | 49% |
| Above 50 | 4% |
| Middle Management | 384 |
| Male | 70% |
| Female | 30% |
| Under 30 | 1% |
| 30-50 | 88% |
| Above 50 | 11% |
| Senior Management | 48 |
| Male | 67% |
| Female | 33% |
| Under 30 | 0% |
| 30-50 | 60% |
| Above 50 | 40% |

| New Hires | | 2023 |
|---------------------|---------------------------|------|
| Employee New Hires | Total | 381 |
| | Male | 234 |
| | Female | 147 |
| | Employees with Disability | 14 |
| Breakdown by Region | Northern Coast Region | 16 |
| | Nile Delta Region | 10 |
| | Greater Cairo Region | 337 |
| | Suez Canal Region | 6 |
| | Upper Egypt Region | 9 |
| | Red Sea and Sinai Region | 3 |

| Employee Turnover | | 2023 | |
|---------------------|--------------------------|------------------|--------------------------------|
| | | No. of Employees | Turnover Rate ⁴ (%) |
| Employee Turnover | Total Turnover | 184 | 11.6% |
| | Male | 118 | 11.4% |
| | Female | 66 | 12% |
| Breakdown by Age | Under 30 | 85 | - |
| | 30-50 | 88 | - |
| | Above 50 | 11 | - |
| Breakdown by Region | Northern Coast Region | 13 | 15% |
| | Nile Delta Region | 1 | 3% |
| | Greater Cairo Region | 159 | 12% |
| | Suez Canal Region | 4 | 11% |
| | Upper Egypt Region | 4 | 10% |
| | Red Sea and Sinai Region | 3 | 19% |

4 Turnover rate is calculated as the % of leavers per category divided by the total number of employees in that specific category as of the end of FY2023.

| Training and Development | | 2023 | |
|--------------------------------|-------------------|-------------|----------------------------|
| | | Total Hours | Average Hours per Employee |
| Breakdown by Gender | Total | 58,732 | 37 |
| | Male | 33,136 | 32 |
| | Female | 25,596 | 46 |
| Breakdown by Age | Under 25 | 14,568 | 116 |
| | 25-34 | 28,312 | 37 |
| | 35-45 | 12,565 | 26 |
| | Over 45 | 3,287 | 15 |
| Breakdown by Employee Category | Entry Level | 3,287 | 15 |
| | Middle Management | 47,042 | 41 |
| | Senior Management | 9,983 | 37 |

| Parental Leave | | 2023 |
|---------------------------------------------------------------------------------------------------|--|--------------------|
| Number of employees who are entitled to a maternity/ parental leave | | All Bank employees |
| Male | | |
| Female | | |
| Number of employees who took a maternity/ parental leave during 2023 | | 59 |
| Male | | 29 |
| Female | | 30 |
| Number of employees who returned to work after their maternity/ parental leave ended, during 2023 | | 56 |
| Male | | 29 |
| Female | | 27 |

Governance Indicators

| Board of Directors and Management | | 2023 |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Board of Directors by Gender | Total | 8 |
| | Male | 6 |
| | Female | 2 |
| Board Tenure | 0-2 years | 2 |
| | 3-5 years | 4 |
| | > 10 years | None |
| | Average Tenure | 4 years |
| Board Activities | Number of board meetings | 7 |
| | Board meeting attendance rate | 7 Board Members 100% & one Board Member 86%. Average rate: 98% |
| Ethics and Compliance | | 2023 |
| Ethical Conduct | Number of breaches to human rights and code of ethics | 0 |
| | Number of complaints received related to corruption, bribery, discrimination, harassment, and conflicts of interest | 12 fraud cases due to data disclosure & bribery from the external verification, security, sales & external agency |
| | Resolution rate of complaints received | 97% of cases were closed within the agreed Turnaround Time (TAT) of 15 days |
| Whistleblower Cases | Number of complaints received by the Whistleblower Committee | 2 |
| | Number of cases qualified as whistleblowing cases | 2 |
| | Number of cases resolved | 2 |
| | Number of cases currently under investigation | 0 |

