

The logo for ai BANK, featuring the lowercase letters 'ai' in a bold, green, sans-serif font. The 'i' has a small dot above it. The background of the entire page is a composite image showing a modern city skyline with a prominent skyscraper on the left, a large human face on the right, and green foliage overlaid on the face.

**BANK**

sustainable  
**TRANSITION**  
FOR A **BETTER LIFE**

**SUSTAINABILITY REPORT 2023**

# About this Report

## The Bank and References

In this report, the terms “aiBANK,” “the Bank,” “Our,” and “We” refer to Arab Investment Bank (S.A.E).

## Scope of Report and Cycle Covered

This document (“the Report”) serves as aiBANK’s First Sustainability Report, prepared in accordance with the 2021 New Global Reporting Initiative (GRI) guidelines. The Report encompasses the period from January 1, 2023, to December 31, 2023, unless otherwise stated. To provide a more comprehensive understanding, data that falls outside the primary scope of the Report may be included, particularly if it offers pertinent context to activities within the reporting period.

## Referenced Reporting Guideline

The Report adheres to international best practices and reporting guidelines. In addition to the 2021 New GRI Sustainability Reporting Standards, it incorporates selective key indicators of SASB sector-specific metrics, the Integrated Reporting (IR) framework, Sustainable Development Goals (SDGs), and Egypt Vision 2030. Each of these provides a comprehensive framework for assessing and communicating aiBANK’s sustainability performance, ensuring alignment with global standards and stakeholder expectations.

## Mistakes and Typographical Errors

Any errors discovered following the publication of the Report will be corrected and displayed on our website. Our reports are published on our website in downloadable PDF file format.

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The logo for aiBANK features the lowercase letters 'ai' in a large, bold, green font, followed by 'BANK' in a smaller, bold, green font. A thin horizontal line is positioned below the 'ai' and 'BANK' text.

بنك الاستثمار العربي  
ARAB INVESTMENT BANK

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# CHAIRMAN MESSAGE

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Dear stakeholders,

As we navigate the complex challenges of the 21st century, it has become increasingly clear that a paradigm shift is needed. The transition to a sustainability era is not a choice anymore: it is a responsibility that we owe to our planet and future generations. We embark on a transformative journey toward sustainability and sustainable finance. As the chairman of aiBANK, I am proud to announce our commitment to embracing sustainability as a core principle in all aspects of our operations.

The world around us is changing rapidly, and it is evident that the time for action is now. Climate change, social inequality, and environmental degradation are urgent challenges that demand our attention. As a responsible corporate member, we understand the importance of integrating sustainability into our business strategy.

Moving forward, we will prioritize environmental, social, and governance (ESG) considerations in all our decision-making processes. This means adopting more sustainable business practices, reducing our carbon footprint, promoting diversity and inclusion, and investing in our communities.

Our transition to the sustainability era is not just a moral imperative: it is also a strategic opportunity. By aligning our business objectives with the broader goals of society, we can create long-term value for our shareholders and contribute to a more sustainable future for all.

I am confident that by working together toward our common goal of sustainability, we can drive positive change and build a more resilient and prosperous organization. I urge all of you to join us on this journey as we strive to make a meaningful impact on the world around us.

— Eng Tarek Kabil

# CEO AND MANAGING DIRECTOR MESSAGE

It is from a deep sense of responsibility that I stand before you today to discuss our sustainability journey. In a world that is facing significant challenges, the role of businesses, especially financial institutions, in promoting sustainability cannot be overstated.

At aiBANK, we have fully embraced the necessity of sustainability. We understand that our actions today will have a profound impact on the future of our planet and the well-being of generations to come. As a responsible bank, we have a responsibility to not only mitigate our environmental footprint but also empower our customers to make sustainable choices.

Presently, our commitment is stronger than ever to contribute to the realization of significant results concerning a healthier world where all individuals can succeed in a more sustainable and inclusive economy. Through the financial products and services we provide, we have the capacity to improve social and environmental outcomes.

Businesses in almost all industries are actively pursuing reliable guidance to effectively navigate the forthcoming challenges and capitalize on the potential benefits associated with the shift toward a low-carbon economy. Banking is a business founded on trust, and aiBANK employees earn that trust daily through their commitment to providing exceptional service to our clients, customers, communities, and one another. aiBANK will be there for them along the way.

Our transition journey toward sustainability is guided by a commitment to innovation, collaboration, and accountability. We have set an ambitious journey to reduce our carbon emissions, minimize waste, and promote responsible lending practices. However, our journey is not limited to the aforementioned. We recognize that true sustainability requires ongoing dedication and a willingness to adapt to changing circumstances. As we navigate the complexities of a rapidly evolving world, we remain steadfast in our commitment to integrating sustainability into every aspect of our operations. Together, we can create a world where environmental stewardship is not just a goal but a way of life.

