



**REPORT**  
**On**  
**Corporate Governance of Listed Companies**  
**Concerning the Export Development Bank of Egypt (EBank)**  
**For the period from 1 January 2023 to 31 December 2023**

**BANK INFORMATION**

**Main Bank Information**

<b>Company Name</b>	<b>Export Development Bank of Egypt (EBank)</b>		
<b>Company Purpose</b>	Encouraging and developing exports and supporting the establishment of an agricultural, industrial, commercial and services export sector, conducting all banking operations, whether in local or foreign currency, and performing all activities to achieve its goals related to banking operations and transactions		
<b>Company Term</b>	Fifty years	<b>Date of Stock Exchange Listing</b>	23 August 1989
<b>The Company is governed by the following laws:</b>	- The Central Bank and Banking Sector Law No. 194 of 2020 - Law No. 159 of 1981 governing Joint Stock Companies, Companies Limited by Shares and Limited Liability Companies	<b>Nominal Value of Shares</b>	EGP 10 (Ten Egyptian pounds only)
<b>Latest Authorized Capital:</b>	EGP 10,000,000,000 (Ten Billion Egyptian pounds only)	<b>Latest Issued Capital:</b>	6,600,960,000 (Six billion six hundred million and nine hundred sixty thousand Egyptian pounds only)
<b>Last Paid-up Capital:</b>	6,600,960,000 (Six billion six hundred million and nine hundred sixty thousand Egyptian pounds only)	<b>Commercial Register Number and date of registration:</b>	CR No. 131479, Cairo Investment 19 October 2023
<b>Contact Person:</b>	Mr. Yasser Osama Abdel Sadek; Investor Relations Officer		
<b>Headquarters Address:</b>	Plot No. 78, South Tesseen Street, City Centre, Fifth Settlement, New Cairo, Cairo		
<b>Telephone:</b>	16710	<b>Fax:</b>	25765749
<b>Website:</b>	<a href="https://EBank.com.eg">https://EBank.com.eg</a>		
<b>Email:</b>	<a href="mailto:yasser.osama@EBank.com.eg">yasser.osama@EBank.com.eg</a>		



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## GENERAL ASSEMBLY OF INVESTORS

### Ownership Structure

Holders of 5% or more EBank shares	Ultimate Beneficial Owner (UBO)	Number of shares as at 31 December 2023	Percentage
National Investment Bank	National Investment Bank	268,982,722	40.75%
Banque Misr	Banque Misr	152,734,460	23.14%
National Bank of Egypt	National Bank of Egypt	130,694,416	19.80%
The Private Sector *	The Private Sector	107,684,402	16.31%
<b>TOTAL</b>		<b>660,096,000</b>	<b>100%</b>

\*The Private Sector holds 107,684,402 shares representing 16.31% of the ownership structure. Mr. Sherif Adly Kirollos Boulos owns 47,840,105 shares representing almost 7.25% of the Bank capital.

### BOARD OF DIRECTORS:

#### The BOD Composition on 31 December 2023

SN	Board member name	Capacity (Executive / Non-Executive / Independent)	Number of shares held on 31 Dec. 2023	Appointment date	Representative of:
1	Dr. Ahmed Mohamed Galal Mohamed Abdallah	Executive	-	27/8/2017	Chairman
2	Mr. Mohamed Mohamed Mohamed Abou El Seoud	Executive	-	1/1/2019	EBank Managers
3	Dr. Mohamed Abdel Moniem Abdel Kader Mashaly	Executive	-	27/6/2022	EBank Managers
4	Mr. Mohamed Abd-Elaal Elsayed Hassan	Non-Executive	268,982,722	23/4/2019	National Investment Bank
5	Dr. Ahmed Gad Gad Radwan Kamaly	Non-Executive		28/3/2022	National Investment Bank
6	Ms. Nihal Tawfik Abdel Salam Zaki	Non-Executive		28/3/2022	National Investment Bank
7	Dr. Aliaa Abd-Elaziz Fathallah Soliman	Non-Executive	152,734,460	8/10/2018	Banque Misr
8	Mr. Mohamed Taha Mohamed Mostafa	Non-Executive		6/4/2023	Banque Misr
9	Mr. Hamed Hassouna Hassan Hassib	Non-Executive	130,694,416	28/10/2017	National Bank of Egypt
10	Mr. Abd-Elaziz El Sayed Hassan Hassouba	Non-Executive	107,684,402 Personal shares: 125,920	1/11/2015	The Private Sector
11	Dr. Ahmed Samir El Sayyad	Independent	-	28/1/2020	Specialized board member
12	Dr. Gehan Mamdouh Mohamed Saleh	Independent	-	28/9/2022	Specialized board member

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### **Chairman of the Board (Chief Executive Officer)**

The Chairman of the Board assumes executive responsibility in addition to Board chairmanship since the Bank establishment, according to the requirements and provisions of Article 14 of the Bank Establishment Law, which, since its issuance in 1983, entrusted the executive responsibility of the Bank to the Chairman.

The Chairman of the Board represents the Bank in its relations with third parties and before the judiciary, and is responsible for implementing the general policy developed to achieve the Bank's goals, as well as implementing the decisions of the Board of Directors, proposing the Bank bylaws and presenting them to the Board of Directors for approval. The Bank Chairman may authorize a Board member or any Bank officer to undertake some of his duties.

The Chairman is competent to perform the following:

- Preparing the Board meeting agenda, extending the meeting invitation and chairing the Board meeting.
- Inviting the ordinary and extraordinary general assemblies to convene, while the Minister of Trade and Industry or his delegate will chair those meetings.
- Following up the implementation of the general policies, action plans and work programs approved by the Board of Directors.
- Presenting to the Board of Directors the manner of disbursing the donations within the limits approved by the General Assembly of the Bank.
- The Chairman administratively reports to:
  - Consolidated Risk Group
  - Internal Audit Group
  - Governance, compliance and International Standards Sector
- Also, the Chairman administratively and functionally reports to:
  - Legal Affairs Sector
  - General Secretariat
  - Human Resources Sector
  - Strategic Planning Sector
  - Corporate Communication Sector
  - Internal Audit Sector
  - Technical Secretariat of the Chairman
  - The Executive Committees of the Bank

### **Board Secretary**

The General Board Secretariat Sector directly reports to the Chairman and the General Secretariat is directly accountable to the Chairman. A competent officer chairs the General Secretariat whose role is not only to record the minutes of the Board meetings, but also to perform tasks including but not limited to the following:

- Preparing for the Board meetings and writing agenda including the items that will be discussed during the meetings. Also, preparing the details and information on those topics and sending them to the Board members before the meeting by ample time.
- Follow up the execution of the Board decisions within the framework of the mechanism set for that purpose.
- Filing and documenting all matters related to the Board resolutions and the topics presented to it, while ensuring that the Board obtains the significant information in a timely manner
- Coordinating with the heads of the Risk Sector and the Governance, Compliance & International Standards Sector, as well as all Bank sectors and departments, to present their business results to the Board.
- Coordinating with the rapporteurs of all Board committees to ensure effective communication between those committees and the Board of Directors.
- Coordinating with the Governance and Nominations Committee within the framework of providing the necessary information to support the Chairman of the Board in the process of evaluating members, committees, and the proposals that the Board presents to the General Assembly regarding selection/replacement of a member.
- Keeping the Board members informed of the most important developments in terms of supervisory or legal responsibilities arising from any developments in the Bank operations/activities or in the legal

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framework governing the Bank, within the limits of his responsibilities and in a manner consistent with the role of the departments concerned with those matters.

Providing the necessary information about EBank to new members and presenting them to the rest of the members.

- Supervising the preparation of the Board meetings, the General Assembly and committee meetings (Credit Executive Committee, Internal Executive Committee, Credit Committee, Non-Performing Loans (NPL) Committee, SME Finance Committee and Small and Microfinance Programs and Products Committee) also reviewing the issues presented to them and drawing-up their error free resolutions.
- Preparing the minutes of the meetings, signing them and sending copy thereof to the Board members for approval. In case of any comments or amendments by any member, the Board Secretary will amend the minutes and submit them at the following meeting for approval by the Board members.
- The General Board Secretariat notifies the Head of the Governance, Compliance and International Standards Sector of the decision to form any committee approved by the Board, provided that the decision includes the committee's composition, duties, responsibilities, any authorities within its TOR and the periodicity of convening the committee meeting.

## **BOARD COMMITTEES**

### **Committee Composition**

The following table shows the formation of the board committees on 31 December 2023, by demonstrating the cases of merging the TOR of some committees together:

SN	Member name	Committee Name						Member capacity	Position in the Committee	Appointment Date
		Higher / Internal Executive Committee	Audit Committee	Risk Committee	Governance & Nominations Committee	Payroll & Remuneration Committee	Strategy Committee			
1	Dr. Ahmed Mohamed Galal Mohamed Abdallah	*					*	Executive	Committee Head	27/8/2017
2	Mr. Mohamed Mohamed Mohamed Abou El Seoud	*						Executive	Deputy Committee Head	1/1/2019
3	Dr. Mohamed Abdel Moniem Mashaly	*						Executive	Committee member	27/6/2022
4	Mr. Mohamed Abd-Elaal Elsayed Hassan		*	*				Non-Executive	Head of Audit Committee Risk Committee member	23/4/2019
5	Dr. Ahmed Gad Gad Radwan Kamaly				*		*	Non-Executive	Strategy Committee member Governance Committee member	28/3/2022
6	Ms. Nihal Tawfik Abdel Salam Zaki					*	*	Non-Executive	Payroll & Remuneration Committee member Strategy Committee member	28/3/2022

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SN	Member name	Committee Name						Member capacity	Position in the Committee	Appointment Date
		Higher / Internal Executive Committee	Audit Committee	Risk Committee	Governance & Nominations Committee	Payroll & Remuneration Committee	Strategy Committee			
7	Dr. Aliaa Abd-Elaziz Soliman				*		*	Non-Executive	Governance Committee Head Strategy Committee member	8/10/2018
8	Mr. Mohamed Taha Mohamed Mostafa			*			*	Non-Executive	Risk Committee member Strategy Committee member	6/4/2023
8	Mr. Hamed Hassouna Hassan Hassib		*	*				Non-Executive	Risk Committee Head Audit Committee member	28/10/2017
9	Mr. Abd-Elaziz El Sayed Hassan Hassouba				*	*		Non-Executive	Payroll & Remuneration Committee Head Governance Committee member	1/11/2015
10	Dr. Ahmed Samir El Sayyad		*			*		Independent	Payroll & Remuneration Committee member Audit Committee member	28/1/2020
11	Dr. Gchan Mamdouh Mohamed Salch			*			*	Independent	Strategy Committee member Risk Committee member	28/9/2022



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**Progress of Board and Board Committee Meetings**

Attendance record of the members to the Board, Board Committee and General Assembly meetings during the period from 1 January 2023 to 31 December 2023:

	Member name	General Assembly **	Board of Directors	Higher Executive Committee	Internal Executive Committee	Audit Committee	Payroll & Remuneration Committee	Governance & Nominations Committee	Risk Committee	Strategy Committee
1	Dr. Ahmed Mohamed Galal Mohamed Abdallah	3/3	11/11	36/48	32/39					2/2
2	Mr. Mohamed Mohamed Abou El Seoud	3/3	11/11	42/48	35/39					
3	Dr. Mohamed Abdel Moniem Mashaly	3/3	11/11	43/48	34/39					
4	Mr. Mohamed Abd-Elaal Elsayed	3/3	11/11			15/15			12/12	
5	Dr. Ahmed Gad Gad Radwan Kamaly	2/3	10/11					5/5		2/2
6	Ms. Nihal Tawfik Abdel Salam	3/3	11/11				5/5			2/2
7	Dr. Aliaa Abd-Elaziz Soliman	3/3	11/11					5/5		2/2
8	Mr. Mohamed Taha Mohamed Mostafa*	3/3	9/11						7/12	1/2
9	Mr. Hamed Hassouna Hassan Hassib	3/3	11/11			15/15			12/12	
10	Mr. Abd-Elaziz El Sayed Hassouba	3/3	11/11				5/5	5/5		
11	Dr. Ahmed Samir El Sayyad	3/3	11/11			15/15	5/5			
12	Dr. Gehan Mamdouh Salch	3/3	11/11						12/12	2/2

\* Mr. Mohamed Taha Mohamed Mostafa joined the Bank Board of Directors on 6 April 2023 and he became member of the Risk and Strategy Committees according to the Board resolution No. 3/2023 on 21 May 2023.

\*\*During this period, three General Assembly meetings were convened (two Ordinary General Assemblies and one Extraordinary General Assembly). Owing to his travel abroad, Dr. Ahmed Gad Gad Radwan Kamaly apologized for being unable to attend the Extraordinary General Assembly convened on 19 September 2023.

**AUDIT COMMITTEE**

The Board of Directors formed the Board Audit Committee consisting of three non-executive Board members. The Committee conducted its duties and responsibilities in accordance with the Committee TOR approved by the Board of Directors.

**1. AUDIT COMMITTEE MEETINGS**

The Audit Committee convened and agreed to hold fifteen joint meetings during FY 2023 as follows:

**1.1 Audit Committee meetings**

During FY 2023, the Audit Committee held fifteen meetings and the Committee members' rate of attendance was 100%.

In addition to:

**1.2 Non-Executive board members' meeting with the auditors**

In light of the Bank Governance instructions issued by the Central Bank regarding the relationship of the Board of Directors with the Bank's external auditors, which stipulate that "It is necessary for non-executive board

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members to meet with the external auditors - without the presence of senior management and in the presence of the Internal Audit Sector and Compliance Sector heads, at least once a year”, the Audit Committee coordinated with the non-executive Board members and the auditors, and a meeting was held on 30 March 2023 “without the presence of Senior Management and the Executive Board members” and in the presence of the Internal Audit Sector and the Compliance Sector heads.