GRI Content Index

| | |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Statement of use | ABK-Egypt has reported in accordance with the GRI Standards for the period from January 1st, 2023, to December 31st, 2023. |
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standard | None |

| | | | OMISSIONS | | | |
|---------------------------------|----------------------------------------------------------------------|----------------------------------------------------------|-------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------|
| GRI Standard | Disclosure | Direct Response/ Section in this Report (pg. #) | Requirement (s) Omitted | Reason | Explanation | Index Mapping |
| GRI 2: General Disclosures 2021 | | | | | | |
| GRI 2: General Disclosures 2021 | The organization and its reporting practices | | | | | |
| | 2-1 Organizational details | About this Report (p.4) Who we are (p.10) | | | | PRB 1.1 |
| | 2-2 Entities included in the organization’s sustainability reporting | About this Report (p.4) | | | | |
| | 2-3 Reporting period, frequency and contact point | About this Report (p.4) | | | | |
| | 2-4 Restatement of information | About this Report (p.4) | | | | |
| | 2-5 External assurance | About this Report (p.4) | | | | |
| | Activities and workers | | | | | |
| | 2-6 Activities, value chain and other business relationships | Who we are (p.10) | | | | PRB 1.1 |
| | 2-7 Employees | Valuing Our Workforce (p.44) ESG Indicators (p.98-99) | | | | SDG 8.5, 10.3 PRB 1.1 |
| | 2-8 Workers who are not employees | ESG Indicators (p.89) | a, b, c | Information unavailable/ incomplete | These requirements shall be integrated into the Bank’s ESG management system and considered in upcoming reports. | SDG 8.5 |

| | | | OMISSIONS | | | |
|---------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------|-------------------------|-----------------------------|-------------------------------------|--------------------------|
| GRI Standard | Disclosure | Direct Response/ Section in this Report (pg. #) | Requirement (s) Omitted | Reason | Explanation | Index Mapping |
| GRI 2: General Disclosures 2021 | | | | | | |
| GRI 2: General Disclosures 2021 | Governance | | | | | |
| | 2-9 Governance structure and composition | Corporate Governance (p.19-26) | | | | SDG 5-5, 16.7 PRB 5.1 |
| | 2-10 Nomination and selection of the highest governance body | Corporate Governance (p.19-26) | | | | SDG 5.5, 16.7 |
| | 2-11 Chair of the highest governance body | Corporate Governance (p.19-26) | | | | SDG 16.6 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Corporate Governance (p.19-26) | | | | SDG 16.7 |
| | 2-13 Delegation of responsibility for managing impacts | Corporate Governance (p.19-26) | | | | PRB 5.1 |
| | 2-14 Role of the highest governance body in sustainability reporting | Corporate Governance (p.19-26) | | | | |
| | 2-15 Conflicts of interest | Upholding Ethical Standards (p30) | | | | SDG 16.6 |
| | 2-16 Communication of critical concerns | Upholding Ethical Standards (p29) | | | | |
| | 2-17 Collective knowledge of the highest governance body | Corporate Governance (p.19-26) | | | | |
| | 2-18 Evaluation of the performance of the highest governance body | Corporate Governance (p.19-26) | | | | |
| | 2-19 Remuneration policies | Corporate Governance (p.19-26) | | | | |
| | 2-20 Process to determine remuneration | Corporate Governance (p.19-26) | | | | SDG 16.7 |
| | 2-21 Annual total compensation ratio | | a, b, c | Confidentiality constraints | The Bank considers this information | |