— Tamer Seif



# SENIOR DIRECTOR BUSINESS & SUSTAINABLE DEVELOPMENT MESSAGE



We now understand that environmental and social issues significantly influence the global economy. At aiBANK, our core mission is to drive responsible and sustainable growth by supporting our clients with innovative financial solutions tailored for corporate and institutional investors to address critical challenges.

I am delighted to introduce our annual sustainability report, which details the successful execution of our sustainability strategy, policies, and procedures. Our concerted efforts have led to the adoption of a unified approach in customizing the Environmental and Social Management System (ESMS) model, ensuring it aligns with both international and national standards within our credit decision processes. Additionally, I am thrilled to announce the effective implementation of our paperless strategy, the establishment of a suppliers' code of conduct, and the development of customized financing solutions for installing solar panels or other renewable energy systems and for purchasing eco-friendly electric or hybrid vehicles. These achievements underscore our unwavering commitment to advancing sustainability practices and driving positive change across our organization, as evidenced by the improvements noted in our annual carbon footprint report compared to last year's results.

Over the past year, our team has diligently worked to integrate sustainability principles into all aspects of our operations. We have cultivated a culture of environmental and social responsibility, actively taking steps to lessen our impact on the planet and enhance the well-being of our communities. This included conducting an awareness campaign that reached 508 employees by the end of 2023.

Our commitment to maintaining the highest standards of ethical conduct and transparency remains firm, and we continue to strive for a more sustainable and fair future for everyone. These accomplishments were made possible through the implementation of exceptional governance practices and the establishment of a Sustainability and Sustainable Finance Committee.

At aiBANK, we are committed to creating value for our stakeholders by addressing their diverse needs and prioritizing Environmental, Social, and Governance (ESG) considerations in various areas over the past year, maximizing their benefits. Our strategy actively engages clients in transitioning to a low-carbon economy. As we continue on this path, we are guided by the principles of transparency, accountability, and innovation.

— Tamer Mostafa

# aiBANK at a Glance

Founded in 1974 under the regulatory oversight of the Central Bank of Egypt (CBE), aiBANK initially operated as an investment and business bank, starting activities in 1978 with an initial capital of USD 40 mn. Over the years, the capital base has expanded significantly, reaching EGP 1,987 mn in 2020. Following decisions made during the General Assembly on October 10, 2021, and after the successful completion of the Bank's acquisition deal, approval was granted to augment the paid-up capital to EGP 5 bn. The ownership structure was adjusted to accommodate both existing and new investors, as outlined below:



- **51%** EFG Holding S.A.E
- **25%** Egypt's financial services and digital transformation Sub-Fund
- **24%** National Investment Bank

## Key Milestones

aiBANK was founded

1974

2016

The aiBANK Foundation for Community Development was founded

2021

EFG acquisition of a 51% stake in aiBANK

2022

Pioneering excellence in Finance, Innovation, and Social Impact

2023

aiBank held a strategic planning session in Ain el Sokhna to deliberate on a new transformational strategy

Executives used LEGO serious play in this interactive method to build models representing their perceptions and challenges, jointly moving toward new goals

Developed our ESG strategy and sustainability department

Integrated ESRM into our risk management



### Our Vision

To become the boutique bank of choice for individuals looking to transform their lives, entrepreneurs distributing their markets and businesses, leading the way with an eye toward driving sustainable meaningful change for communities, industries, and the local economic landscape.

We are the change makers, committed to constantly exploring, looking at needs, and creating value for our clients, people, and shareholders. We drive change that transforms communities and the economy through seamless, speedy, distinctive quality and tailored solutions for individuals, entrepreneurs, and businesses.



### Our Mission



### Our Transformation Goals

- People
- Convenience
- Speed
- Quality
- Synergy
- Responsible Banking
- Growth Catalyst

- Accountability
- Integrity
- Belonging
- Agility
- Distinctive Quality
- Partnership



### Our Transformation Values





<p><b>Retail</b></p>	<p><b>SME Banking</b></p>	<p><b>Corporate Banking</b></p>
<p>A comprehensive suite of services that includes deposit products, banking card solutions, financing products (including personal, home, and vehicle), and transactional banking services.</p>	<p>Provides SMEs with an extensive range of banking products and services, serving as a convenient one-stop destination for their financial needs. These offerings encompass a diverse selection of financing solutions, accounts, deposit products, and trade services, as well as banking services including transfers and currency exchanges.</p>	<p>Provides tailored financial solutions and services to businesses of all sizes, offering a comprehensive suite of products and expertise to support their growth, manage their finances, and achieve their strategic objectives efficiently and effectively.</p>
<p><b>Investment Banking</b></p>	<p><b>Islamic Banking</b></p>	<p><b>Asset Management</b></p>
<p>Offers comprehensive investment banking solutions tailored to meet the diverse needs of corporate and institutional clients, from strategic advisory services to underwriting and capital raising.</p>	<p>Offers Sharia-compliant banking products and services through our Islamic banking division, catering to customers who prefer banking in accordance with Islamic principles. The products and services we offer include Sharia-compliant deposit options such as time deposits and certificates, a range of current and investment accounts, and Sharia-compliant banking cards.</p>	<p>Offers comprehensive asset management services, including investment options in mutual funds and money market instruments, designed to help clients achieve their financial goals through diverse and well-managed investment portfolios.</p>

# IR Guiding Principles

In its journey toward comprehensive reporting, aiBANK embraces the IR framework and is guided by the foundational concept of the Six Capitals. This report is structured around key IR principles and content elements that ensure a holistic view of the Bank's performance and strategy:



## Strategic Focus and Future Orientation

aiBANK prioritizes a forward-looking approach, focusing on long-term goals and strategies.