### 1.3 Non-Executive board members’ meeting with the Chairman of the Board of Directors

In light of the Bank Governance instructions issued by the Central Bank regarding the relationship of the Board of Directors with the Bank’s external auditors, which stipulate that “It is necessary for non-executive board members to meet with the Chairman of the Board at least once a year”, the Audit Committee coordinated with the non-executive Board members and the Chairman of the Board, and a meeting was held on 30 March 2023 “without the presence of the Executive Board members.”

## 2. TOPICS DISCUSSED DURING THE COMMITTEE MEETINGS

During its periodic meetings, the Audit Committee discussed all the topics assigned to it by the esteemed Board of Directors in accordance with the Audit Committee Charter and TOR. All topics listed in the Committee meeting agendas were discussed to verify the Bank’s compliance with the legal requirements and instructions issued by the Central Bank and the relevant regulatory authorities. The Committee discussed with the executive departments and auditors to ensure the integrity of the internal financial reporting regulatory controls. Moreover, the Committee monitored and supervised the business results of the Internal Audit Group, also the compliance, risk management and governance systems of the Bank.

The following are among the most important topics discussed by the Committee in its meetings:

### 2.1 The Bank’s annual/quarterly financial statements

During FY 2023, the Audit Committee reviewed the financial statements and discussed them with the auditors to ensure their consistency with the publication rules issued by the Central Bank of Egypt before submitting them to EBank BOD for approval in preparation for their publication as follows:

- Auditors’ report on the Bank’s closing financial statements as at 31 December 2022.
- Auditors’ report on the Bank’s quarterly financial statements as at 31 March 2023, 30 June 2023 and 30 September 2023.

### 2.2 Central Bank of Egypt’s “Inspection works”

During FY 2023, the Audit Committee regularly monitored the implementation status of the corrective plan prescribed in CBE Report on the Bank, which resulted in completing all the corrective measures included therein in accordance with the corrective plan reported to the Central Bank. Also, the implementation of the remaining plan is followed up according to the target dates of the corrective actions.

### 2.3 External Auditors

During FY 2022, the Committee followed up the auditors’ inspection and audit works and ensured that all necessary arrangements and preparations have been made enabling the auditors to conduct the audit tasks on the overall Bank business with transparency and objectivity, and that the Committee has coordinated between the internal and external audit tasks and ensured the absence of any restrictions hindering communication between the auditors and the Board of Directors, the Audit Committee and the Executive Department. The Committee regularly discussed the Auditors’ reports during the fiscal year as follows:

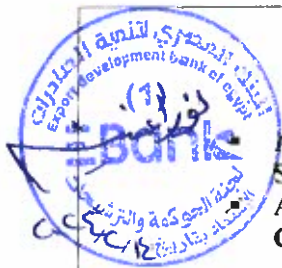
- Auditors’ report on the Bank’s closing financial statements as at 31 December 2022.

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Auditors' report on the Bank's quarterly financial statements as at 31 March 2023, 30 June 2023 and 30 September 2023.

Auditors' report on the evaluation of the Bank's internal control systems in accordance **COSO Internal Control Integrated Framework** for the year ending 31 December 2022.

## 2.4 Private Financial Advisory Services

- During FY 2023, the Audit Committee expressed its opinion and approved the authorization to assign the auditors to perform advisory services for the benefit of the Bank. The Audit Committee also supervised and continuously monitored the works of the auditors to whom tasks were assigned. The Committee ensured that all necessary arrangements and preparations have been provided by the Bank enabling the auditors to conduct their tasks with transparency and objectivity.
- The Committee invited **Messrs. Professionals Financial Consultants Office**. The report on the Bank transactions with the related parties as at 31 December 2022 was presented and discussed and the Board of Directors was informed of the results of the report and the recommendations made in this regard.
- The Committee discussed the report of **RSM Egypt Office** on the external assessment of the Bank's internal audit, prepared based on the instructions of the Central Bank of Egypt for conducting an external assessment of internal audit in accordance with the International Standards for the Professional Practice of Internal Auditing (Standard 1312), provided that the task of conducting the assessment is assigned to an auditor approved by the Central Bank of Egypt besides the Auditor who approves the Bank's financial statements.
- Discussing the report prepared by **Protiviti Office** on the Bank's internal control system assessment at the closing of the year on 31 December 2022, in accordance with CBE circular of August 2022, which requires banks to conduct an assessment of their internal control systems in line with **COSO Internal Control Integrated Framework, 2013**.

## 2.5 Internal Audit Group

During FY 2023, the Committee directly supervised all the works and activities of the Internal Audit Group and verified the independence and objectivity of the audit activity and the scope of its work. The Committee also discussed the topics and reports submitted by the Internal Audit Group as follows:

- The Business Charter and TOR of the Internal Audit Group and their approval.
- Discussing and approving the Internal Audit Group Plan for FY 2023.
- Studying and discussing the organizational structure of the Internal Audit Group and following up the appointments for the Group.
- Studying and discussing the quarterly performance reports of the Internal Audit Group activity.
- Presenting and approving the annual report of the Committee activities during FY 2022 and submitting it to the Bank's Board of Directors for discussion and approval.
- Studying the follow-up reports on the resolutions and recommendations of the Audit Committee.
- Discussing the Internal Audit Group's periodic reports, the business results of the audit works and the tasks performed during the fiscal year.
- Discussing the ways and mechanisms of developing the Internal Audit Group's work.
- Studying, analysing and discussing follow-up reports on observations mentioned in the internal audit reports and recommending the necessary corrective measures, as well as recommending the creation of mechanisms and development of work systems to avoid recurrence of these observations.
- Reviewing the follow-up reports on the corrective action plan based on the observations included in CBE report on the Bank's control environment.
- Monitoring and analysing the follow-up reports on the observations included in the auditors' reports and coordinating with the concerned departments to take the necessary corrective measures regarding those observations.



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## 2.6 Governance, Compliance and International Standards Sector

During FY 2022, the Committee supervised the work and activities of the Governance, Compliance and International Standards Sector to determine the efficiency and effectiveness of the Bank's compliance systems. The Committee discussed the topics and reports submitted by the Compliance Sector as follows:

- Compliance Sector work plan for FY 2023.
- Studying and discussing the organizational structure of the Compliance/Customer Rights Protection Sector and following up the appointments in this Sector.
- Reviewing reports prepared by the Bank Chief Compliance Officer (CCO), especially regarding violations of applicable legislation, the Bank's internal regulations and instructions issued by the Central Bank of Egypt.
- Reviewing the periodic reports on the extent of the Bank's various sectors' compliance (such as funding/external relations/treasury/investment/finance sectors, etc...) with the laws and policies approved by the Bank and the instructions issued by the Central Bank of Egypt and other relevant regulatory authorities.
- Discussing the quarterly reports on the Bank's compliance activity
- Discussing the annual report of the Governance, Compliance and International Standards Sector on the Bank's compliance with anti-money laundering and anti-terrorism financing laws.
- Discussing the Governance, Compliance and International Standards Sector's report on assessing money laundering and terrorist financing risks in accordance with the instructions issued by the Central Bank in 2021.
- Bank Customer Rights Protection Instructions issued by the Central Bank of Egypt and the extent of compliance with them.
- Study and discuss the periodic customer complaints reports and analyze them to determine their root causes and the Complaints Unit's working mechanisms in order to address those complaints and ensure their non-recurrence.

## 2.7 Executive Department

During FY 2023, the Committee discussed the topics and reports submitted by the Bank's Executive Department as follows:

- Stress Testing.
- Discussing the Recovery Plan and implementation manual
- Discussing the amendment of the buy/sell Authority Matrix in the Procurement and Sales Policy.
- The status of lawsuits filed by or against the Bank and the lawsuit provisions that must be formed.
- Updates on the registration of the Bank's real estate assets by the Legal Affairs Sector.
- Assets whose ownership was transferred to the Bank and the actions taken for their disposal.
- In addition to the topics presented based on the Committee's recommendation, presenting and monitoring their updates.

## 3. THE MOST IMPORTANT RECOMMENDATIONS ISSUED BY THE AUDIT COMMITTEE

The Audit Committee passed several resolutions and recommendations regarding the topics presented to it. The Board of Directors was informed of those resolutions and recommendations which were sent to the relevant executive departments to take the necessary actions. The following are among the most important resolutions and recommendations issued by the Committee:

- Recommending to the Board of Directors to approve the quarterly financial statements as at 31 December 2022, 31 March 2023, 30 June 2023 and 30 September 2023.

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- Monitoring the Bank's tax position and the procedures undertaken in its regard by the Executive Department and recommending the action that will be taken or implemented it in this regard.
- Approving to update the Internal Audit Group's Business Charter and TOR to be enforced during FY 2023.
- Recommending the Internal Audit Group's follow-up of the observations included in the audit reports on the Bank's various branches, sectors and departments and the corrective measures taken in their regard according to the target completion dates.
- Follow up the results of the Financial Reporting Standard (IFRS) No. 9 Implementation Review.
- Follow up the performance and work of the Compliance and Anti-Money Laundering Sector and its role in verifying the extent of the Bank sectors' compliance with instructions, rules and laws.
- Follow up the business results of the Customer Rights Protection Department in accordance with CBE instructions.
- Follow up customer complaints and develop the recommendations and proposals that will prevent recurrence of those complaints. Also follow up the implementation of the Bank's Internal Control Sector's Plan and business results.
- Introducing the necessary amendments to the Bank's product and service contracts to protect the customers' rights.
- Continuing to support the Internal Audit Group, the Compliance Sector and the Customer Rights Protection Department with the necessary human resources and technological systems to enable them to perform their work efficiently and effectively.
- Recommending the necessity of the Policies and Work Systems Sector to update all work systems and policies in accordance with the updating periodicity approved by the Bank.
- Emphasizing the Bank sectors' commitment to link the employee performance appraisal with the results of the internal audit reports.
- Follow up the status of lawsuits filed by or against the Bank and the lawsuit provisions that must be formed.
- Monitoring the implementation status of the corrective plan prescribed in CBE Report on EBank.
- The Committee agreed to assign the auditors to perform other works to complete the requirements of some regulatory authorities.

The Audit Committee regularly follows up the implementation of the resolutions and recommendations in the committee meetings till their completion.

### **GOVERNANCE AND NOMINATIONS COMMITTEE**

The Governance and Nominations Committee held five meetings during the period. The Committee evaluated and reviewed the governance rules implementation mechanisms issued by the Central Bank of Egypt and the regulatory authorities, prepared periodic reports and discussed and reviewed the Bank's annual report regarding disclosure clauses and governance requirements in general. The following are among the Committee's most important achievements during the period:

#### **The most important topics discussed during the year:**

- Briefing on the Board of Directors' resolutions regarding the Governance and Nominations Committee minutes.
- Approving the provisions of the Listed Companies' Governance Report for the period from 1 January 2022 to 31 December 2022 and recommending to present it to the Board of Directors to consider its approval.
- Approving the provisions of the disclosure reports of companies whose securities are listed on EGX, on environmental, social and governance practices related to sustainability and the financial impacts of climate change in accordance with FRA Decree No. 108/2021 and recommending submitting them to the Board for approval.



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Discussing the follow-up report on the implementation of the Bank's semi-annual Green for Growth Funding indicative principles dated 30 June 2023 and presenting it to the Board of Directors for approval.

Briefing on the provisions of the report on reviewing the Bank's compliance with the regulatory governance requirements for the period from 1 January 2022 to 31 December 2022 and the report summary, as well as recommending its presentation to the Board of Directors to consider its approval. Also briefing on the provisions of the same report concerning Q1, Q2 and Q3/2023 (quarterly cumulative) and the report summary and recommending their submission to the Board of Directors.

- Briefing on the updating status of the Bank's Governance Manual, provided that the manual includes a summary of the fundamental rules and the general framework of governance applications within the Bank, and is accompanied by governance supporting policies (governance policy – whistleblowing policy and protecting the whistleblower - Code of Ethics and Professional Conduct – disclosure and transparency policy – Conflict of interest policy) and taking the changes that occurred in the Bank law and statute into account and presenting it to the Committee upon adopting the new Statute.
- Approving the Board members' self-evaluation form and recommending that the self-evaluation form be completed by Board members.
- Approving the provisions of the analysis report on the results of the Board members' self-evaluation for the year 2022 and recommending its submission to the Board for approval.
- Recommending to present the nomination documents of Mr. Mohamed Taha Mohamed Mostafa for BOD membership, as a representative of Banque Misr, to the Board of Directors to take the necessary measures in accordance with the regulatory instructions.
- Briefing on the Prime Minister's Decree No. 4431 of 2022 appointing Dr. Ahmed Galal as Chairman of the Board of Directors, and Mr. Mohamed Abou El Seoud as Deputy Chairman for a term of three years or till the termination of the current Board of Directors' term in 2025, whichever is earlier, while Mr. Mohamed Abou El Seoud will continue to assume his position as (Executive) Board Member representing EBank managers in accordance with the Prime Minister's Decree No. 3374 of 2022.
- Briefing on the Governance and Nominations Committee report for the period from 1 January 2022 to 31 December 2022 and presenting it to the Board of Directors to consider its approval. Also briefing on Q1, Q2 and Q3 report for FY 2023 and recommending its presentation to the Board of Directors.
- Briefing on the provisions of the report on compliance with the Code of Ethics and Professional Conduct and Whistleblowing & Whistleblower Protection Policy for the period from 1 January 2022 to 31 December 2022, by presenting it to the Board of Directors to consider its approval. Also briefing on the Q1, Q2 and Q3 quarterly cumulative reports for FY 2023 and recommending their presentation to the Board of Directors.
- Briefing on the Disclosure and Transparency Policy compliance report for the period from 1 January 2022 to 31 December 2022 and recommending its presentation to the Board of Directors to consider its approval. Also briefing on the Q1, Q2 and Q3 quarterly cumulative reports for FY 2023 and recommending their presentation to the Board of Directors.
- Approving the provisions of the Annual Report on the Governance and Nominations Committee business summary for the period from 1 January 2022 to 31 December 2022 and presenting it to the Board of Directors to consider its approval.
- Discussing the report on the status of updating/preparing policies and work systems within the Bank and the target date for completion.
- Briefing on the Governance Department structure by taking the Committee's recommendations into account.
- Briefing on the provisions of EBank Annual Report in Arabic and English, especially the disclosure clauses in accordance with regulatory instructions, and recommending presenting it to the Board of Directors in preparation for publishing it on the Bank website.