| | | | OMISSIONS | | | |
|---------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------|-------------|-----------------------------------|
| GRI Standard | Disclosure | Direct Response/ Section in this Report (pg. #) | Requirement (s) Omitted | Reason | Explanation | Index Mapping |
| GRI 2: General Disclosures 2021 | | | | | | |
| GRI 2: General Disclosures 2021 | Strategy, Policy, and Practices | | | | | |
| | 2-22 Statement on sustainable development strategy | CEO and Managing Director’s Message (p.5) | | | | PRB 1.2 |
| | 2-23 Policy commitments | Upholding Ethical Standards (p.29-31) | | | | SDG 16.3 PRB 5.2 UNGC 7, 10 |
| | 2-24 Embedding policy commitments | Upholding Ethical Standards (p.29-31) | | | | |
| | 2-25 Processes to remediate negative impacts | Upholding Ethical Standards (p.29-31) | | | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | Upholding Ethical Standards (p.29) | | | | SDG 16.3 |
| | 2-27 Compliance with laws and regulations | Ensuring Regulatory Compliance (p.27-28) | | | | |
| | 2-28 Membership associations | Federation of Egyptian Banks (FEB) | | | | |
| | Stakeholder Engagement | | | | | |
| | 2-29 Approach to stakeholder engagement | Collaborating with Stakeholders (p.16) | | | | PRB 4.1 |
| | 2-30 Collective bargaining agreements | ABK-Egypt does not have collective bargaining agreements. However, it maintains an open-door policy and a systematic feedback cycle between managers and employees, providing ample opportunities for communicating grievances or any type of feedback. | | | | SDG 8.8 PRB 4.1 |

| | | | OMISSIONS | | | |
|----------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------|-------------------------|--------|-------------|----------------------------------|
| GRI Standard | Disclosure | Direct Response/ Section in this Report (pg. #) | Requirement (s) Omitted | Reason | Explanation | Index Mapping |
| GRI 3: Material Topics 2021 | | | | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Defining What Matters Most (p.17) | | | | |
| | 3-2 List of material topics | Defining What Matters Most (p.17) | | | | |
| Sustainable Finance and Awareness | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | Sustainable Finance (p.39-44) | | | | |
| GRI 203: Indirect Economic Impact 2016 | 203-1 Infrastructure investments and services supported | Sustainable Finance (p.39-44) | | | | SDG 5.4, 9.1, 9.4, 11.2 |
| | 203-2 Significant indirect economic impacts | Sustainable Finance (p.39-44) | | | | SDG 1.2, 1.4, 3.8, 8.2, 8.3, 8.5 |
| Governance, Compliance, and Ethics | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | Upholding Ethical Standards (p.29-31) | | | | |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | Upholding Ethical Standards (p.29-31) | | | | SDG 16.5 |
| | 205-2 Communication and training about anti-corruption policies and procedures | Upholding Ethical Standards (p.29-31) | | | | SDG 16.5 |
| | 205-3 Confirmed incidents of corruption and actions taken | Upholding Ethical Standards (p.29-31) | | | | SDG 16.5 |

| | | | OMISSIONS | | | |
|------------------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------|--------|-------------|--------------------|
| GRI Standard | Disclosure | Direct Response/ Section in this Report (pg. #) | Requirement (s) Omitted | Reason | Explanation | Index Mapping |
| GRI 3: Material Topics 2021 | | | | | | |
| Responsible Procurement | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | Supporting Local Businesses (p.76-77) | | | | |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | Supporting Local Businesses (p.76-77) | | | | |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | Supporting Local Businesses (p.76-77) | | | | SDG 8.8 |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Supporting Local Businesses (p.76-77) | | | | SDG 5.2, 8.7 |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | Supporting Local Businesses (p.76-77) | | | | SDG 5.2, 8.8, 16.1 |
| | 414-2 Negative social impacts in the supply chain and actions taken | Supporting Local Businesses (p.76-77) | | | | SDG 5.2, 8.8, 16.1 |