## Connectivity of Information

The Bank demonstrates the interconnectedness of its financial, social, and environmental dimensions,



## Stakeholder Relationships

aiBANK is dedicated to strong and transparent engagement with all its stakeholders.



## Materiality

The Bank identifies and concentrates on issues critical to value creation.



## Conciseness

aiBANK is committed to providing information that is both clear and to the point.



## Reliability and Completeness

The Bank ensures that its reporting is both accurate and balanced.



## Consistency and Comparability

aiBANK maintains continuity with its previous reports and adheres to established national and international standards.

### Content Elements

**Organizational Overview and External Environment:** An overview of aiBANK's organizational structure and the context in which it operates.

**Governance:** The Bank's governance structures and practices.

**Business Model:** Value creation, delivery, and capture.

**Risks and Opportunities:** Potential impacts are assessed by identifying risks and opportunities.

**Strategy and Resource Allocation:** Strategic aims and plans for resource allocation.

**Performance:** Financial and non-financial metrics.

**Outlook:** Insights into aiBANK's future projections and strategic directions.

Through these principles and content elements, aiBANK provides a transparent and insightful view of its operations, highlighting its dedication to sustainability and value creation for all stakeholders.

## Our Six Capitals



### Human Capital

The essence of aiBANK's human capital lies in the collective expertise, experience, and motivation of its employees. The Bank recognizes that its staff is integral to its value creation process, so it invests in their development, fosters a culture of continuous learning, and ensures a workplace that values diversity, equity, and inclusion.

[Read on:](#) "Human Capital Value Proposition" on page 92



### Natural Capital

Reflecting on its environmental responsibility, aiBANK's natural capital relates to the bank's interaction with the natural environment. This includes its use of resources and the impact of its operations on the environment. aiBANK is committed to reducing its carbon footprint, supporting renewable energy projects, and implementing practices that contribute to environmental conservation and sustainability

[Read on:](#) "Environmental Stewardship" on page 106



### Social and Relationship Capital

aiBANK relies on strong relationships with its stakeholders. This includes maintaining good rapport with shareholders, regulators, business partners, suppliers, customers, and the community. Our interactions are based on mutual understanding, allowing stakeholders to trust and support the Bank, while we aim to continuously add value to each of them.

[Read on:](#) "Governance and Integrity" on page 44



### Intellectual Capital

Intellectual capital covers aiBANK's systems and methodologies that offer competitive advantages. These include innovative banking solutions, fintech partnerships, and digital infrastructure that enhance customer experience and operational efficiency. aiBANK's intellectual capital is a testament to its emphasis on innovation and adaptability in the fast-evolving financial sector.

[Read on:](#) "Our Digital Transformation" on page 100



### Financial Capital

aiBANK's financial capital encompasses the array of economic resources at its disposal for operational use, including but not limited to cash reserves, investments, and access to funding. The Bank's commitment to sustainable finance is evident through its investments in green loans and sustainable projects, aiming not just for economic returns but also for positive environmental and social impacts.

[Read on:](#) Financial Statement.



### Manufactured Capital

This capital represents the tangible physical assets critical to aiBANK's banking operations. These include the Bank's network of branches, ATMs, and the advanced technological infrastructure that underpins its digital banking services.

Investment in manufactured capital is strategic, focusing on enhancing customer experience and operational efficiency.

[Read on:](#) "Retail, Financial Inclusion, and Distribution Channels" on page 75

Financial Highlights in EGP '000

	2021	2022	2023
Total Assets	45,451,405	55,388,528	61,445,896
Total Liabilities	40,577,034	50,061,457	54,975,888
Interest Revenue and Similar Income	4,162,907	5,389,364	7,668,964
Net Profits	(871,081)	525,612	1,150,323
Total Loans and Facilities to Customers	11,304,598	20,856,598	22,762,455
Total Deposits	38,729,772	48,201,951	50,900,610
Total Equity	4,874,371	5,327,071	6,470,008
Interest Expense and Similar Costs	(3,049,826)	(3,589,328)	(5,129,506)
Net Interest Income	1,113,081	1,791,036	2,539,458
Common Equity Tier 1	4,767,759	5,065,998	5,941,287
Common Equity Tier 2	402,157	442,030	606,909
Earnings per Share	(3.19)	0.52	1.18
Non-Performing Loans	1,852,225	1,605,203	1,293,088
Debt-to-Equity Ratio	8.32	9.40	8.50
ROAE	-29.9%	10.3%	19.7%
ROAA	-1.8%	0.95%	1.9%
LDR	29.19%	43.27%	44.8%
NIM	2.9%	4.0%	5.0%