#### **PAYROLL AND REMUNERATION COMMITTEE**

The Payroll and Remuneration Committee held five meetings during the period from 1 January 2023 to 31 December 2023, during which the Committee performed the following tasks:



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- Submitting its recommendations on the remuneration of the Bank's senior executives and Board members, provided that they include all financial transactions, including salaries, allowances, in-kind benefits, incentive stock options (ISOs) and any other elements of financial nature, taking into account the targets expected to be achieved.
- Monitoring and directing attention to the internal control functions performance in terms of rewards determined according to targets achieved without prejudice to their independence.
- Analysing the results also studying and following up the structure of salaries granted by the Bank, comparing them with other institutions to verify the Bank's ability to attract and retain the best talents.
- Preparing clear and written policies regarding payroll and remuneration at the Bank, which are reviewed periodically and re-evaluated in line with the level of risk to which the Bank is exposed by clarifying the grounds on which they are based.

*The Committee must take the following into account while performing its duties:*

- Taking the Bank's long-term goals into account upon setting payroll and remuneration policies, especially not linking the remunerations of Board Committee members and Bank Senior Management with short-term goals only.
- When proposing the remuneration of non-executive board members (including committee meeting attendance allowances), their actual engagement in the board will be taken into account, without linking it with the Bank's short-term performance.
- The possibility of controlling the variable pay size in such a way that it does not limit the Bank's ability to maintain a strong capital base, while determining the size of variable pay and the possibility of setting a maximum variable pay limit and the methods of its distribution to the Bank departments in line with the level of risk to which the Bank is exposed, especially liquidity risk and the capital requirements to cover such risks. If remunerations are granted in the form of shares or equity, they must be determined according to job level, and a minimum tenure and retention period must be set for those instruments.
- For employees whose jobs involve significant impact on the level of risk, their variable pays should reflect the level of the Bank performance and the risks to which it is exposed, and shall be determined periodically for a period not exceeding one year, and disbursed in accordance with the performance measurement standards specified by the Bank.
- The most important topics discussed during the meetings:
  - Approval of 2022 Annual Report.
  - Presenting periodic reports to follow up the employee appointment plan.
  - Presenting periodic reports on resignation rates.
  - Presenting periodic reports on the training budget.
  - Presenting a proposal to amend the transportation allowance of the Bank representatives in the companies that own shares in EBank.
  - Presenting a report showing the salary cost distribution and its percentages, by sector/job level.
  - Recommendations for increasing some employee allowances and the annual increment.

#### **RISK COMMITTEE:**

- The Risk Committee performed its functions during the year by adhering to its duties, periodicity of meetings and attendance rates in accordance with its work rules. The Risk Committee presents its minutes and recommendations to the Board. It also prepared its annual report on its activities during 2022, including a statement of the key resolutions taken during the year, at its meeting No. 1/2023 and presented it to the Board of Directors on 29 March 2022.
- The process of monitoring and reviewing the efficiency of the risk management system is a periodic process by the members of Board Committee – performed at least four times during the year, as the Committee held 12 meetings during FY 2023.



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During the year, the Risk Committee requested to add other risks to some presented reports as it deemed necessary. During the meeting No. 3/2023, the Committee discussed some details based on the Committee's request to check on the situation in light of new exchange rate fluctuations and defaults at some banks witnessed by the global market.

The Risk Committee monitors the adequacy and efficiency of the Bank's risk management system on an ongoing basis through a set of periodic reports on all types of risks (credit risks, market and liquidity risks, operational risks, fraud risks and information systems and information security risks, etc...). Through those reports, some indicators/cases that need attention or are considered high risks, also the procedures that the Bank will undertake in their regard are deduced to be presented to the Committee.

*The Committee also discussed the following:*

- Follow up the Risk Limits Dashboard, which includes various types of risks (reputational risks, retail risks, business continuity risks, profitability risks, strategic risks, etc...) and memoranda approving acceptable risk limits, which are submitted to the Board for approval on a quarterly basis.
- Internal Capital Adequacy Assessment Report (ICAAP) for FY 2022, which includes the various risks and corrective measures being undertaken by the Bank. The Committee submitted ICAAP to the Board of Directors, which in turn approved it.
- Discussing the "Project for updating the Service Providers Policy" and requesting to review the instructions due to the difference between the nature of suppliers and outsourcing service providers. The Committee recommended reconsidering the Project for updating the Service Providers Policy to define the outsourcing services and to study the Policy's inclusion of sustainability practices application by outsourcing service providers and suppliers.
- Discussing a new "General Business Continuity" Policy and submitting it to the Board of Directors, which in turn approved it.
- Discussing "Information Technology Policies," which is considered an update to an existing policy, and examining 12 new policies and submitting them to the Board of Directors, which in turn approved them.
- Examining the Information Systems Risk Report on the Bank's compliance with the Central Bank of Egypt's approval to update the basic banking applications system.
- Briefing on the update of the macroeconomic indicators listed on the S&P credit rating system in accordance with the business model for implementing the IFRS9 standard, which includes conducting a periodic evaluation of the macroeconomic indicators listed on the S&P credit rating system.
- The Committee examined the Products & Services Consolidated Risk Assessment Review and Mitigation Memorandum during the meeting No. 4/2023, where a periodic consolidated assessment memorandum on the risks of 18 services/products was presented (from the perspective of operational risks, fraud risks, Information Technology and Information Security risk, money laundering and terrorist financing risks) which explains the key risks and the Risk Mitigation Brief and reveals that the risk assessment of services and products reflects a real assessment of risks.
- The Committee requested the preparation of an "Information Security Policies Manual" to serve as a reference point and to provide a comprehensive vision of the Bank's Information Security system. Thereafter the Committee discussed the 14 policies in detail and examined the performance and risks indicators related to those policies as well.

*The Committee also examined the following:*

- Cyber Security Awareness Program 2023.
- EBank Cyber Security Strategy Project.
- Cyber Security Roadmap & Plan 2023.
- Updating the emergency management rules to ensure business continuity.
- Briefing on updating the Emergency and Business Continuity Plan in the Information Technology (IT) & Information Systems (IS) Sector.
- Updating some standards and adopting new methods to be used in verifying monthly income.
- Sustainable finance policy project.

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- Investment Policy Modernization Project, and recommended its re-presentation.  
Briefing on the required amendments to the Internal Capital Adequacy Assessment Process (ICAAP) report, 2022 (which was submitted to the Board of Directors at its meeting No. 10/2023).
- Project for updating the Committee work rules.
  - Retail Risk Sector memoranda on loan write-off.
  - Project to update the Operational Risk Policy.

The Committee submitted the above to the Board of Directors, which in turn approved them.

- Following up the concentration rates, especially deposits concentration and the % of the top 50 credit customers.
- Following up the analysis and stress testing of facilities and loans portfolio and the extent of implementing the recommendations of the Risk Sector (on a quarterly basis).
- Following up the status of investments managed by the Investment Sector and analysing the investment portfolio (on a quarterly basis).
- Following up the retail banking portfolio status (on a quarterly basis).
- The periodic report on customers whose debts have been written off (on a quarterly basis in accordance with the instructions of the Central Bank issued in December 2021) and the position of the debts that were written off during the fiscal year, as well as the position of the assets whose ownership was transferred to the Bank.
- The Committee reviews the reports of the regulatory authorities and any sanctions that may be imposed on the Bank in order to identify the risks and their causes and ensure that corrective measures, if any, are taken.
- The Committee also follows up the business results of the Business Risk and Control Committee (BRCC), the Assets and Liabilities Committee and the Recovery Planning Committee.

#### THE STRATEGY COMMITTEE

The Strategy Committee held two meetings during the period from 1 January 2023 to 31 December 2023.

The most important achievements during this period are as follows:

- Reference was made to the Bank's special footprint in export activity, and the ways and means of increasing the Bank's role in boosting Egyptian exports besides its primary role as a commercial bank, were studied. The Bank selected a sample of exporting customers and prepared a survey including several questions to identify their export-related needs and the problems they face in order to find solutions.
- Based on the survey results, the idea to establish **E-One Exporters Club** by the Bank was presented. Four main axes were defined based on the presented solutions to the problems facing exporters, as follows:
  1. networking process
  2. products and services
  3. incentives and benefits
  4. exporters' network growth
- Presenting the benefits of subscribing to E-One Club membership and the financial and non-financial services recommended to be provided by the Club, in addition to the steps proposed to be taken to enable the Club provide its services, also demonstrating the massive profits that the Bank will currently achieve as a result of bank-exporter dealings.
- Recommending to commence the necessary implementation procedures and identifying priority services for exporters in the first phase which will contribute to the success of the experiment and will attract customers to club membership.
- Presenting the implementation progress status of the Exporters Club Project.
- Discussing the five-year action plan (2023/2028).



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## CREDIT EXECUTIVE COMMITTEE

The Credit Executive Committee held 48 meetings during the period from 1 January 2023 to 31 December 2023. During those meetings the Committee performed its functions and duties as follows:

- Studying and making decisions on granting financing and credit facilities, also exercising the credit authorities entrusted to the Committee stipulated in the General Corporate Credit, Risks and Retail Banking Policy.
- Approving, classifying and reclassifying the finances and credit facilities provided by the Bank to its customers. The Committee has the authority to approve increasing or decreasing the creditworthiness degrees based on a recommendation submitted to it by the Risk Sector or based on any matter the Committee deems appropriate.
- Periodically checking the adequacy of the provisions for the Bank's financing and investment portfolios in accordance with any matter submitted to it by the Provisions Formation Committee.
- Approving new banking products, making amendments to existing products and approving programs for retail banking loans and microfinance products (for Micro and Small Enterprises) as well as standard work documentation/forms.
- Studying the recommendations of the Investment Committee and taking decisions regarding contributions to the capitals of companies, funds and securities & bonds portfolios, in accordance with the authorities granted to it by the Bank's Investment Policy.
- Reviewing and approving the recommendations of the Banking Services Tariff Committee.
- The authority to approve exemption from marginal returns and commissions charged to customers is restricted to the Credit Executive Committee
- Approving the transfer of the main management responsibility of some accounts, that may so require.
- Transferring credit customers' files to the Non-Performing Loans Treatment and Asset Management Sector.
- Examining the position of defaulting customers up to the ninth creditworthiness degree through a quarterly customer position demonstration memorandum, submitted to the Committee by the Non-performing Loans and Asset Management Committee. The Legal Affairs Sector and the Non-Performing Loans Treatment and Asset Management Sector submit a semi-annual report on the final status of customers who have credit score 10 against whom judicial measures have been taken.
- Examining all renewal requests of facilities and/or the proposed settlements for credit customers starting from the seventh creditworthiness degree and below.
- Examining all requests submitted by the Non-performing Loans Treatment and Asset Management Sector regarding exemption/write-off of the principal loan (partly or fully) and submit its recommendations to the Board of Directors (in accordance with the provisions of the authority matrix stipulated in the General Enterprise Credit and Risks Policy).
- Reviewing the monthly reports prepared by the Credit and Investment Follow-up Sector and making appropriate decisions in their regard.
- Reviewing the quarterly report on the Start-up Business or Green Field Business prepared by the relevant financing sector.
- Approving the reduction/cancellation of commissions and expenses below the amounts stipulated in the Banking Services Tariffs, for facilities within the limits of its authorities.
- Decision-making on amendments or waiver of some conditions or other standard documents within the limits of its authorities.
- Decision-making on scheduling agreements concluded with customers classified under "non-performing loans".
- Any tasks assigned to the Committee by the Bank Board of Directors or the approved policies and their amendments in line with the relevant regulatory laws and CBE decisions and instructions.



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### Credit Executive Committee Composition

• Dr. Ahmed Mohamed Galal	Chairman	Committee Head
• Mr. Mohamed Mohamed Mohamed Abou El Seoud	Deputy Chairman	Deputy Committee Head
• Dr. Mohamed Abdel Moniem Mashaly	Board Member Wholesale Banking Group Head	Member
• Mr. Gamal Abdel Awaad Attia	Operations Group Head	Member
• Mr. Hisham Mohamed Kamal	Consolidated Risk Group Head	Member
• Mohamed Hamdy Taha	Senior Medium Enterprises Sector Head	Member

### INTERNAL EXECUTIVE COMMITTEE

The Committee held 39 meetings during the period from 1 January 2023 to 31 December 2023.

During those meetings the Committee performed its functions and duties as follows:

- Expressing opinion on amending the organizational and functional structure of the Bank also the bylaws, policies and systems related to its workflow.
- The Internal Executive Committee may assign the duty of auditing and approving the work systems and procedures to the Policy and Work System Review Committee with the exception of the work systems and procedures of the Audit, Compliance and Governance Sectors, which are approved by the Board Committees each according to its competence.
- Approval of the organizational structures of the group/sector/department based on the proposal of the Human Resources Sector Head and after presenting them and coordinating with the group/sector/department concerned, without prejudice to the governance rules issued by the Central Bank, provided that organizational structures of the regulatory sectors (audit, risk, compliance, governance) are presented to the Board Committees for approval.
- The Board of Directors, based on the proposal of the Internal Executive Committee, approves the general framework of the promotion system/granting special allowances required by the nature of work/appropriate standards, method and procedures of periodic appraisal/overtime/training, within the scope of the Human Resources Policy.
- Approving the investigation recommendations that the Chairman deems to be presented to the Committee, which may lead to the worker's dismissal, termination of the contractual relationship, or referral to the Central Bank of Egypt or other administrative and regulatory authorities, in incidents that are considered criminal violations.
- Assessing the general situation and approving the declaration of a state of emergency in the Bank and assigning/delegating the Head of the Emergency Action Committee or whoever it deems appropriate to commence work in accordance with the instructions issued in this regard.
- Approving the Emergency Action Plan proposed by the Emergency Management Committee and any amendments thereto to confront the crisis. Also approving the Emergency Management Plan budget, providing the support and resources necessary for business continuity in times of crisis and briefing the Board of Directors thereon.
- Following up the results of the Emergency Action Plan on an on-going basis and taking appropriate prompt decisions based on the general situation and the information presented to the Committee during and after the crisis. The Committee also continuously supervises and follows up the implementation of the adopted procedures, provided that the Committee shall convene once again after the crisis to review and evaluate all the indicators used and the decisions taken by the Emergency Management Committee and the reports it submits to ensure the adequacy and effectiveness of all undertaken measures.