| | | | OMISSIONS | | | |
|-----------------------------------|-----------------------------------------------------|----------------------------------------------------------|-------------------------|--------|-------------|------------------------------|
| GRI Standard | Disclosure | Direct Response/ Section in this Report (pg. #) | Requirement (s) Omitted | Reason | Explanation | Index Mapping |
| GRI 3: Material Topics 2021 | | | | | | |
| Resource Management | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | Managing Resource Use (p.89-92) | | | | |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | Managing Resource Use (p.89-92) ESG Indicators (p.96) | | | | SDG 8.4, 12.2 |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Managing Resource Use (p.89-92) ESG Indicators (p.96) | | | | |
| | 302-4 Reduction of energy consumption | Managing Resource Use (p.89-92) | | | | |
| GRI 303: Water and Effluents 2016 | 303-1 Interactions with water as a shared resource | Managing Resource Use (p.89-92) | | | | SDG 6.3, 6.4, 6.A, 6.B, 12.4 |
| | 303-2 Management of water discharge-related impacts | Managing Resource Use (p.89-92) | | | | SDG 6.3 |
| | 303-3 Water withdrawal | Managing Resource Use (p.89-92) ESG Indicators (p.96) | | | | SDG 6.4 |

| | | | OMISSIONS | | | |
|-----------------------------|--------------------------------------------------------------|----------------------------------------------------------|-------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| GRI Standard | Disclosure | Direct Response/ Section in this Report (pg. #) | Requirement (s) Omitted | Reason | Explanation | Index Mapping |
| GRI 3: Material Topics 2021 | | | | | | |
| Resource Management | | | | | | |
| GRI 306: Waste 2016 | 306-1 Waste generation and significant waste-related impacts | Managing Resource Use (p.89-92) | | | | SDG 3.9, 6.3, 6.6, 11.6, 12.4, 12.5 |
| | 306-2 Management of significant waste-related impacts | Managing Resource Use (p.89-92) | | | | SDG 3.9, 6.3, 8.4, 11.6, 12.4, 12.5 |
| | 306-3 Waste generated | Managing Resource Use (p.89-92) ESG Indicators (p.96) | | | | SDG 3.9, 6.6, 11.6, 12.5, 12.4, 15.1 |
| | 306-4 Waste diverted from disposal | | a,b,c,d,e | Information unavailable/ incomplete | These requirements will be integrated into the Bank’s data management system and considered in the future reporting cycle. | SDG 3.9, 11.6, 12.4, 12.5 |
| | 306-5 Waste directed to disposal | | a,b,c,d,e | | | SDG 3.9, 6.6, 11.6, 12.4, 12.5, 15.1 |

| | | | OMISSIONS | | | |
|-----------------------------|-----------------------------------------------|----------------------------------------------------------------------|-------------------------|--------|-------------|---------------------------------|
| GRI Standard | Disclosure | Direct Response/ Section in this Report (pg. #) | Requirement (s) Omitted | Reason | Explanation | Index Mapping |
| GRI 3: Material Topics 2021 | | | | | | |
| Carbon Footprint | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | Tracking our Environmental Impact (p.85-88) | | | | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Tracking our Environmental Impact (p.85-88) ESG Indicators (p.97) | | | | SDG 3.9, 12.4, 13.1, 14.3, 15.2 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Tracking our Environmental Impact (p.85-88) ESG Indicators (p.97) | | | | SDG 3.9, 12.4, 13.1, 14.3, 15.2 |
| | 305-3 Other indirect (Scope 3) GHG emissions | Tracking our Environmental Impact (p.85-88) ESG Indicators (p.97) | | | | SDG 3.9, 12.4, 13.1, 14.3, 15.2 |
| | 305-4 GHG emissions intensity | Tracking our Environmental Impact (p.85-88) ESG Indicators (p.97) | | | | SDG 13.1, 14.3, 15.2 |
| | 305-5 Reduction of GHG emissions | Tracking our Environmental Impact (p.85-88) | | | | SDG 13.1, 14.3, 15.2 |