# 01

## aiBANK's Approach to Sustainability

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- aiBANK Sustainability Strategy
- Our Value Creation

# aiBANK's Approach to Sustainability

## aiBANK Sustainability Strategy

In 2023, aiBANK embarked on its sustainable voyage with the development of an environmental, social, and governance (ESG) strategy. Deeply rooted in our commitment to sustainable growth and responsible banking practices, our strategy reflects our dedication to meeting the needs of our stakeholders while contributing positively to society and the environment. We strive for professionalism, ensuring that we understand and meet the current and future needs of our customers with a focus on excellence in all aspects of our operations.

Aligned with our vision and values, aiBANK's strategic direction for the years 2023-2027 revolves around strategic investments aimed at enhancing customer service excellence. Our strategy emphasizes the adoption of cutting-edge technology in collaboration with all stakeholders. Through this collaborative effort, we aim to achieve sustainable progress and development, ensuring the long-term viability and success of our institution.



## Integrating ESG with SDGs









Our ongoing commitment to value-driven banking incorporates ESG considerations. Going beyond ESG integration, we leverage SDGs as a central framework to articulate how our Bank positively influences society and the environment within its operational sphere.

While aiBANK engages in various SDGs, a meticulous analysis of the indicators and metrics within the SDG blueprint has enabled us to pinpoint eight SDGs that uniquely align with the objectives of the Ready Commitment. These SDGs seamlessly integrate with our sustainability initiatives and represent the foundation of our ongoing commitment. As we continuously monitor and assess the outcomes of the Ready Commitment, we concurrently measure our contributions to the identified SDGs and their associated targets.

## Glimpse of Our Strategic Objectives

Perspective	Action	KPI	SDGs
Financial	Increase the SAR % of the portfolio through to 2027	Alignment of activities with sustainable targets	7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH
Internal	Minimize environmental and social (E&S) risks by abiding by regulatory requirements	Portfolio evaluation and classification for projects (ESMS) to be integrated into the credit application	16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS
Customer	Rebrand aiBANK's image	Enhancement of corporate image and brand equity by cultivating perceptions of aiBANK as a sustainable financial institution	17 PARTNERSHIPS FOR THE GOALS
Learning and Growth	Increase awareness	Implementation of in-house training initiatives and participation in external sustainable finance programs	16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS



SDG	Material Matter	SDG	Material Matter
<b>5</b> GENDER EQUALITY 	<b>Financial Inclusion, Diversity, and Equality</b>  We empower all female clients by providing equal access to account opening and credit granting.  We assist employees in achieving gender equality and accessing jobs, training, and promotions.	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	<b>Responsible Consumption</b>  We focus on reducing our consumption bills by improving our resource efficiency and reducing waste.
<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<b>Sustainable Finance</b>  We help our customers have access to finance for sustainable projects.	<b>13</b> CLIMATE ACTION 	<b>Environmental Footprint</b>  We minimize our environmental footprint through different strategies.
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>Entrepreneurship</b>  We support new businesses in creating sustainable growth.	<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS 	<b>Governance and Integrity</b>  We operate with responsible and transparent business processes.
<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	<b>Responsible Finance</b>  We participate in financing affordable housing projects to provide a good quality of life for citizens and raise living standards.	<b>17</b> PARTNERSHIPS FOR THE GOALS 	<b>Partnership and Alignment</b>  We develop partnerships and alignments between stakeholders with respect to sustainability.

### Journey to a Low-Carbon Economy

aiBANK recognizes climate change as a critical environmental issue with significant economic implications. In response, we have developed a low-carbon strategy aimed at aligning our business operations with the transition to a low-carbon economy. Our low-carbon strategy focuses on minimizing greenhouse gas (GHG) emissions while promoting sustainable economic growth. Key initiatives include promoting the use of renewable energy sources, adopting energy efficiency measures, supporting clean technology innovation, developing programs, providing products and services for stakeholders and customers to advocate for a low-carbon economy, and introducing the Bank's sustainable bond strategy.



### Our Value Creation

At aiBANK, our approach to value creation is deeply intertwined with our commitment to sustainability and responsible banking. Recognizing that our success is not solely measured by financial performance, we strive to generate value that encompasses environmental stewardship, social responsibility, and governance excellence. Our value-creation model is designed to reflect the interconnectedness of our operations with the broader societal and environmental contexts in which we operate, ensuring that we contribute positively to the global challenges of our time.

In 2023, as we embarked on our ESG journey, we focused on integrating ESG principles into our operations. This approach enables us to identify innovation, efficiency, and growth opportunities that align with SDGs. By prioritizing initiatives that positively impact the environment and fostering inclusive and equitable workplaces, aiBANK is committed to creating sustainable value for all our stakeholders.