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- Making decisions on issues related to corporate communication, Corporate Social Responsibility (CSR) and Public Relations that necessitate the Internal Executive Committee's approval authority and briefing the BOD thereon, in addition to studying the cases that the Board of Directors has the authority to approve.
- Studying matters related to the medical treatment service in terms of performance evaluation and selection of health care and consulting services providing companies.
- Examining the Information Systems and Information Technology Sector projects and the performance and achievement reports according to the action plans and the various implementation phases.
- Exercising all authorities stipulated in the Bank bylaws and systems related to the Executive Committee TOR, with the exception of the provisions of the Credit Executive Committee Formation Decree.
- Exercising all authorities stipulated in the Bank bylaws and systems related to the Executive Committee TOR, with the exception of the competencies of the Payroll and Remunerations Board Committee stipulated therein.
- Implementing/following up any other work that the Board of Directors assigns to the Committee.
- The minutes of the Human Resources Committee and the Policies and Work Systems Review Committee meetings are presented to the Internal Executive Committee.

#### Internal Executive Committee Composition

<b>Dr. Ahmed Mohamed Galal</b>	Committee Head	Chairman
<b>Mr. Mohamed Mohamed Abou El Seoud</b>	Deputy Committee Head	Deputy Chairman
<b>Dr. Mohamed Abdel Moniem Mashaly</b>	Member	Wholesale Banking Group Head
<b>Mr. Ismail Farid Amin</b>	Member	IT Group Head
<b>Mr. Mohamed Fetouh Abdel Fattah</b>	Member	Finance Group Head
<b>Mr. Gamal Abdel Awaad Attia</b>	Member	Operations Group Head
<b>Mr. Hisham Mohamed Kamal</b>	Member	Consolidated Risk Group Head
<b>Ms. Shaimaa El Semary</b>	Member	HR Sector Head

#### CONTROL ENVIRONMENT

##### Internal Control System

##### First: Internal Control System Definition:

All Bank activities and operations are controlled and audited on an ongoing basis through the Board of Directors, senior management, board committees, all committees formed at the Bank and all employees, as part of EBank's internal control system which is performed through:

1. EBank's organizational structures (sectors/departments/branches).
2. Job descriptions of EBank's various positions.
3. Policies, systems and work procedures of all activities at the Bank sectors/departments/branches, which detail the steps for carrying out business inside the Bank.
4. The software package in the automated system of banking applications and the regulatory controls it includes, require several authorization levels for the transactions in accordance with the powers assigned to each job level (compiler/reviewer/approver) and the multiple regulatory reports retrieved from the aforementioned system.
5. Sectors and departments related to Internal Control:
  - Governance, Compliance and International Standards Sector
  - Risk Sector

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- Credit and Investment Follow-up Sector
- Financial Control Sector
- Legal Affairs Sector
- Operational and Information Systems Risks Sector
- Information Security Department
- Policies and Work Systems Sector
- Internal Control Department
- Internal Audit Group



Second: Method of reviewing the adequacy and efficiency of the company's internal control system by the Board members:

The Board members review the adequacy and efficiency of the internal control system through periodic reports on internal control presented by the sectors and departments to the board committees which submit their reports and business results to the Board of Directors on an ongoing basis.

Third: Periodicity of reviewing the efficiency of the control system by the Board members:

The Board members review the efficiency of the control system at every Audit Committee meeting across the year (15 meetings were held during 2023) as well as at the BOD meetings (11 Board meeting were held in 2023). In all those meetings, the efficiency of the control systems was accurately reviewed. It can be said that at least 22 reviews were performed during 2023.

**INTERNAL AUDIT GROUP**

- One of EBank policies is to establish and maintain an independent internal audit function through which the Chairman of the Board of Directors, Board members, the Board Audit committee and the senior executive management are provided with reasonable assurances about the effectiveness of the control environment as well as the efficiency of implementing systems and policies, work procedures and the extent of compliance therewith.
- The Internal Audit Group was established by the Board of Directors, and the tasks and responsibilities of internal audit are determined through the "Internal Audit Charter" within the general framework of the EBank's governance systems and among the Audit Committee responsibilities as part of their oversight role.
- The Internal Audit Group helps the Bank achieve its objectives by following systematic and organized work systems aimed at evaluating and improving the efficiency and effectiveness of the Bank's risk management, control and governance processes.
- The Internal Audit Group applies the Mandatory Guidance issued by the Institute of Internal Auditors (IIA), including the "Core Principles for the Professional Practice of Internal Auditing (IA), Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing." The Mandatory Guidance constitutes the basic requirement for the professional practice of internal auditing and for evaluating the effectiveness of the Internal Audit Group performance.

**Internal Audit Mission**

To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

**Internal Audit Charter**

The Internal Audit Charter is an approved internal document that defines the administrative position of the Internal Audit Group within the organizational structure of the Bank. The Charter should define the Internal Audit's goal, purpose, authority, scope of work and responsibility. The Internal Audit Group Head must review

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this Charter periodically (at least once annually), provided that the Audit Committee approves any amendments introduced to this Charter.

### **Independence and Objectivity**

The Internal Audit Group shall be free from any interference from any party or person at the Bank in choosing the audit or management tasks that will be audited, the periodicity or audit procedures, as well as the timing of conducting them, or the content of the report, in order to ensure the independence and objectivity of the internal audit activity.

### **Scope of Internal Audit Work**

- All Bank activities fall within the scope of the Internal Audit Group work, and any obstacles or hindrances to the powers, authorities or scope of work of the Internal Audit Group represent "restrictions within the scope of audit work" that must be reported to the Audit Committee.
- The Bank investments such as contributions and joint ventures over which the Bank has no management control do not fall within the scope of the Internal Audit Group work.
- The Internal Audit Group generally has unfettered access to all functions, departments, records, systems, policies and all Bank personnel, and any exception to the foregoing must be approved by the Audit Committee on a case-by-case basis.

### **Internal Audit Tasks and Responsibilities**

Upon conducting its tasks, the Internal Audit adopts a systematic approach to evaluate and improve internal control, risk management and governance systems in a way that contributes to achieving objectives and protecting assets. The scope of internal audit work generally includes evaluating the adequacy and effectiveness of the internal control system and the quality of performance when the Bank personnel and organizational units perform their tasks and responsibilities for the purpose of verifying whether those systems provide reasonable assurance that the objectives will be achieved.

Internal Audit reviews and evaluates the control systems and the extent of employee compliance with policies and procedures, ensures the adequacy of asset protection mechanisms and evaluates the extent of reliance on financial reporting systems. Internal Audit also evaluates the personnel performance in the branches and departments while conducting various audit tasks at the Bank and submitting reports on the results and recommendations to Senior Management, the Audit Committee and the Board of Directors. The Internal Audit also engages in development programs and cooperates with external auditors and the Accountability State Authority to determine the areas of auditing.

*The responsibility of Internal Audit includes, but is not limited to, the following:*

- Inspecting and evaluating the adequacy, efficiency and effectiveness of compliance, governance, risk management and internal control processes, in addition to the quality of performance in implementing and exercising the tasks and responsibilities specified to achieve the Bank objectives.
- Inspecting and evaluating the controls over the credit and investment portfolio quality and the related credit and investment risk management process.
- Evaluating the accuracy of the information and the means used to identify, measure, classify and report this information and evaluating the systems and mechanisms established to ensure compliance with the policies, plans, procedures, laws and bylaws which may have significant impact on the Bank.
- Evaluating the processes, programs or applications to verify whether the results are consistent with the goals and whether the processes have been implemented as planned.
- Evaluating the means of protecting assets, verifying their existence, evaluating the use, protection and security of those assets - including information assets - from the risks of theft, damage, destruction, misuse, neglect, inefficiency, improper practices, inappropriate disclosure or corruption.

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- Evaluating the extent to which we can rely on the security and integrity of the Bank's financial and operational information, as well as the means used to identify, measure, classify and report on that information.
- Informing officials in the department that was inspected of the audit results and the observations and recommendations reached for the purpose of verifying that the necessary measures have been taken to address the identified weaknesses.
- Evaluating the plans and measures taken by the relevant departments to address the observations and recommendations included in the audit report. In the event that the measures taken are insufficient, this matter will be discussed with the officials to ensure that the necessary corrective measures have been undertaken.
- Conducting/participating in the investigation of cases of fraud, corruption, theft, fraudulent and suspicious activities, employee misconduct, violations and overstepping, or if the Internal Audit has sufficient evidence showing the possibility that such cases or any special inspections exist based on the request of the Board of Directors, the Audit Committee or the Executive Management.
- Providing consulting services at the request of the Board of Directors, the Audit Committee or the Executive Department to help improve the effectiveness and efficiency of the overall Bank operations.
- Conducting special operations or evaluations based on the request of the Board of Directors, the Audit Committee or the Bank's Executive Department.
- Maintaining professional auditors who have sufficient knowledge, skills, experience, and professional certificates to meet the requirements of this Charter and carry out internal audit work efficiently and effectively.
- Developing the audit record retention requirements regardless of the means of maintaining those records.

The role of the Audit Group	Scope of Work	Is it a permanent internal audit function at the Company or a private external audit company?	Name of the Internal Audit Officer / private external audit company	Reporting periodicity
<ul style="list-style-type: none"> <li>▪ Provide reasonable assurance to the Board of Directors, the Board Audit Committee and Senior Management about the efficiency and effectiveness of the control, risk management, compliance and governance systems.</li> <li>▪ Internal audit is an independent and objective activity that provides assurance and consultancy services with the aim of adding value and improving operations so that this activity helps the Bank achieve its objectives by following a systematic and organized work system to evaluate and improve the efficiency and effectiveness of the</li> </ul>	<ul style="list-style-type: none"> <li>▪ All Bank activities fall within the scope of the Internal Audit Group work.</li> <li>▪ The Internal Audit Group generally has unfettered access to all functions, departments, records, systems, policies, and all personnel of the Bank and its subsidiaries, and any exception to the foregoing shall be approved by the Audit Committee on a case-by-case basis.</li> <li>▪ The Bank's investments such as contributions and joint ventures over which the Bank has no management control do not fall within the scope</li> </ul>	Permanent audit function	Mr. Mostafa Mahmoud Mostafa; Internal Audit Group Head	Quarterly

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The role of the Audit Group	Scope of Work	Is it a permanent internal audit function at the Company or a private external audit company?	Name of the Internal Audit Officer / private external audit company	Reporting periodicity
Bank's risk management, control and governance systems and processes.	of the Internal Audit Group work.			

During the year ending 31 December 2023, the Internal Audit Group acted in accordance with the plan approved by the Board Audit Committee which includes periodic inspection tasks on the various Bank sectors/departments/branches.

During the year ending 31 December 2023, the Internal Audit Group reviewed the work of the Bank's various units (sectors/departments/branches) in accordance with the approved Audit Plan.

Apart from the above, the Internal Audit Group undertakes the following:

1. The Internal Audit Group prepares reports on the tasks and the most important observations resulting from the inspection, and the corrective measures taken in their regard.
2. The Internal Audit Group prepares quarterly reports for presentation to the Audit Committee, which include the following:
  - Following up the implementation status of the Internal Audit Plan approved by the Audit Committee.
  - Presenting a statement of the Bank sectors/departments/branches that were inspected during the reporting period, the most important observations that resulted from the inspection and the corrective measures taken in their regard.
  - The Internal Audit Sector coordinates with the relevant Bank sectors and departments regarding the topics intended to be presented to the Board Audit Committee.
  - During the reporting period, fifteen committee meetings were held. The minutes of the meetings were prepared and the BOD members were then informed thereof.
  - During the reporting period, one meeting was held between the non-executive board members and the auditors.
  - During the reporting period, one meeting was held between the non-executive board members and the Chairman of the Board.
  - The Internal Audit Group undertakes the following activities:
    - Following up the implementation of the Audit Committee recommendations periodically and presenting them to the Committee
    - Following up the implementation of the corrective measures concerning the observations on the previous audit tasks till their completion.
    - Following up the implementation of Board committees' recommendations.
    - Coordination with the various Bank sectors and following up the implementation of the corrective plan reported to the Central Bank of Egypt according to the target date.
    - Coordinating with the various Bank sectors and following up the implementation of the corrective plan included in Shawqi Office report on the Business Technology works.
    - Following up the implementation of the corrective actions concerning the observations included in the Auditors' quarterly reports.
3. In addition to the above, the Internal Audit Group performs some special and emergency tasks not included in the plan - in accordance with the assignments of the Chairman and the Audit Committee, and in line with the work requirements.



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## INTERNAL CONTROL SECTOR

### Purpose

EBank Management established the Internal Control Sector to verify the effectiveness and continuity of internal control functions across the Bank through continuous inspection, supervision and reporting on the extent of effectiveness of such functions, being among the Bank's key governance elements.

The Internal Control Sector Head reports directly to the Chairman to guarantee the independence of the sector and the objectivity of the inspection work performed continuously on the daily operations and procedures in the various Bank branches and departments.