| | | | OMISSIONS | | | |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------|--------|-------------|----------------------------------------|
| GRI Standard | Disclosure | Direct Response/ Section in this Report (pg. #) | Requirement (s) Omitted | Reason | Explanation | Index Mapping |
| GRI 3: Material Topics 2021 | | | | | | |
| Human Capital Management, Development, and Diversity | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | Valuing Our Workforce (p.46-48) | | | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | ESG Indicators (p.100-101) | | | | SDG 5.1, 8.5, 8.6, 10.3 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Valuing Our Workforce (p.46-48) | | | | SDG 3.2, 5.4, 8.5 |
| | 401-3 Parental leave | ESG Indicators (p.102) | | | | SDG 5.1, 5.4, 8.5 |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | ESG Indicators (p.102) | | | | SDG 4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | Valuing Our Workforce (p.46-48) | | | | SDG 8.2, 8.5 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | Valuing Our Workforce (p.46-48) | | | | SDG 5.1, 8.5, 10.3 |

| | | | OMISSIONS | | | |
|------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------|-----------------------------|---------------------------------------------------|-------------------------|
| GRI Standard | Disclosure | Direct Response/ Section in this Report (pg. #) | Requirement (s) Omitted | Reason | Explanation | Index Mapping |
| Human Capital Management, Development, and Diversity | | | | | | |
| Carbon Footprint | | | | | | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Corporate Governance (p.21-24) Valuing Our Workforce (p.46-48) ESG Indicators (p.100-103) | | | | SDG 5.1, 5.5, 8.5 |
| | 405-2 Ratio of basic salary and remuneration of women to men | | a, b | Confidentiality constraints | The Bank considers this information confidential. | SDG 5.1, 8.5, 10.3 |
| GRI 403: Occupational Health and Safety 2016 | 403-2 Hazard identification, risk assessment, and incident investigation | Leading Our People (p.50-51) | | | | SDG 8.8 |
| | 403-5 Worker training on occupational health and safety | Leading Our People (p.50-51) | | | | SDG 8.8 |
| | 403-6 Promotion of worker health | Leading Our People (p.50-51) | | | | SDG 3.3, 3.5, 3.7, 3.8 |
| | 403-9 Work-related injuries | Leading Our People (p.50-51) | | | | SDG 3.6, 3.9, 8.8, 16.1 |

| | | | OMISSIONS | | | |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------|--------|-------------|-----------------|
| GRI Standard | Disclosure | Direct Response/ Section in this Report (pg. #) | Requirement (s) Omitted | Reason | Explanation | Index Mapping |
| Human Capital Management, Development, and Diversity | | | | | | |
| Community Initiatives | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | Encouraging Community Participation (p.67-73) | | | | |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Encouraging Community Participation (p.67-73) | | | | |
| Customer Experience | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | Innovating Within (p. 79-81) Improving Customer Interactions (p. 82-83) | | | | |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Innovating Within (p.80) | | | | SDG 16.3, 16.10 |
| Risk Management | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | Identifying and Managing Risks (p.32-37) | | | | |
| Digital Advancement | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | Emphasizing Digital Transformation (p.78-83) | | | | |

SASB Content Index

| SASB Standard - Commercial Banks | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Accounting Metric | Category | Unit of Measure | Code | Report Section(s) or Direct Response |
| Financial Inclusion and Capacity Building | | | | |
| (1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development | Quantitative | Number, EGP Mn | FN-CB-240a.1 | Number of client: 625 Outstanding: 3,526,660,259 |
| (1) Number and (2) amount of past due and non-accrual loans qualified to programs designed to promote small business and community development | Quantitative | Number, EGP Mn | FN-CB- 40a.2 | Small Business Count: 0 O/S: 0 |
| Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers | Quantitative | Number | FN-CB-40a.3 | Sustainable Finance (p. 41-43) Broadening Accessibility to Services (p. 63-65) Encouraging Community Participation (p. 67-73) Empowering SMEs (p. 74-75) |
| Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers | Quantitative | Number | FN-CB-40a.4 | |
| Business Ethics | | | | |
| Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations | Quantitative | EGP Mn | FN-CB-510a.1 | Confidentiality constraints |
| Description of whistleblower policies and procedures | Discussion and Analysis | N/A | FN-CB-510a.2 | Upholding Ethical Standards (p.29-31) |
| Incorporation of Environmental, Social, and Governance Factors in Credit Analysis | | | | |
| Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis | Discussion and Analysis | N/A | FN-CB-410a.2 | Identifying and Managing Risks (p.32-37) |