### Stakeholder Engagement

At aiBANK, stakeholder engagement is not a mere compliance requirement: it is a strategic imperative and a cornerstone of our value-creation process. We believe in building and maintaining sustainable relationships with all our stakeholders, including customers, employees, investors, suppliers, regulatory bodies, and the communities in which we operate. Our engagement practices are built on the principles of transparency, respect, and mutual benefit, ensuring that every voice is heard and valued.

Investors and Shareholders	Customers	Local Community
<b>Needs and Expectations</b>		
Consistent returns, transparent reporting, risk management, and sustainable growth	Reliable and innovative banking products and services, as well as customer support	Community engagement, support for local initiatives, and contributions to local development
<b>Material Topics</b>		
<ul style="list-style-type: none"> <li>Sustainable Finance</li> <li>Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Digital Transformation and Cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>Charitable Contributions and Community Involvement</li> </ul>
<b>How We Engage</b>		
<ul style="list-style-type: none"> <li>Regular audits</li> <li>Report submissions</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction surveys</li> <li>On-ground events</li> <li>Call center</li> </ul>	<ul style="list-style-type: none"> <li>On-ground visits</li> <li>Partnerships with NGOs</li> </ul>
<b>Read More</b>		
<ul style="list-style-type: none"> <li>Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>Customer Experience and Responsible Engagement</li> <li>Sustainable Finance</li> </ul>	<ul style="list-style-type: none"> <li>Investing in Our Community</li> <li>Environmental Stewardship</li> </ul>

Employees	Suppliers	Government and Regulatory Agencies
Needs and Expectations		
Career progression opportunities, competitive compensation, and a safe and inclusive work environment	Fair procurement practices, timely payments, and collaborative relationships	Compliance, accurate reporting, and cooperation in regulatory matters
Material Topics		
<ul style="list-style-type: none"> <li>Talent Attraction and Retention</li> <li>Capacity Building</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Sustainable Finance</li> <li>Financial Inclusion and Diversity</li> </ul>
How We Engage		
<ul style="list-style-type: none"> <li>Employee surveys</li> <li>Grievance mechanism</li> <li>Performance and development reviews</li> <li>Training programs and workshops</li> <li>Awards and recognition schemes</li> </ul>	<ul style="list-style-type: none"> <li>Regular audits and meetings</li> <li>Annual reviews</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure requirements and mandates</li> </ul>
Read More		
<ul style="list-style-type: none"> <li>Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance</li> </ul>

Board of Directors
Needs and Expectations
Provide effective governance and strategic direction, oversee financial performance and risk management, ensure compliance with regulatory requirements, and gain insight into sustainability strategy and performance
Material Topics
<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Risk Management</li> </ul>
How We Engage
<ul style="list-style-type: none"> <li>Board meetings</li> <li>Regular audits</li> <li>Report submissions</li> </ul>
Read More
<ul style="list-style-type: none"> <li>aiBANK Sustainability Strategy</li> </ul>

### Materiality Assessment

The materiality assessment is a critical component of aiBANK's value creation process. It enables us to identify and prioritize the ESG topics that are most significant to our stakeholders and have the greatest impact on our business. This strategic focus ensures that we concentrate on areas where we can make the most meaningful contributions to sustainable development.





**1 Identification and Assessment**  
Identify ESG topics that could impact our business and stakeholders. This includes assessing potential and actual impacts and their significance.

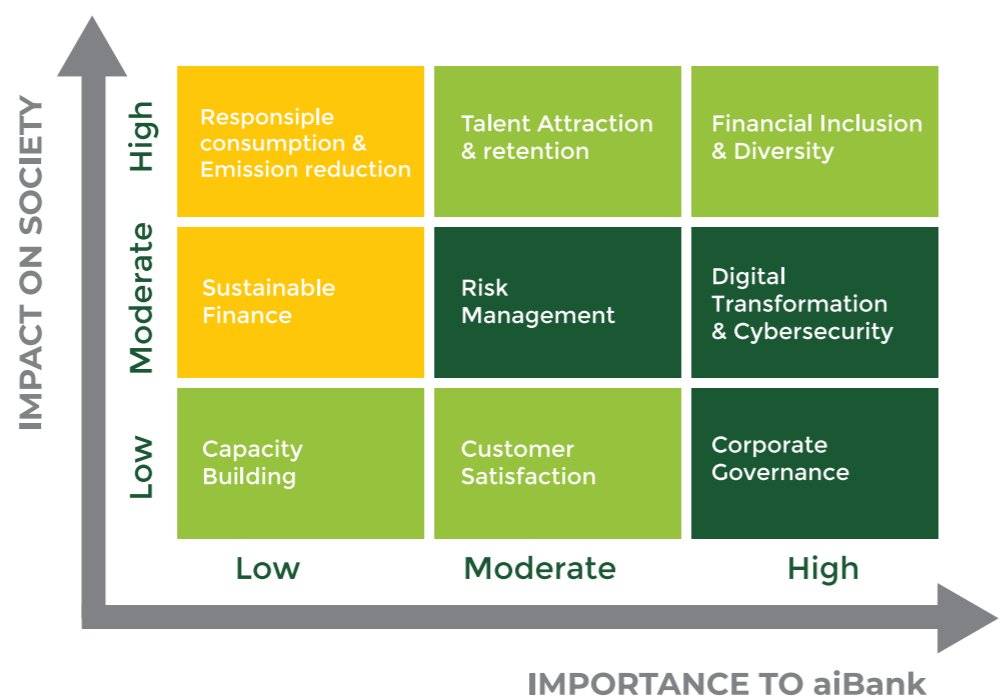
**2 Stakeholder Engagement**  
Gather insights and perspectives from our stakeholders to understand which topics are of greatest concern and importance to them.