The Internal Control Department uses the Central Bank of Egypt's Internal Control Framework and any directives issued in this respect as the basis for creating, developing and maintaining the internal control function effectiveness.

### Responsibilities and Authority

The Internal Control Department is responsible for conducting independent and objective reviews of the Bank operations and procedures and providing continuous assurance on the effectiveness of the internal controls across the Bank's operations and departments.

The efficiency of the Internal Control Sector employees is the key element and driver behind the Internal Control's success in playing its effective role to achieve the Bank objectives. Therefore, the Internal Control Sector is keen on the continuous training of its employees which enhances their skills and knowledge about key local/international developments in control systems and develops their performance, consequently developing the performance of the Internal Control Sector. The Sector is also keen on hiring distinguished, and ethically and professionally competent personnel who can develop the Sector's business.

Moreover, as part of the continuous development and quality improvement at the level of all Bank sectors, the following has been achieved:

- The quality of reports issued by the Internal Control Sector has been updated, developed and improved to include the necessary recommendations to avoid their occurrence and recurrence in the future
- Effective contribution to establishing regulatory controls governing business implementation by contributing to the work systems, procedures and policies of EBank's various activities and the processes necessary to implement those activities.
- Changing the methodology of the Internal Control Department by activating the advisory role of the Sector with the various executive departments before implementing any work by opening effective communication channels with all executive personnel to respond to any inquiries or solve any emergency issues which contributes to increasing confidence in the Internal Control Sector as an effective oversight role to achieve the objectives of the executive departments and accordingly achieve the Bank's objectives.
- In light of the directives and endeavors of the Central Bank to enhance the quality of internal control systems in banks, and the Central Bank Law issued in 2020, the Sector participates in preparing the annual report on the evaluation of the Bank's internal control systems in accordance with **COSO Internal Control Integrated Framework** to evaluate the efficiency of the Bank's control environment.
- Holding training workshops for executives at different job levels to develop EBank's control environment and help overcome any obstacles while performing their job.

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The following are the most important achievements during 2023:

- The Internal Control Sector conducted 93 inspection missions on the work of the Bank branches/departments.
- Organizing nine awareness programs for branch employees.
- Participation in updating 38 Bank procedures/policies.
- Participation in evaluating the Bank's internal control system in accordance with **COSO Internal Control Integrated Framework**.

### **RISK DEPARTMENT**

EBank deals with the Risk Department from a comprehensive risk management perspective, which requires a general assessment of risks or a comprehensive control environment. The Consolidated Risk Group is characterized by independence, as it reports directly to the Chairman in the Bank's organizational structure.

#### **Credit Risk Sector:**

➤ **The main responsibilities of the Credit Risk Sector include:**

- Studying of credit cases presented by various financing sectors.
- Membership in various credit committees: credit portfolio and early warning indicators follow-up committee, recovery planning and recovery plan early warning indicators committee and provisions formation committee.
- Preparing a periodic (quarterly) analysis of Bank facilities and loans portfolios.
- Following up early warning indicators for credit facilities customers.
- Preparing the Internal Capital Adequacy Assessment Report (ICAAP).
- Preparing a study on different industries for the purpose of determining the degree of risk in each industry.
- Following up the status of expected credit losses for credit portfolio customers.

➤ **The Bank methodology for dealing with credit risks:**

- The Credit Risk Sector is divided into several different departments, each operating independently and in an integrated manner with the purpose of achieving a balance between operational efficiency and asset quality through control provisions to reduce the various risks related to credit facilities.
- Each department in the Credit Risk Sector individually studies the credit file submitted by the various credit sectors/investment sector/non-performing loans treatment sector/financial institutions sector, in order to assess the credit risks related thereto and make recommendations by introducing terms, conditions and controls to the facilities structure to reduce those risks included in the credit risk report in preparation for submitting it to the competent authority.
- A periodic (quarterly) analysis of the Bank's facilities and loans portfolio is prepared. It includes the necessary stress tests and the recommendations of the Credit Risk Sector in light of the comprehensive analysis of the credit portfolio.
- Reviewing the study on industry segments every two years or when any changes occur affecting the industry classification, which is one of the most important grounds for drawing the marketing map of the credit activity to achieve the targeted credit portfolio growth and security.

#### **Operational Risk Sector:**

➤ **The main responsibilities of the Operational Risk Sector during the year are:**

- Identifying and evaluating the operational losses and risks associated with operational incidents and the method of covering and reducing them.

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- Developing and managing a database of operational incidents and losses.
- Assessing the risks associated with any new product, service or outsourcing, or the risks of change in existing procedures in order to establish risk mitigation procedures.
- Developing and following up the implementation of risk and control self-assessment (RCSA) workshop plans and monitoring the operational key risk indicators (KRIs) and trends.
- Reporting periodically (quarterly) to both the Business Risk & Cybersecurity Committee and the Board Risk Committee.

➤ **EBank's methodology for dealing with the operational risks it faces:**

- Monitoring compliance with the risk appetite and potential level of operational risks across the Bank in accordance with the approved maximum and acceptable limits.
- Availability of a database of operational losses and incidents to support the validity and integrity of the analytical data and evaluation.
- Availability of updated policies, systems and procedures to ensure the precision and accuracy of the work procedures control tools.
- Participation with all departments to evaluate any risks arising from a new service or product across the Bank.
- Evaluating the current controls and developing additional control tools according to operational KRIs.
- Initiating a project to apply advanced technological solutions in operational risk management.

**Fraud Risk:**

➤ **The following are among the key responsibilities of the Fraud Risk Department:**

- Combating fraud and managing the resulting losses through an effective and consistent approach to fraud management, classification, measurement and reporting.
- Reducing gaps that can be used to commit fraud and enhancing the efficiency of detecting fraudsters by developing detection and protection methodologies that identify fraud and improve control methods.
- Promoting a culture of fraud avoidance, including disseminating awareness, training Bank employees and customers and recovering funds that have been stolen through fraud.
- Applying the fraud risk management policy and ensuring the implementation of all regulations and rules related to banking fraud management issued by internal and external regulatory authorities.
- Preparing a quarterly report and presenting it to the relevant committees.

➤ **EBank's methodology for dealing with fraud risks:**

- Assessing fraud risks, reviewing policies and work systems, evaluating new products and establishing controls from a fraud risk management perspective.
- Developing negative lists identifying high risk fraudulent transactions as well as a database of fraud incidents.
- Technical inspection of fraud cases and determination of corrective actions.
- Real-time Bank card transactions monitoring and dealing with fraudulent cases.
- Verifying the validity of accessing accounts through online banking.
- Participating in the examination of credit cases for SMEs.
- Enhancing customer culture and making them aware of the importance of maintaining the confidentiality of their personal and banking data.
- Checking the documents of Bank employees, outsourced parties and suppliers.
- Implementing a training program for Bank employees to raise awareness of the fraud risks and some fraud indicators.
- Initiating a project for establishing a monitoring system for transactions performed through digital channels.
- Protecting evidences of fraud and loss recovery.

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## INFORMATION SYSTEM RISK DEPARTMENT

➤ **The following are among the key responsibilities of the Information System Risk Department:**

- Evaluating, measuring, following up and periodically reporting on the information system risks and the extent of their consistency with the Bank's risk appetite and presenting them to the Risk Group Head.
- Organizing workshops to identify and evaluate technical risks in coordination with the Information System (IS) & Information Technology (IT) Sector and the Information Security Department.
- Studying, preparing and coordinating between the relevant departments upon assessing the IS risks associated with issuing any new banking product or service.
- Coordination with the Information Security Department regarding realized or potential information risks, which, if they occur, may lead to leakage of confidential data or a breach of the Bank security system.
- Coordinating with the Information Security Department regarding risk assessment reports related to banking systems and implementing the recommendations mentioned therein.
- Monitoring the availability of the necessary conditions for the segregation of IS & IT Sector personnel's duties.
- Studying, preparing and coordinating between the concerned departments upon assessing the IS risks associated with concluding contracts with outsourced service providers.
- Ensuring the continuity of systems and applications by evaluating and monitoring the results of emergency tests and the procedures undertaken in their regard, submitting recommendations and following up their implementation.

➤ **EBank's methodology for dealing with information system (IS) risks:**

- Instilling best practices in risk management activities that allow IS risks and cybersecurity risks to be proactively identified, assessed and responded to, through regular tracking of information systems and cybersecurity risks, employee responsibility for monitoring and managing risks in line with the responsibility assignment matrix (RAM) and creating responses to identified risks, threats and weaknesses.
- Moreover, IS Risk Department aims to promote further communication between IT and business stakeholders in order to continuously monitor and report IS risks.
- IS risk management framework across EBank consists of four pillars that define the risk management practices, namely:
  1. **Risk Management:** Ensuring that IS risk management practices are aligned with organizational enterprise risk management and that business stakeholders are aware of and take responsibility for critical IS risks.
  2. **Risk Identification:** Ensuring that all IS risks are identified through stakeholders' holistic engagement.
  3. **Risk Assessment:** Ensuring that all IS risks are evaluated based on likelihood and impact to understand the riskiness of the information systems risk portfolio and prioritize risks based on their severity.
  4. **Risk Response:** Ensuring that key risks are responded to appropriately. Cost-benefit analysis is used to determine the risk response that will be implemented.

## MARKET AND INTEREST RATE RISKS

**Market risk:** represents the risk resulting from fluctuations in market factors that may negatively affect the values of the Bank's investments in the trading or banking books, which in turn is reflected on the Bank profits and financial position. According to the definition of the Central Bank of Egypt when determining capital requirements to meet market risks, market risk is "the potential loss arising from unfavorable movements in market prices that may negatively affect the Bank's trading book

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value, in addition to exchange rate risks - related to the Bank's balance sheet as a whole - which in turn affects the Bank profitability and capital base. Market risk includes all investments acquired for the purpose of trading, whether those investments are represented in debt instruments, stocks or investment funds."

**Interest rate risk:** Interest rate risk is generally defined as the risk that arises from unfavorable movements in the prevailing interest rates in the market during a certain period of time, which may negatively affect the Bank profitability and/or the economic value of equity (EVE) and therefore the financial position. Interest rate risk is divided into two basic types. Interest rate risk in the banking book that arises from the main banking activities not for trading purpose and the interest rate risk in the trading book arising from trading in the financial markets.

➤ **EBank's methodology for dealing with market and interest rate risks:**

- The Bank Management has been keen to adopt an approach aimed at achieving a balance between maximizing profitability and supporting the safety and growth of the Bank's financial position within the limits of the Bank's risk appetite. In this context, various types of market risks are identified, monitored and managed with the aim of protecting asset values and income flows, in a way that protects the interests of the Bank depositors and shareholders, while maximizing shareholder revenue within the framework of the Bank's approved standards and all related policies and in line with the instructions and guidelines of the Central Bank of Egypt regarding capital requirements for market risks in accordance with Basel Framework.
- Market risk represents the risk resulting from fluctuations in market factors that may negatively affect the values of the Bank's traded investments in the trading or banking books, which in turn is reflected on the Bank profits and financial position. The Bank manages market risks resulting from fluctuations in interest rates, exchange rates and securities prices, which arise primarily through financial investments, investments of the Bank resources and foreign exchange transactions. To enhance the governance of market risk management operations, the Bank is keen on the independence of the works undertaken by the sectors/departments that study and decide to enter into investment and the other sectors/departments that implement the investment acquisition procedures.
- To ensure sound management of market risks, the Bank adheres to market and interest rate risks measuring standards, provides the required capital to meet the risks and ensures the adequacy of the quantitative and qualitative standards. Moreover, the Bank conducts periodic stress tests, reviews the results and sets maximum limits for internal control procedures for its books, as such contributing to the reduction of those risks that may impact the Bank's financial position, as well as reducing losses resulting from unfavorable movements.

➤ **The Strategy of the Market Risk Management (MRM) Sector:**

- The Bank adopts an approach based on a consistent set of procedures through an effective and transparent risk management framework, to monitor, identify and evaluate risks in a way that helps in growing the Bank's financial position and maximizing profitability within the risk appetite limits of the Bank, by using accurate measurement methods, setting the necessary limits to monitor and manage risks and conducting stress tests and scenario analysis. This is done within the framework of the Bank's approved standards and all related policies and in line with the instructions and guidelines of the Central Bank of Egypt regarding capital requirements for market risks in accordance with Basel Framework.

➤ **The Responsibilities of the Market Risks Management (MRM) Sector are as follows:**

- Tracking and evaluating the potential impacts of market price movements on the Bank's financial positions, traded investments and capital requirements.
- Preparing the necessary scenarios from a market risk perspective, reviewing the stress tests results and evaluating the extent of compliance with risk limits.