SASB Standard - Commercial Banks

| Accounting Metric | Category | Unit of Measure | Code | Report Section(s) or Direct Response |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------------|--------------|---------------------------------------------------------------------------------------------|
| Data Security | | | | |
| Description of approach to identifying and addressing data security risks | Discussion and Analysis | N/A | FN-CB-230a.1 | Innovating Within (p.79-81) |
| (1) Number of data breaches, (2) percentage involving personally identifiable information (3) number of account holders affected | Quantitative | Number, Percentage (%) | FN-CB-230a.2 | Innovating Within (p.79-81) |
| Financed Emissions | | | | |
| Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3 | Quantitative | Metric tons (t) CO ₂ e | FN-CB-410b.1 | Financed emissions are not yet being assessed, but shall be assessed in the upcoming years. |
| Gross exposure for each industry by asset class | Quantitative | EGP Mn | FN-CB-410b.2 | |
| Percentage of gross exposure included in the financed emissions calculation | Quantitative | Percentage (%) | FN-CB-410b.3 | |
| Description of the methodology used to calculate financed emissions | Discussion and Analysis | N/A | FN-CB-410b.4 | |
| Systemic Risk Management | | | | |
| Global Systemically Important Bank (G-SIB) score, by category | Quantitative | Basis points (bps) | FN-CB-550a.1 | Not available |
| Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities | Discussion and Analysis | N/A | FN-CB-50a.2 | Identifying and Managing Risks (p.33-37) |

Activity Metrics

| SASB Standard | Activity metric | Category | Unit of measure | Code | Reference to Report Section/ Direct Response |
|------------------|-----------------------------------------------------------------------------------------------------------|--------------|-----------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commercial Banks | (1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business | Quantitative | Number, EGP | Quantitative | Not available |
| | (1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate | Quantitative | Number, EGP | Quantitative | Number of Small Business: 625 Its Value: 3,526,660,259 Number of Medium: 255 Its Value: 3,536,261,282 Number of Large: 332 Its Value: 23,265,702,555 Number of Personal: 89972 Its Value: 16,674,980,975 |

UNGC Content Index

| Principle | Description | Report Section(s) |
|-----------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Human Rights | | |
| Principle 1 | Businesses should support and respect the protection of internationally proclaimed human rights. | Supporting Local Businesses (p.76-77) |
| Principle 2 | Businesses should make sure they are not complicit in human rights abuses. | |
| Labor | | |
| Principle 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | ABK-Egypt has no collective bargaining agreements |
| Principle 4 | Businesses should uphold the elimination of all forms of forced and compulsory labor | Supporting Local Businesses (p.76-77) |
| Principle 5 | Businesses should uphold the effective abolition of child labor. | |
| Principle 6 | Businesses should uphold the elimination of discrimination in respect of employment and occupation. | Upholding Ethical Standards (p.29-31) |
| Environment | | |
| Principle 7 | Businesses should support a precautionary approach to environmental challenges. | Prioritizing the Environment (p.84-92) |
| Principle 8 | Businesses should undertake initiatives to promote greater environmental responsibility. | Prioritizing the Environment (p.84-92) Sustainable Finance (p.39-44) |
| Principle 9 | Businesses should encourage the development and diffusion of environmentally friendly technologies. | |
| Anti-corruption | | |
| Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery. | Upholding Ethical Standards (p. 29-31) |