**4 Validation and Review**  
Subject our findings to a rigorous review process involving senior management and, where applicable, external experts to validate the results.

## Our Five Step Materiality Assessment

**3 Prioritization**  
Analyze the significance of each topic in terms of its potential impact on our business and stakeholders. This includes using a structured framework to prioritize the topics.

**5 Integration and Action**  
Incorporate the identified material topics into our strategic planning and decision-making processes, ensuring that our actions and initiatives reflect these priorities.



- Environmental
- Social
- Governance

To align our initiatives with our goal of contributing positively to all aspects of value creation, we have classified our material concerns into ESG pillars. Our materiality matrix indicates that while all material topics are important, some hold greater significance according to the perspectives of both internal and external stakeholders.



### ESG Materiality Matters

Pillar	Material Matter	Definition and Scope
Governance	Digital Transformation and Cybersecurity	At aiBANK, we recognize the imperative of digital transformation in the contemporary banking landscape. Our steadfast dedication to technological innovation is paralleled by an unwavering commitment to cybersecurity. We continually invest in cutting-edge technologies, ensuring the resilience of our digital infrastructure and the safeguarding, confidentiality, integrity, and availability of sensitive information.
	Corporate Governance and Integrity	Our commitment to the highest standards of corporate governance and integrity remains unwavering. Through effective board structures, transparent decision-making processes, and rigorous oversight, we ensure that our operations adhere to ethical principles and legal requirements. Our governance framework is designed to foster accountability, integrity, and trust among our stakeholders.
	Risk Management	A prudent approach to risk management is ingrained in our organizational DNA. We employ a comprehensive risk management framework to identify, assess, and mitigate risks across our operations. By continually refining our risk appetite and leveraging sophisticated risk management tools, we strive to enhance resilience and adaptability in an ever-evolving business landscape.
	Compliance	Adherence to regulatory requirements and industry standards is foundational to our operations. We maintain a robust compliance framework that ensures our business activities align with applicable laws and regulations. Regular audits, assessments, and proactive measures are integral to our commitment to compliance, thereby mitigating legal risks and upholding our reputation for ethical business conduct.





Pillar	Material Matter	Definition and Scope
Social	Financial Inclusions	We are committed to fostering an inclusive financial landscape that empowers individuals across diverse socioeconomic backgrounds, promoting economic resilience and bridging gaps in access to financial services.
	Diversity and Gender Equality	Recognizing the inherent value of diversity, we champion an inclusive workplace that upholds gender equality, ensuring equal opportunities for all employees and fostering a culture that thrives on diverse perspectives.
	Capacity Building and Awareness	Through targeted programs, we invest in capacity-building initiatives that empower individuals and communities, coupled with strategic awareness campaigns to disseminate knowledge and promote informed decision-making.
	Customer Satisfaction	Our commitment to customer satisfaction remains at the core of our operations, emphasizing transparent communication, ethical practices, and continuous improvement to exceed customer expectations by delivering a wide range of sustainable products and services.
	Sustainable Supply Chain Management	We adhere to sustainable supply chain practices, fostering partnerships with environmentally conscious suppliers to mitigate environmental impacts, reduce waste, and promote responsible sourcing.
	Talent Attraction and Retention	Nurturing a dynamic and inclusive workplace, we attract top-tier talent and prioritize their retention through robust employee engagement programs, professional development opportunities, and a supportive corporate culture.

Pillar	Material Matter	Definition and Scope
Social	Succession Planning	Focusing on long-term viability, we implement strategic succession planning to ensure a seamless transition of leadership, cultivating a cadre of skilled professionals ready to assume key roles within the organization.
Environment	Responsible Consumption	We address responsible consumption by monitoring and reducing energy, waste, water, and paper consumption. Sustainable building practices are also prioritized to minimize our environmental impact.
	Emission Reductions	We have developed an enterprise-wide environmental strategy focused on assessing and addressing physical and transition risks associated with climate change while embracing opportunities for a low-carbon economy.
	Sustainable Finance	We integrate environmental risk assessment into our loan portfolio management. This approach aims to assist our clients in transitioning to a low-carbon economy while effectively managing environmental risks.
	Responsible Finance	Our approach to responsible finance includes embedding environmental and social factors into our business risk management framework. This involves assessing physical, transition, and climate risks in our portfolio and ensuring compliance with environmental and social risk policies and due diligence procedures throughout client relationships.