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- Overseeing and following up the risks of asset and liability management indicators and their impact on the profit margin.
- Identifying and measuring risk exposure aspects with respect to financing, investment, hedging positions and activities undertaken by the Treasury Sector.
- Offering proposals and recommendations to set or modify limits of risks associated with the interest rate, exchange rate and market risks in general.
- Collecting, preparing and documenting a historical database on the price movements of financial instruments traded in the market in order to study, analyse and follow up the impact on the values of trading and banking books.
- Monitoring and reviewing the reports retrieved from the Bank's information systems, as well as the detailed/consolidated data available in this system, received from the relevant departments and specified in the system, also analysing the data included therein to be used in completing the Market Risk Sector's tasks.
- Preparing analytical data, reports and expected scenarios, for the following purpose:
  - Conducting a comprehensive analysis of market risk indicators that may affect the values of on and off-balance sheet assets and liabilities regarding the trading and banking books and documenting and monitoring their impacts on the financial positions in accordance with the methods and models prepared by the Bank, and in line with the specific methods for evaluating the market price, its change and impact on the Bank's financial position. .
  - Measuring the interest rate risk in the banking book for investments traded in the market and reviewing their turnover rate. The impact of market movements will be monitored, the rate of change will be measured and the Value at Risk and its impact on the capital value will be calculated.
  - Following up the price movements of financial instruments, calculating their rate of change and preparing reports on expected scenarios of the impact of changes on market trends.
  - Following up and monitoring compliance with the maximum risk limits defined by the Assets and Liabilities Committee and the Board of Directors.
  - Following up and monitoring the risks of core deposits/core facilities (core deposits/Core Overdrafts) movements, studying the reasons behind their change and analysing their impacts.
  - Monitoring the risks of change in the yield curve and its impact on profit margin rates for all different maturity periods and independently for each currency according to the amount of exposure to rate fluctuations.
  - Following up the performance of traded investments compared to the market index and submitting the necessary recommendations to prevent risks, limit any potential losses and maintain an acceptable level of profit margin.
  - Following up, studying and analysing major currencies exchange rate movements, calculating the change in their fluctuation rate, estimating the value at risk, preparing scenarios for expectations of market trends change and measuring the extent of their impact on Bank profits and financial position in light of investments in assets and liabilities and foreign exchange transactions.
  - Following up the impact of change in the values of financial positions and capital requirements to meet market risks, and their impact on the capital adequacy ratio (CAR), taking into account the change in the size and diversity of assets and liabilities' structure.
  - Following up the change in the interest margin and the positions opened in foreign currency, overseeing compliance with the set limits, measuring their impact on the capital adequacy framework and estimating the value at risk and its change according to scenarios consistent with market expectations.
  - Following up and monitoring gap risk management and the sensitivity of interest rates and their impact on the net current value of financial positions in line with the limits set by the Assets and Liabilities Committee and the Board of Directors, also monitoring the change in the position values and the profit and loss (P&L) account for the trading book on a daily basis.
  - Studying the impact of the proposals and recommendations of the sectors/departments concerned with any amendments in the risk limits.
  - Offering recommendations to set/amend market risk limits by studying market movement scenarios and evaluating the resulting risks and their impact on capital requirements and the Bank's financial positions.

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- Preparing the Internal Capital Adequacy Assessment Report (ICAAP).
- Preparing all data, periodic and urgent reports, recommendations and evaluation results related to the department's competencies in preparation for presenting them to the competent authorities (Risk Group Head/his representative, Assets and Liabilities Committee (ALCO), Board Risk Committee, relevant sectors/departments).
- Defining the risk appetite and maximum risk limit.

### **BUYING ON MARGIN**

- The Market Risk Sector has developed a model to monitor the market, study and analyse the risks associated with dealing in each security and following up the prices of securities on daily basis to determine the securities acceptable by EBank.
- Sending the list of securities acceptable by EBank as well as the remaining limits for each share and sector.
- A system has been developed to monitor concentration risks in shares and sectors at the individual and Bank level.
- Sending periodic reports on the customer portfolio status, the amounts used, the ratio of the amounts used to the total portfolio and violations of the set limits, if any of them occur.

### **TREASURY AND INVESTMENT OPERATIONS CONTROL DEPARTMENT (MIDDLE OFFICE)**

The Treasury and Investment Operations Monitoring Department under the Market Risk Sector has been activated starting from the first of October 2023 to be responsible for re-evaluating all open positions for treasury bills and bonds and following up the limits set by the Central Bank as well as the internal limits approved by the Board of Directors and all internal committees related to the operations of the Treasury and Investment sectors.

### **LIQUIDITY RISK**

Liquidity risk is the risk arising from the Bank's inability to fund any increase in assets or meet obligations when they fall due without incurring unacceptable losses, the presence of restrictions on the Bank's disposal of some of the assets it owns, or the possibility of doing so, but at prices significantly lower than their acquisition value. (i.e. incurring capital losses), which requires attention to the process of evaluating assets and measuring the Bank's capital adequacy.

#### **➤ EBank's methodology for Liquidity Risk Management (LRM):**

- The Bank management has been keen to adopt an approach aimed at achieving a balance between maximizing profitability and supporting the safety and growth of the Bank financial position within the limits of the Bank's risk appetite as a whole. Liquidity management is based on harmonizing resources and uses in different currencies and within the limits of the approved gaps, providing the required liquidity on the due dates at the lowest cost and investing the excess liquidity with the highest available interest.
- In this context, liquidity risks are identified and monitored during the day (in real-time) to guarantee fulfilment of all required obligations through the availability of sufficient liquidity in the form of high-quality, unencumbered liquid assets that can be used to confront any unfavourable or emergency conditions that may result from the impairment of some financing sources. The aim is to ensure Bank business continuity and avoid exposure to reputational risks, with the purpose of protecting asset values and income flows, which would safeguard the interests of the Bank depositors and shareholders, while maximizing shareholder revenue within the framework of the Bank's approved standards and all related policies and in line with the instructions and guidelines of the Central Bank of Egypt regarding capital requirements to meet market risks in accordance with Basel Framework.



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**The responsibilities of the Liquidity Risk Management (LRM) during the year are as follows:**

- Developing a comprehensive and appropriate framework for liquidity risk management.
- Analysing the Bank's liquidity risks, monitoring their impact and rate of their change, the results and impacts of stress test scenarios and monitoring the limits set for them in local and foreign currencies.
- The ability to meet emergency withdrawals under normal and unfavourable circumstances by maintaining sufficient liquidity through retaining an appropriate level of high-quality liquid assets in such a way that they can be used during periods of stress.
- Identifying, measuring and evaluating liquidity risks, following up liquidity risk indicators, unfavourable changes and factors affecting liquidity requirements, the financial position and Bank profits, and seeking to achieve a balance between funding sources and the Bank's investment aspects in line with the Bank's risk appetite.
- Ensuring the adoption of a financing sources diversification policy whether from customers, banks or any financing instruments available in the market, in order to avoid the concentration risks or reliance on specific financing sources.
- Ensuring the efficiency and adequacy of daily liquidity management.
- Achieving a balance between liquidity sources and the target return to be achieved.
- Identifying the surplus size and investing it.

#### **FINANCIAL SOLVENCY RISKS AND RECOVERY PLANNING**

- The Recovery Plan is a comprehensive and detailed plan that includes a set of assumptions for managing serious incidents that may occur in the banking system or in the bank and the possibilities of being exposed to financial problems that affect the level of its financial solvency, liquidity or profitability. The plan also includes the corrective measures necessary to restore its financial soundness if any of the assumptions is materialized.
- The Recovery Plan is a complementary part of the process of monitoring the level of risks associated with the Bank's business, such as capital and liquidity requirements, in order to tighten the necessary controls to maintain the safety and strength of the banking sector as well as the stability of the financial system, hence reducing the possibility of bank failure.
- The Solvency Risk and Recovery Planning Department was established under the Market Risk Sector. Also, the Recovery Planning and Early Warning for Recovery Plan Indicators was established to study and follow up the plan preparation process.
- A general Recovery Plan framework been prepared in accordance with the instructions of the Central Bank of Egypt, including models for fulfilling the Plan requirements in accordance with the best practices in global banks. The executive procedures of the Recovery Plan have also been completed and are being reviewed by the Policies and Work Systems Sector and have also been presented to all related parties in preparation for their approval.

➤ **EBank's methodology for Financial Solvency Management and Recovery Planning is as follows:**

- Identifying accurate and forward-looking indicators within the Recovery Plan to examine any risks or pressures that may negatively affect the Bank business.
- Determining early warning levels of the Recovery Plan indicators that warn from potential risk and stress at an early stage and before exceeding the limits set for the Recovery Plan Indicators, allowing the Bank to take the necessary measures to restore its stability and maintain its safety without the need for any intervention from the Central Bank.
- Developing and updating a range of feasible and credible recovery options to restore financial integrity and ensure long-term sustainability.
- Various stress test scenarios are developed that include serious incidents that would threaten the Bank continuity, in order to appropriately test all financial and non-financial aspects of the recovery plan



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and to verify the effectiveness of the elements contained therein and their ability to enable the Bank to overcome crises.

**The Responsibilities of the Financial Solvency and Recovery Planning Department are as follows:**

- The first Recovery Plan for 2023 fiscal year-end was completed, approved and submitted to the Central Bank of Egypt.
- The Recovery Plan indicators and limits are monitored periodically, and the chronological development of the Plan's indicators is presented to the relevant committee in its periodic meetings, in addition to discussing the economic conditions and any new threats that may negatively affect the Bank business continuity.
- Studying and analysing the investments proposed by the Investment Sector in terms of risks, profitability, alternative opportunities and impact on the Bank's financial indicators and calculating the provisions associated with those investments.
- Studying new products and analysing their impacts on the Bank indicators, as well as determining the risks related to each product.
- Studying the impact of bank investments on the capital adequacy ratio (CAR).
- Preparing the Internal Capital Adequacy Assessment Report (ICAAP).
- Preparing a statement of the Bank's risk appetite and maximum risk limits.

### **RETAIL BANKING RISK SECTOR**

Retail banking risks are represented in maintaining the quality of the retail banking portfolio by avoiding and reducing the volume of potential financial losses resulting from **non-compliance** of retail banking customers with timely payment of the obligations owed to the Bank, **towards the Bank**, in accordance with the agreed upon terms. Such obligations are represented in instalments of unsecured personal loans of all types or dues resulting from the use of unsecured credit cards, also all types of secured retail banking loans and facilities when exposed to losses that have the greatest impact on the Bank revenues and capital.

EBank's Retail Banking Risk Policy (credit - risks - collection) aims to establish the foundations and a general framework for regulating the dealings with individuals by granting them retail banking products including loans and/or facilities and directing part of EBank uses to the retail sector. The aim is to encourage and develop consumption loans for individuals to achieve expansion and growth in the Bank's revenues and net profits, as such improving profitability indicators and diversifying and distributing risks and concentration ratios, in line with the Bank objectives. The Bank meanwhile guarantees safeguarding the integrity of the Bank's financial position and adherence to the indicators, percentages and governing controls in line with local and international standards in this regard.

The Retail Banking Risk Sector is divided into several different departments, each working in an independent and integrated manner with the aim of achieving a balance between operational efficiency and asset quality by tightening the controls to reduce the various risks related to retail banking credit facilities, through the following departments:

- Retail banking credit department
- Retail banking collection department
- Retail banking portfolio control department

By undertaking the following procedures:

- Studying and analysing all credit applications of EBank's current or prospective customers; being natural persons, with the aim of granting credit facilities for personal use, whether in the form of personal loans of all kinds, auto loans, mortgage or credit cards, in accordance with the Retail Credit



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Policy approved by the Board of Directors and the regulatory instructions issued by the Central Bank of Egypt in this regard.

- Studying all retail banking products prepared by the Retail Banking Services Group and presenting the appropriate recommendation for confronting the expected credit risks before presenting them to the Banking Products Committee.
- Dividing the retail banking customers to whom any credit facility is granted, whether or not backed by a collateral, and using some or all of the available collection means to reclaim the Bank's rights from the customers, including, but not limited to, phone calls, sending text messages/e-mail, field visits through external offices and judicial procedures in order to reduce the values of non-performing loans (NPLs), reflected on controlling the percentages of withheld provisions that affect profits.
- Studying the expected risks that may result in operational disruption or fraud, and informing the Operational Risk and Fraud Sector thereof to confront those risks.
- Preparing reports on the performance of the retail banking portfolio, including late payments, and presenting plans to mitigate losses and reduce the risk levels likely to occur or reduce their impact on the Bank.
- Following up and analysing the portfolio accounts and studying the retail banking policies and products to evaluate the elements of potential risk.
- Studying the retail banking portfolio, which would contribute to learning about the strengths and weaknesses while ensuring that the maximum concentration limits or stop-loss points, whether realized or expected, are not exceeded.
- Presenting periodic reports on the retail banking portfolio to the executive committees and/or Board committees and presenting recommendations on portfolio quality maintenance.

## **BUSINESS CONTINUITY DEPARTMENT**

### **The responsibilities of the Business Continuity Department:**

- Preparing and updating plans to deal with emergencies and potential crises and confront any anticipated threats by identifying, evaluating and documenting the causes that may lead to or increase the possibility of any vital job activity interruption.
- Conducting business impact analysis (BIA) to determine the Bank's core activities and the potential financial and non-financial impacts in case bank operations stop, according to expected scenarios in coordination with the relevant sectors and departments.
- Commitment to improving the recovery point objective (RPO) and recovery time objective (RTO) metrics during downtime of vital activities.
- Providing all alternative sites with resources and means necessary for business continuity during emergency and trial periods.
- Reviewing and ensuring that contracts with service providers meet all Central Bank requirements and supervisory instructions for managing emergencies and crises and enhancing security controls to avoid exposure to any disasters.
- Ensuring periodic evaluation of the performance and systems of outsourced service providers, the availability of an alternative and the flexibility to shift to it if needed.
- Coordination and communication with all sectors, including the Information Technology (IT) Sector, to guarantee the testing, readiness and efficiency of the recovery centre of the IS & IT Systems Sector.
- Ensuring that the responsible party within the Bank or the outsourced service providers address any gaps or weaknesses that may cause the disruption of any vital activities to ensure business continuity.
- Updating and ensuring the effectiveness of the communication network to maintain the readiness for any emergency incident, flexibility in activating emergency plans and periodic review of Business Continuity Plan (BCP) testing.
- Compliance with regulatory instructions and coordination with relevant departments and sectors to monitor the effectiveness of emergency, crisis and incident management plans, including the Information Security Department, the Information Technology Sector, the Administrative Affairs Sector, the sectors responsible for evaluating outsourcing services, the Human Capital Sector and Risk



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Management departments to avoid exposure to any business interruption scenarios or to any destructive disasters.

Developing employee awareness and disseminating the culture and principles of business continuity management and dealing with emergency situations through holding workshops, which would contribute to absorbing the impact of business disruption and continuity of providing an acceptable level of services.