TCFD Content Index

| TCFD Recommendation | Report Section(s) (or direct answer) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Governance | |
| a. Describe the board’s oversight of climate-related risks and opportunities. | Corporate Governance (p.19-26) Identifying and Managing Risks (p.32-37) |
| b. Describe management’s role in assessing and managing climate-related risks and opportunities. | |
| Strategy | |
| a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. | Corporate Governance (p.19-26) Identifying and Managing Risks (p.32-37) |
| b. Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning. | |
| c. Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | |
| Risk Management | |
| a. Describe the organisation’s processes for identifying and assessing climate-related risks. | Corporate Governance (p. 19-26) Identifying and Managing Risks (p. 32-37) |
| b. Describe the organisation’s processes for managing climate-related risks. | ABK-Egypt has assessed its organizational carbon footprint and is currently developing a decarbonization action plan. Additionally, ABK-Egypt is in the process of creating an ESG management system to identify and mitigate climate-related risks. This system will also integrate climate risk assessment into the organization’s overall risk management framework. |
| c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management. | |
| Metrics and Targets | |
| a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. | Tracking our Environmental Impact (p. 85-88) ESG Indicators (p. 97) |
| b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | |
| c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | |

CBE Reporting Guidelines

| Principles of Sustainable Finance | | Report Section(s) |
|-----------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Principle 1 | Capacity-Building and Necessary Knowledge | Sustainable Finance (p.39-44) Identifying and Managing Risks (p.33-37) |
| Principle 2 | Enhancing Sustainable Finance | Sustainable Finance (p.39-44) |
| Principle 3 | Involvement of the Stakeholders | Collaborating with Stakeholders (p.16) |
| Principle 4 | Managing Climate Change Risks | Identifying and Managing Risks (p.33-37) |
| Principle 5 | Applying the Principles of Sustainability to the Bank's Internal Activities and Operations | Committing to ESG Initiatives (p.13-15) |
| Principle 6 | Reporting | About this Report (p.4) |

Limited Assurance Statement

Introduction and Objectives of the Engagement

Masader Environmental and Energy Services S.A.E (the 'Assurance Provider') has been engaged by Al Ahli Bank of Kuwait - Egypt (ABK-Egypt) (the 'Reporting Organization') to provide Moderate Assurance Type 1 (the 'Assurance') regarding adherence to the AA1000AS v3 (2020) over the ABK-Egypt's 2023 Sustainability Report (the 'Report').

Scope, Subject Matter and Limitations

The subject matter of the Report is the Reporting Organization ESG performance data and information for the year ended 31 December 2023. The scope of assurance is limited to a review of the Selected Information listed below:

- ABK-Egypt's ESG Management
- Stakeholder Engagement
- Materiality Assessment

The assurance process was subject to the following limitations and exclusions.

- Verifying the data or information provided by ABK-Egypt stated in the Introduction section, and ABK-Egypt's Chairman's Message.
- Appropriateness of definitions and any internal reporting criteria adopted by ABK-Egypt for its disclosures.
- Appropriateness of any new commitments and objectives established and communicated by ABK-Egypt.
- Content of external websites or documents linked from the Report and ABK-Egypt.

We have not been engaged to:

- Verify any statement indicating the intention, opinion, belief and/or aspiration of ABK-Egypt.
- Determining which, if any, recommendations should be implemented.

Intended Users

The intended users of this assurance engagement are the Reporting Organization and its stakeholders, including but not limited to customers, employees, investors, government, and regulators.

Reporting Criteria

The selected information has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, and the Sustainability Accounting Standards Board (SASB) Standards, in addition to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and the UN Global Compact (UNGC) Principles.

Responsibilities of the Reporting Organization

The provision of the Selected Information in the Report is the sole responsibility of the Management of ABK-Egypt. The Reporting Organization is responsible for preparing the Report in line with the reporting criteria and in accordance with the GRI 2021 Universal Standards.