## Value Creation Model and Business Model

Input	Our Operations	Output	Outcomes	Material Matters	SDGs	Our Egypt Vision 2030
<p><b>Financial Capital</b></p> <ul style="list-style-type: none"> <li>Net-Interest Income: EGP 2.53 bn in 2023 (EGP 1.79 bn in 2022)</li> <li>Total Equity: EGP 6.47 bn in 2023 (EGP 5.33 bn in 2022)</li> <li>Total Deposits: EGP 50.90 bn in 2023 (EGP 48.20 bn in 2022)</li> <li>Private Sector Financing: EGP 14.75 bn in 2023 (EGP 14.59 bn in 2022)</li> <li>Public Sector Financing: EGP 0.51 bn (EGP 0.92 bn in 2022)</li> </ul>	<ul style="list-style-type: none"> <li>Retail Banking</li> <li>Corporate Financing</li> <li>Corporate Non-Financing</li> <li>Investment Banking</li> <li>Asset Banking</li> <li>SME Banking</li> <li>Islamic Banking</li> <li>Human Capital</li> <li>Digital</li> </ul>	<p><b>Financial Capital</b></p> <ul style="list-style-type: none"> <li>Net Profits: EGP 1.150 bn in 2023 (EGP 525,612 mn in 2022)</li> <li>EGP 5.129 bn in interest paid to clients and counterparties in 2023 (EGP 3.589 bn in 2022)</li> </ul>	<p><b>Financial Capital</b></p> <ul style="list-style-type: none"> <li>Return on average Assets: 1.9%</li> <li>Return on average Equity: 19.7%</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Consumption</li> <li>Emission Reductions</li> <li>Sustainable Finance</li> <li>Responsible Finance</li> <li>Financial Inclusion</li> <li>Diversity and Gender Equality</li> <li>Capacity Building and Awareness</li> <li>Customer Satisfaction</li> <li>Sustainable Supply Chain Management</li> <li>Talent Attraction and Retention</li> <li>Succession Planning</li> <li>Digital Transformation and Cyber Security</li> <li>Corporate Governance and Integrity</li> <li>Risk Management</li> <li>Compliance</li> </ul>	 	<ul style="list-style-type: none"> <li>First pillar: Economic development</li> <li>Fourth pillar: Transparency and efficient government institutions</li> </ul>
<p><b>Manufacturing Capital</b></p> <p>Physical Presence:</p> <ul style="list-style-type: none"> <li>Branches and ATMs: 88 in 2023 (70 in 2022)</li> <li>Disability-friendly branches and ATMs: 25 in 2023</li> </ul>		<p><b>Manufacturing Capital</b></p> <ul style="list-style-type: none"> <li>Total Assets: EGP 61.44 bn in 2023 (EGP 55.38 bn in 2022)</li> <li>We have a comprehensive presence in Egypt, spanning key areas including Greater Cairo, Giza, the Suez Canal region, Alexandria, Upper Egypt, and the Red Sea</li> </ul>	<p><b>Manufacturing Capital</b></p> <ul style="list-style-type: none"> <li>Enhanced access to financial services and improved quality of life</li> </ul>			<ul style="list-style-type: none"> <li>First pillar: Economic development</li> </ul>

## Value Creation Model and Business Model

Input	Our Operations	Output	Outcomes	Material Matters	SDGs	Our Egypt Vision 2030
<b>Human Capital</b> <ul style="list-style-type: none"> <li>Total of 1,169 employees</li> <li>Employees' time, skills, and expertise</li> <li>Training and development programs</li> </ul>	<ul style="list-style-type: none"> <li>Retail Banking</li> <li>Corporate Financing</li> <li>Corporate Non-Financing</li> <li>Investment Banking</li> <li>Asset Banking</li> <li>SME Banking</li> <li>Islamic Banking</li> <li>Human Capital</li> <li>Digital</li> </ul>	<b>Human Capital</b> <ul style="list-style-type: none"> <li>EGP17 mn spent on training and development in 2023 (EGP 10 mn in 2022)</li> <li>28.5% female employees</li> <li>83% of employees below 50 years of age</li> <li>31% female employees in senior management positions</li> </ul>	<b>Human Capital</b> <ul style="list-style-type: none"> <li>Increased ESG skills and talents</li> <li>Higher employee engagement and loyalty</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Consumption</li> <li>Emission Reductions</li> <li>Sustainable Finance</li> <li>Responsible Finance</li> <li>Financial Inclusion</li> <li>Diversity and Gender Equality</li> <li>Capacity Building and Awareness</li> <li>Customer Satisfaction</li> <li>Sustainable Supply Chain Management</li> <li>Talent Attraction and Retention</li> <li>Succession Planning</li> <li>Digital Transformation and Cyber Security</li> <li>Corporate Governance and Integrity</li> <li>Risk Management</li> <li>Compliance</li> </ul>	   	<ul style="list-style-type: none"> <li>First pillar: Economic development</li> <li>Third pillar: Knowledge, innovation, and scientific research</li> <li>Seventh pillar: Education and training</li> <li>Eighth pillar: Culture</li> </ul>
<b>Natural Capital</b> <ul style="list-style-type: none"> <li>Electricity consumption of 2,100 MWh in 2022</li> <li>Water consumption of 15,018 m3 in 2022</li> <li>Alignment toward increasing disbursement of green loans</li> </ul>		<b>Natural Capital</b> <ul style="list-style-type: none"> <li>Sustainable Finance with EGP 1.296 bn in 2023.</li> <li>GHG emissions: 2,482 mt-CO2e in 2022 (2,508 mtCO2e in 2021)</li> </ul>	<b>Natural Capital</b> <ul style="list-style-type: none"> <li>Reduced our impact on the environment and use of natural resources by digitizing internal paperwork processes</li> <li>Developed a sustainability strategy</li> </ul>			