➤ **EBank's methodology for dealing with the different risks:**

- Periodic review to develop the approved rules for managing emergency cases and testing the business continuity and emergency worksite preparedness plans, taking into account any variables or lessons learned from confronting crises and emergency cases. Also continuing the Bank's vital activities during emergencies with the highest possible efficiency using the resources available to the Bank to ensure the provision of its services to customers in an efficient and appropriate manner within the specified target timeframe.
- The Bank complies with all relevant regulatory requirements and instructions and is guided by all international business continuity principles and standards to manage risks arising from using outsourced service providers and IT service providers, along with the risk management guidelines and instructions.
- The Bank Management observes to follow a holistic approach in managing emergency cases and enhancing the Bank's ability to continue providing basic and vital banking activities and services in times of disturbances and confusions. The Bank Management is also keen to learn from destructive incidents in order to reduce their impact on the continuity of vital banking operations and to identify and confront any potential threats or crises such as failure of communications/networks, systems and applications, natural disasters or epidemics that may lead to discontinuation of all or one of the Bank's vital activities, exposing it to material losses, regulatory risks and several other risks, including reputational and security risks.
- Disseminating awareness and developing a culture of business continuity to prepare all Bank employees to deal with risks and crises and to confront disturbances and confusions while maintaining operational continuity and progress in an acceptable manner.
- Documenting all incidents that lead to business disruption and learning about the reasons behind their occurrence and the duration of the resulting disruption. Also ensuring the implementation and effectiveness of corrective measures and necessary controls in coordination with the responsible departments to address the root causes of those incidents and consequently preventing their recurrence.
- The Bank periodically monitors, reviews and complies with its risk appetite and risk tolerance limits. The Bank also reviews the results of the periodic testing of information and technology systems, verifies the availability of the resources necessary for ensuring the continuity of activities and facilitates and provides banking services to all its customers and stakeholders.

**GOVERNANCE, COMPLIANCE AND INTERNATIONAL STANDARDS SECTOR**

The Governance, Compliance and International Standards Sector Head is EBank's Compliance Officer; an independent function that monitors and prepares reports on the risks of non-compliance with laws, regulations and regulatory instructions issued by various regulatory authorities. The Governance, Compliance and International Standards Sector includes the following departments:

**Governance Department**

Governance across EBank is defined as the methods by which the Bank is managed through the Board of Directors and Senior Management, determining the means of developing the Bank's strategies and achieving its goals. Governance also involves continuous performance evaluation in accordance with the prevailing banking laws, systems and customs, in a way that fulfils the interests of depositors, shareholders and stakeholders.

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▪ **The Governance Department is in charge of the following:**

- Ownership Structure
  - Board of Directors
  - Disclosure and Transparency
  - Auditors
  - General Assembly
  - Board Committees
  - Corporate Social Responsibility (CSR)
- Defining the relationship between the Board members and Senior Management and delineating the authorities and tasks.
  - Maximizing the benefit and optimal use of the business results of the internal and external auditors and the Bank's internal control functions.
  - The Governance Department also reviews the Bank's annual report regarding disclosure and governance-related items.
  - Periodic evaluation of the Bank's governance system and studying the observations of the Central Bank of Egypt's inspection on the Bank's governance system.
  - Moreover, the Governance Department follows up the compliance with no-conflict of interest principle, Code of Ethics and Professional Conduct, Whistleblowing and Protecting the Whistleblower Policy.

➤ **Financial Crime Compliance Department**

- Ensuring the implementation and follow-up of the institution's anti-money laundering and counter-terrorist financing policy, systems and procedures by monitoring transactions that take place through EBank branches and sectors to identify unusual transactions and activities.
- Periodically reporting business results to Senior Management, the Chairman and the relevant regulatory authorities.

➤ **Banking Regulatory Compliance Department**

- Identifying, evaluating and following up the compliance risks associated with the activities of the institution's business units for all different banking transactions.
- Studying the new banking products and ensuring their compliance with all regulatory authorities' instructions.
- Reviewing policies, internal work systems and procedures to ensure their consistency with prevailing laws, rules and regulatory controls.
- Ensuring compliance with the instructions of the Central Bank and regulatory authorities by circulating the instructions of those authorities and monitoring their implementation.
- Periodically ensuring compliance with international laws, such as the Tax Compliance Act and IRS Reporting, in accordance with the requirements of the law.
- Reviewing all Bank contracts to ensure their compliance with the instructions of the regulatory authorities.
- Corresponding with the Central Bank to obtain special approvals and exceptions required for the various Bank sectors.
- Reviewing the credit cases that have obtained facilities under CBE initiatives to ensure their compliance with the terms of the initiatives without addressing the facility terms.
- Clarifying and responding to all the inquiries of the various Bank sectors regarding the instructions of the internal and external regulatory authorities.

➤ **Central Departments' Oversight Department**

- This Department is responsible for ensuring the central departments' compliance with laws, regulations and regulatory supervisory, as well as Bank policies and work systems, and their

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implementation within an integrated framework. The Department also ensures that the corrective actions regarding any shortcomings in the compliance process are properly implemented.

Evaluating the extent of compliance with laws and external regulatory requirements, testing the effectiveness of internal controls (policies, work systems, etc...) and identifying weaknesses in the internal controls, if any, and finally presenting recommendations on the corrective measures and thereafter verifying the correct application of those measures.

➤ **Customer Rights Protection Department**

- Analysing complaints based on their root causes and developing the means of resolving them from a regulatory – rather than an executive - perspective
- Reviewing all EBank, electronic service providers' and outsourcing companies' contracts with the purpose of protecting customer rights before they enter into force, along with reviewing advertising materials (press interviews - advertisements).
- Reviewing all EBank policies/work systems to ensure their compliance with the customer rights protection principle.
- Filling out the Central Bank's forms for all required reports and sending them via CBE website
- Preparing a quarterly statistical complaints statement and comparing it with the statistical complaints statement received from the Central Bank of Egypt along with preparing a statement of their current status.
- The customer rights protection policy and management's work system have been updated to align with the new tasks and responsibilities assigned to the Department by the Central Bank.

**THE AUDITOR**

➤ **Appointment of Bank Auditors**

On 24 May 2023, in accordance with Article 6 of the Accountability State Authority (ASA) Law promulgated by Law No. 144 of 1988 and its amendments – ASA Chairman's Decree No. 995 of 2023 was issued appointing Accountant Dr. Farid Fawzy (Moore Egypt) as the Auditor of EBank jointly with the Accountability State Authority for the fiscal year ending 31 December 2023, amended by Decree No. 1175 of 2023 dated 26 June 2023.

➤ **Auditors' Independence**

The Auditors shall conduct their work in accordance with the provisions of the Companies Law No. 159 of 1981, Part III "Auditors"

**Article 104:**

- It is not allowed to combine the auditor's function with participating in the foundation of the company and membership of its BOD or engaging permanently in any technical, administrative or advisory role therein.
- The auditor is not allowed to be a partner of any person who conducts any activity stipulated in the above paragraph, or to be his employee or a relative up to the fourth degree.
- Any appointment made contrary to the provisions of this article shall be null and void.

**Article 105:**

The auditor has the right at all times to examine all the company books, registers and documents and to request the data and clarifications that he deems necessary in order to perform his duties. He is also entitled to verify the company's assets and liabilities while the BOD must enable the auditor to undertake all the above tasks,



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otherwise the auditor will use his stipulated rights and present them in writing in a report submitted to the General Assembly.

#### **Actions taken by the Bank regarding the Auditors' Observations:**

According to the provisions of the Companies Law No. 159 of 1981, Part III "Auditors", Article 106, "the Board of Directors must provide the auditor with copy of the notifications and statements that it sends to shareholders invited to attend the General Assembly. The auditor or whoever he delegates from the accountants who participated with him in the audit work, must attend the general assembly and verify the correctness of the proceedings for calling the meeting. He must express his opinion at the meeting on all matters related to his work as the Company auditor, especially in approving the budget with or without reservation or returning it to the Board of Directors. The auditor shall recite his report to the General Assembly, and the report must include the data stipulated in the law and the executive regulations, as well as the following data:

1. Whether the auditor has obtained the information and clarifications that he deems necessary to perform his assignment satisfactorily.
2. Whether, in his opinion, the company keeps accounts that he has proven to be regular, and in the event that the company has branches that he was unable to visit, the auditor shall advise whether he has perused comprehensive summaries of the activity of those branches, and with regard to industrial companies, whether they maintain cost accounts that he has proven to be regular.
3. Whether the budget and profit & loss (P&L) account, the subject matter of the report, are consistent with the accounts and summaries.
4. Whether he believes, in light of the information and clarifications presented to him, that these accounts include all matters that the law and company bylaws stipulate that must be established therein, and whether the budget clearly expresses the true financial position of the company at the fiscal year-end, and whether the P & L account properly expresses the company's profits or losses for the fiscal year then ended.
5. Whether the inventory was conducted in accordance with established principles, indicating any amendments to the inventory method that was followed in the previous year, in case of any amendment.
6. Whether the data contained in the Board of Directors' report referred to in the law and the executive regulations are consistent with the provisions of the company books.
7. Whether the provisions of the company statute or the law were violated during the fiscal year in a way affecting the company business or financial position, and whether those violations existed at the time of preparing the budget within the limits of the information and clarifications that were available to him in accordance with the provisions of this article. The auditor will be questioned about the soundness of the data contained in his report in his capacity as the representative of all shareholders, during the General Assembly, and each shareholder may discuss the auditor's report and ask him for clarification regarding its contents.

#### **DISCLOSURE AND TRANSPARENCY**

##### **Material Information and Financial and Non-Financial Disclosure**

Disclosure is made using any of the disclosure methods available to EBank; namely reports addressed to the regulatory authorities, presentation to the General Assembly, the Bank's annual report, publication in daily newspapers, EBank website, the official website of the Disclosure Department of the Egyptian Stock Exchange (EGX) and the official FRA website. The Bank will disclose all of the following:

- Financial information of interest to shareholders and stakeholders, such as: annual and quarterly financial statements, periodic and annual auditor reports, board of directors report, accounting policies, budgets, asset valuation methods, dividend, etc... will be disclosed through EBank website, the official website of the Disclosure Department of the Egyptian Stock Exchange (EGX) and the official FRA



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website and by publication in one of the widely circulated Egyptian newspapers published in Arabic language.

- **Non-financial information of interest to current and prospective shareholders and investors, such as:**
  - Internal information, which includes the company objectives, vision, nature of its business, the company's plans and future strategy which is disclosed through the Bank website and the official EGX Disclosure Department website.
  - Systems for raising competencies, training, rewards and supporting EBank employees disclosed through the Bank website and BOD annual report.
  - The ownership structures of the sister companies and subsidiaries disclosed through the Bank website and the consolidated financial statements.
  - Transactions with related parties and netting contracts are disclosed through the official website of EGX Disclosure Department, the official FRA website and the General Assembly of the Bank.
- One of the most significant risks that may face disclosure and transparency across the Bank is EGX' inquiries about news circulated through various media channels and has not been disclosed. Ways to address this risk: EGX Disclosure Department promptly replies to all inquiries and provides the required clarifications through the official website of EGX Disclosure Department.
- In the event of the presence of treasury stocks, they will be disclosed to shareholders and to the regulatory authorities through a periodic disclosure report in accordance with the provisions of Article 30 of the rules of securities listing and delisting.
- Violations and rulings issued against the Bank during the year, according to the following table:

SN	Rulings, violations and penalties imposed on the company during the year	Clarifications
1	EGP 10,000	Penalty imposed by EGX in the amount of EGP 10,000 (only ten thousand Egyptian pounds), which was paid on 19 June 2023 due to the Bank's violation of the provisions of Article 52 of the rules for listing and delisting securities on the Egyptian Stock Exchange, due to the Bank's failure to coordinate with EGX listing committee at the time of preparing the cash capital increase announcement.

### **INVESTOR RELATIONS**

The Board of Directors approved the appointment of Mr. Yasser Osama Abdel Sadek; Investment Sector Head, as Disclosure Officer and Director of Investor Relations at our Bank, during the Board meeting No. 4/2014 convened on 29 April 2014.

### **Duties of the Disclosure and Investor Relations Officer**

- He is responsible for communicating with the Stock Exchange and responding to shareholders' and investors' inquiries. He also distributes press releases about the company, including the information and data defined by the stock exchange.
- Developing a business plan for his department including the company's disclosure policy and compliance with all laws, regulations, rules, listing procedures, disclosure requirements and decisions issued by FRA and EGX.
- He is aware of senior management's orientation, strategic plans and decisions, especially the substantial ones. He is also committed to maintaining the confidentiality of substantial and insider information.



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- Disclosing the company business and plans and extent of their accuracy to financial analysts, current and potential investors and evaluation institutions through meetings, indicators and follow-up reports issued by the company.
- Conveying the market condition to Senior Management and assisting in the preparation of the company's response to questions and inquiries from investors, the media and financial analysts, also dealing with rumours that would affect the company stocks trading.

## **DISCLOSURE TOOLS**

### **Annual Report**

The Bank issues an annual report in Arabic and English, which includes a summary of the Board of Directors' report, the Bank's business results, the separate and consolidated financial statements and their footnotes, also the auditors' report and all other information of interest to shareholders, current and prospective investors, and other stakeholders, such as:

- Introducing the Board of Directors
- The Bank's administrative organizational structure
- Global and local economic conditions
- The Bank's business strategy regarding its various activities
- Financial indicators
- The annual report also shows all activities in the area of corporate social responsibility and business community support and the accomplishments in this respect

### **Board of Directors Report**

The Bank issues an Annual Board of Directors Report in both Arabic and English languages which is presented to the General Assembly of Shareholders and regulatory authorities in accordance with the provisions of Companies Law No. 159 of 1981 and its executive regulations. The Annual Report is published in both languages (Arabic/English) and includes the separate and consolidated annual financial statements, the financial position of the Bank, the financial indicators and the auditor's report, as well as the main activities of the Bank's business sectors, the challenges that the Bank faced and the accomplishments during the period. The Report also showcases the activities related to social and environmental responsibility in the communities where the Bank operates.