Responsibilities of the Assurance Provider

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. Our responsibilities were to:

- Provide Moderate Level (Type 1) assurance as per AA1000AS v3 over the accuracy, reliability and objectivity of the information contained within the Report;
- Form an independent conclusion based on the procedures performed and evidence obtained.

Methodology

To form our conclusion, we undertook the following procedures:

- Interviewed management and other persons responsible for the Reporting Organization's ESG performance to assess the application of the GRI 2021 Universal Standards in the preparation of the Report;
- Analyzed and assessed the key structures, processes, procedures and controls relating to the preparation of the Report;
- Evaluated whether the management approach for the material topics presented in the Report is consistent with the overall sustainability management and performance at ABK-Egypt;
- Assessed the completeness and accuracy of the GRI, SASB, TCFD, and UNGC content indexes concerning the disclosures and their omissions;
- Interviewed management and data owners regarding the process of identification, data collection, consolidation and reporting for the selected KPIs;
- Reviewed and evaluated ABK-Egypt's GHG Metrics;
- Reviewed the selected KPIs to ABK-Egypt's internal calculations and supporting documentation;
- Compared the content of the Report against the findings of the outlined procedures.

Statement of Independence and Impartiality

The Assurance Provider and the Reporting Organization are not engaged in relationships that would be perceived to affect its ability to provide an independent and impartial statement.

Statement of Competence

Masader Environmental and Energy Services S.A.E is an AA1000AS v3- Licensed Assurance Provider as per the license agreement (ID: 000-882) with Accountability AA1000 CIC.

The assurance team has extensive experience in the assurance of ESG data, systems, and procedures.

Recommendations

Based on the conducted assurance engagement, it is recommended that the Reporting Organization can implement the following measures to enhance future reporting:

- Ensure clear alignment between reported metrics and the long-term ESG goals and targets, including progress made during the reporting period;
- Ensure consistent and complete disclosure of stakeholder engagements conducted for the purpose of the report prepared in case such actions have been undertaken.

Conclusion

Our conclusion has been formed based on and is subject to the matters outlined in this Report. We believe our evidence is sufficient and appropriate to provide a basis for our conclusions. The conclusion on applying the AA1000 Assurance Principles (2018) is presented below.

| | |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inclusivity | The Reporting Organization has provided evidence of the inclusivity regarding its stakeholder relations, including understanding and representation of stakeholder interests in the Report. |
| Materiality | The Reporting Organization has described its material topics and the materiality assessment process. Based on the conducted engagement, we believe the material topics accurately reflect the Reporting Organization's ESG impacts and disclosures. The disclosures presented in the Report have been organized to present performance on each material topic. The Report would benefit from a more straightforward representation of the connection between the Reporting Organization's targets and reported disclosures. |
| Responsiveness | The obtained evidence has been sufficient to conclude that the Reporting Organization is responsive to the issues raised by its stakeholder groups by collecting regular feedback via tailored communication channels and appropriate procedures to handle grievances, feedback, and other types of stakeholder inputs. |
| Impact | The Reporting Organization has provided evidence of the applied procedures and systems to monitor and measure its impacts on the environment and actions to ensure accountability for those impacts. |

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Selected Information of the Report of ABK-Egypt for the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with the standards, frameworks, and principles indicated in the 'Reporting Criteria' section above.

In accordance with the terms of our engagement, this independent assurance statement on the Selected Information has been prepared for ABK-Egypt concerning reporting to the Reporting Organization's stakeholders and for no other purpose or in any other context.

For and on behalf of Masader Environmental and Energy Services S.A.E

Dr. Abdelhamid Beshara,
Founder and Chief Executive Officer

Masader, Environmental and Energy Services (S.A.E)
Cairo, March 21, 2024

Abdelhamid Beshara



Accredited Climate Change Consultancy



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