The Annual Board of Directors' Report contains an overview of the global and local economic climate, the Bank's administrative organizational structure and the Board composition. The Report presents the latest Board composition and any changes incurred thereto during the year, also the number of Board meetings convened along with the Board Committees, their formation and number of committee meetings convened, especially the Audit Committee, its composition and number of meetings convened in addition to the Bank's business strategy and the Chairman's statement.

### **Disclosure Report**

The Bank issues periodic; quarterly and annual disclosure reports, which are sent to the Egyptian Stock Exchange through the Bank's Investor Relations Department, including the following:

- The Bank's separate and consolidated financial statements at the end of each quarter after their approval by the Board of Directors and auditors.
- Follow-up report for each quarter (separate and consolidated).
- The Bank's most important business results for each quarter (separate and consolidated).
- A model disclosure report on the Board of Directors and shareholders' structure.
- A report on the significant incidents, if any, during the period.



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## Sustainability Report

The Sustainability Report is prepared annually and is approved by the Bank's Board of Directors. It includes the Bank activities related to sustainability and the efforts made to achieve them, in accordance with the Global Reporting Initiative (GRI) as a minimum requirement, in cooperation with a GRI certified office, no later than 31 March of each year.

### - Website

The Bank has created a website in Arabic and English, where financial and non-financial information is disclosed in a clear manner that facilitates access to the information. The website contains the following data:

- Mission, Vision and Values
- Information about the Bank
- Introducing the Board of Directors and the Board Committees
- Capital and shareholders
- Social responsibility and business community support
- Governance, compliance and anti-money laundering
- Financial and banking awareness on customer rights protection and complaints lodging
- The most important banking products and services that the bank provides to its retail and corporate customers: collaterals, accounts, loans and credit facilities, direct debit and credit cards, payroll service, etc...
- Stock information and investor relations disclosure regarding the separate and consolidated financial statements and their footnotes, auditors' report, annual reports, bank classification, capital market data and Bank stock information
- Market update: the most important correspondent banks, interest rates, foreign currencies and investment funds
- Contact us, branch addresses and phone numbers
- Online banking, financial inclusion and strategic plans

## CHARTERS, CODES AND POLICIES

### ➤ Code of Ethics and Professional Conduct

The Bank's Code of Ethics and Professional Conduct defines the professional principles, ethical standards and general behaviour that must be followed by all Bank employees while dealing with other parties, including maintaining the confidentiality of Bank information, assets and property, which is reflected on the Bank customers' and stakeholders' confidence. This Code upholds the no-conflict-of-interest principle and promotes sound practices, ethical behaviour and whistleblowing policy.

The Business Charter and the Code of Ethics and Professional Conduct are considered one of the governance tools and a general framework that clarifies the rules of business conduct and ethical policies applied at the Export Development Bank of Egypt. It is part of the Bank's VISION involving its social and environmental responsibility towards its stakeholders; a duty to be followed by all Bank employees to maintain the Bank position and reputation and enhance customer confidence.

### ➤ Succession Planning Policy

EBank's HR policy includes a complete chapter on the succession policy, which includes a definition of the policy, its objectives and its impact on developing a second line of leaders. The succession planning is a planning for the future and sets the Bank's functional succession rules.

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## ➤ Whistleblowing Policy

The Bank applies the “Whistleblowing and whistleblower protection Policy” which aims to maintain the highest professional standards and the rules and principles required in the implementation of banking operations, and to encourage employees to report any practices that violate the Code of Ethics, instructions or illegal actions and to implement effective procedures in terms of accountability principles, hence, promoting the standards of honesty and integrity across various Bank activities.

The policy also aims to drive adherence to the governance rules issued by the Central Bank of Egypt regarding developing a special whistleblower protection policy to ensure that employees are encouraged to take the initiative to disclose and report violations, while providing them with the necessary protection and ensuring complete confidentiality, taking into account that the reporting process is based on specific documents and information without violating any ethical rules accepted by the Bank.

## ➤ Insider and Related-Party Transactions Policy

Both the “Disclosure and Transparency Policy” and the Governance Policy – in the disclosure and transparency section- also the “Code of Ethics and Professional Conduct” include controls to prevent conflicts of interest and also controls for insiders, major shareholders and related groups transactions on the Bank shares. They are also concerning with regulating the relationships with the related parties and concluding netting contracts according to the rules of the regulatory authorities.

Follow-up schedule of insider transactions on Bank shares:

SN	Member name	Number of shares owned at the beginning of the year	The shares purchased during the year by date (to be added)	The shares sold during the year by date (to be deducted )	Balance of shares at the end of the year
1	Mr. Abd-Elaziz El Sayed Hassan Hassouba Non-executive Board Member Representative of the Private Sector	100,600	The increase in number of shares are as follows: - 6244 shares – free shares distribution on 20 March 2023 - 19067 shares purchased through subscription process on 29 October 2023	-	125,920

## SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY:

### The Strategy

Social responsibility is one of the main pillars of the Bank Strategy 2022-2027 based on the Bank’s belief in the effective role of CSR in providing support and assistance to build, serve, develop and impact the community. The Bank also believes in the necessity and importance of continuous, multiple and diverse contributions to the development of the environment surrounding us.

Whereas CSR involves diverse activities, the Bank has selected the **education and health sectors**, as they are among the sectors most in need, to be the two main recipients of the Bank support.

Accordingly, the Bank directs its annual CSR budget to support those two sectors.

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In this context, the Bank has maintained, over the years, sustainable and continuous **education** support by helping many nonprofit organizations, either by sponsoring outstanding students in the form of scholarships, whether in technical or university education, sponsoring community schools or by partnering with different development institutions in the educational areas.

In the **health** sector, the Bank continues to support many health facilities, institutions and hospitals, by sponsoring medical cases and providing treatment or by providing therapeutic or exploratory medical devices, as well as medical prosthetic devices. The Bank also supports several scientific research projects and many other areas related to education and health.

Moreover, EBank has been continuously applying its social development and responsibility strategy for many years. The Bank also increases the budget allocated to CSR annually to guarantee sustainability and continuity of the assistance offered to the entities supported by the Bank. Meanwhile the Bank adds many new institutions and areas that support education and health sectors to those currently supported, as education and health are the most important pillars of progress, development and growth of the society as a whole, while raising the living standard of the most vulnerable and less fortunate social groups.

### **First: Education**

Within the framework of sustainability of social responsibility, the Bank continues for the sixth year in a row to offer financial support to eight community schools in the villages of Esna District in Luxor Governorate. The Bank covers all operating and educational expenses of 250 students studying in those schools; including stationery, textbooks, curricula, cultural, sports, artistic and recreational activities and awareness programs, as the Bank had previously established, developed and equipped those schools and the Bank's current support is a continuation of the cooperation with the Misr Al-Khair Foundation. The Bank seeks to exert more effort based on its belief in education, which is the basis of the progress and development of any society. In addition, a group from the Bank Management visit those schools annually.

Additionally, EBank continued its financial contribution to Zewail City of Science and Technology, in the form of full or partial scholarships, by bearing all tuition fees of six outstanding university students, from the most vulnerable groups to help them complete their studies in various scientific disciplines at the University, such as Nanotechnology, Nano-electronics, Space Engineering, Physics of the Earth and Universe, Communications and Information at the Faculties of Engineering and Science. This year the Bank also covered the full/partial scholarship expenses and tuition fees for seventeen neediest outstanding students at the various faculties of Nile National University, such as Engineering, Computer & Information Systems and Business Administration.

Moreover, EBank continues offering scholarships for the fourth consecutive academic year to thirty students from the most vulnerable groups, in technical or university education in many faculties and disciplines in different universities, under a cooperation protocol with Misr Al-Khair Foundation.

In the field of scholarships, the Bank also provided partial scholarships to sixty-five outstanding students whose circumstances prevented them from full payment of their tuition fees, at the different faculties of Galala University, in addition to sixty-six scholarships offered this year in technical education at ElSewedy Technical Academy (STA) in several disciplines.

Also, as a continuation of the cooperation with Giza Foundation for Educational Systems, another community school that the Bank sponsors in Esna, Luxor, was converted into a technology education school where 25 students were trained, educated and their technological skill have been developed, in an effort to employ technology in the development of the Egyptian society and to focus resources and efforts towards fulfilling the sustainable development goals. Meanwhile, marginalized communities' inequalities were reduced using technology applications available in the Foundation's projects to find solutions that support the target groups in achieving social and financial inclusion coupled with technological illiteracy irradiation to create job opportunities and project ideas that achieve economic growth for all segments of the society.

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In light of a cooperation protocol with the Egyptian Food Bank, 25,000 healthy, balanced school meals were provided to the students of the schools in Minya Governorate villages during the academic year.

Within the framework of completing and continuing the training and skills development and improvement of disabled people, twenty-four beneficiaries were trained on sign language through Asdaa Association for the Advancement of the Deaf and Hard of Hearing. Also, one hundred seventy-five blind trainees participated in Braille courses to empower and integrate them into the larger community in cooperation with Al-Akhbar Institution. Additionally, twenty people of determination in Qena and Ismailia Governorates were trained on establishing small projects to achieve economic empowerment and financial inclusion, in partnership with Misr El-Kheir Foundation.

To encourage entrepreneurship, the Bank contributed to the training of 15 beneficiaries on entrepreneurship projects in the field of medicinal and aromatic plants for export in Fayoum Governorate, in partnership and cooperation with Delta Foundation for Community Entrepreneurship. For many years, EBank has contributed to a competition aiming to present the best Egyptian product for export, among Egyptian public, private, international and national universities, in partnership and cooperation with Enactus Egypt Program, which is a nonprofit organization located in many countries and includes a large number universities worldwide. The Program represents a partnership between those university students, leaders and businessmen, with the aim of narrowing the gap between university education and labor market.

**Accordingly, the total amount spent on education during 2023 amounted to EGP 10,425,000.**

#### **Second: Health sector:**

In order to ensure continuity and sustainability in providing community services and activities, the Bank has continued to cover the costs of chemotherapy, radiotherapy and surgery for 25 breast cancer cases treated at Baheya Hospital for Early Detection and Treatment of Breast Cancer. A team from the Bank management and employees visits the hospital periodically to provide the patients with psychological and moral support.

The Bank also offered support to Al-Nas Children's Hospital to perform nine pediatric heart surgeries for children on waiting lists. The Bank also donated to the Diabetes Research Unit, Kidney and Urology Center, Mansoura University Hospital, to conduct a number of scientific researches in stem cell therapy, seeking to exert more effort and based on the Bank's belief in the importance of scientific research and its role in community advancement as a whole.

The Bank also continued covering the expenses of twelve heart surgeries at Magdi Yacoub Aswan Heart Center, in addition to covering chemotherapy and radiotherapy costs for fifty-eight children with cancer at Shefaa Al-Orman Children's Cancer Hospital in Luxor.

The Bank also continued its donations to Ibrahim Badran Charitable Foundation (IBF) to serve almost 5200 patients through organizing four free medical/healthcare convoys, which visited some villages of Beheira Governorate, to conduct primary health care examinations along with healthcare and medical awareness sessions as part of the Egyptian Health Initiative. Those IBF convoys are equipped with mobile clinics, including a medical team of doctors specialized in different medical disciplines, including internal medicine, orthopedics, ENT, ophthalmic, dermatology and pediatrics, and provide free treatment and medicines to those patients, along with fixed clinics in Asswan governorate, which provided free checkups and treatment. This partnership is fulfilled within the framework of a cooperation protocol concluded between the Bank and IBF to serve patients in need of medical help in several Egyptian governorates. The Bank also covered the cost of chemotherapy, radiotherapy and surgery for 50 children with cancer at the Children's Cancer Hospital Egypt - 57357 (CCHE) in cooperation with the Association of Friends of the National Cancer-Free Initiative (AFNCI). A team from the Bank visited the hospital.

Additionally, EBank supplied a number of medical and therapeutic devices and supplies, as well as surgical and exploratory tools to serve almost 750 patients in the Critical Care Unit at Kasr Al-Ainy Hospital, Cairo

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University. The Bank also made a donation to be used in building the roofs of 6 new sensory therapy rooms for the Intellectual Education Foundation for Girls in Old Cairo affiliated to the National Foundation for Women and Society Development, which sponsors and provides all means of comfort and security to sixty-five incapacitated girls with special needs.

EBank also provided a Monitor Bedside Critical Care Unit in Ahl Masr Hospital for Burns, which the Bank had previously contributed to its establishment during the construction phase of the hospital. This year, the Bank covered the cost of medical convoys, providing treatment or surgery and prostheses in association with the Egyptian Cure Bank where medical service was offered to 53 cases in Minya and Beni Suef Governorates.

The Bank also contributed to the medical examination of about 500 disabled people through a medical convoy organized in cooperation with Misr El-Kheir Foundation in Qena Governorate Assiut, along with providing prostheses according to condition and need. Also 70 electric chairs were purchased and delivered to the new Oncology Institute in Sheikh Zayed 500500 for chemotherapy patients to contribute to the treatment of about 780 patients who visit the hospital.

The Bank also donated to the Association of Liver Patients Care (ALPC) in Dakahlia to contribute to the checkups and treatment of nearly 1000 Virus B patients in Dakahlia and Mansoura Governorates. Some medical supplies and surgical and exploratory tools were provided to Nuba Hospital to serve 1500 patients from Nuba and Aswan. The Bank also offered financial support to Aboul Reesh Pediatric Hospital in Mounira and contributed to the purchase of medical supplies, surgical, treatment and exploratory tools and devices for Demerdash Hospital, in addition to the medical convoys to detect ophthalmia and eye conditions in the villages of Fayoum Governorate, while performing surgeries and making prescription glasses in cooperation with Mervat Sultan Foundation.

**Accordingly, the total amount spent on health during 2023 amounted to EGP 13,740,000.**



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