Value Creation Model and Business Model

Input	Our Operations	Output	Outcomes	Material Matters	SDGs	Our Egypt Vision 2030
<p><b>Intellectual Capital</b></p> <ul style="list-style-type: none"> <li>EGP 271.3 mn spent on IT in 2023</li> <li>Collaborating with fin-tech and start-ups</li> <li>Developed the ESMS model</li> </ul>	<ul style="list-style-type: none"> <li>Retail Banking</li> <li>Corporate Financing</li> <li>Corporate Non-Financing</li> <li>Investment Banking</li> <li>Asset Banking</li> <li>SME Banking</li> <li>Islamic Banking</li> <li>Human Capital</li> <li>Digital</li> </ul>	<p><b>Intellectual Capital</b></p> <ul style="list-style-type: none"> <li>70% reduction in time and effort for issuing credit cards and loans</li> <li>Equipping employees for work in the digital age</li> </ul>	<p><b>Intellectual Capital</b></p> <ul style="list-style-type: none"> <li>Repositioned the ai-BANK brand</li> <li>Revamped our corporate identity logo and guidelines to enhance brand trust and stature</li> <li>Implemented strategic partnerships and digital capabilities to support the development of innovative solutions</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Consumption</li> <li>Emission Reductions</li> <li>Sustainable Finance</li> <li>Responsible Finance</li> <li>Financial Inclusion</li> <li>Diversity and Gender Equality</li> <li>Capacity Building and Awareness</li> <li>Customer Satisfaction</li> <li>Sustainable Supply Chain Management</li> <li>Talent Attraction and Retention</li> <li>Succession Planning</li> <li>Digital Transformation and Cyber Security</li> <li>Corporate Governance and Integrity</li> <li>Risk Management</li> <li>Compliance</li> </ul>	  	<ul style="list-style-type: none"> <li>First pillar: Economic development</li> <li>Third pillar: Knowledge, innovation, and scientific research</li> <li>Ninth pillar: Environment</li> </ul>
<p><b>Social and Relationship Capital</b></p> <ul style="list-style-type: none"> <li>Total clients: + 25.8 k in 2023 (+ 17.7 k in 2022)</li> <li>Community investment: EGP 2,043,000 in 2023</li> <li>Partnership with government.</li> </ul>		<ul style="list-style-type: none"> <li>EGP 472 mn paid to local suppliers' in 2023</li> <li>SME direct loans of EGP 3.81 bn in 2023 (EGP 2.99 bn in 2022)</li> </ul>	<p><b>Social and Relationship Capital</b></p> <ul style="list-style-type: none"> <li>Client satisfaction Scorecard with a 63% implementation rate in 2023</li> <li>Increase in financial inclusion</li> <li>Positive, healthy, and constructive relationships with regulators</li> <li>Reputational gains from supporting communities</li> </ul>			



# 02

## Governance and Integrity

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Corporate Governance and Integrity



Compliance



Risk Management

# Governance and Integrity



- **30.76%** Percentage of seats occupied by women
- **84.62%** Percentage of non-executive members
- **15.38%** Percentage of independent members



**Eng. Tarek Kabil Mohamed Abdelaziz Kabil**

Tarek Kabil is former Minister of Trade and Industry for Egypt from Sep 2015 to Aug 2018. He was a major player in the economic reforms program and led the industrial production growth to be the highest in the world in 2017.

Chairman



**Mr. Tamer Adel Hassan Ali Seif Aldin**

Mr. Tamer Adel Seif Aldin is a professional leader with over 22 years of experience in the banking industry. Since being appointed to the position of CEO and Managing Director of aiBANK in January 2022, he adopted a successful transformational strategy.

CEO and Managing Director



**Mr. Hesham Mohamed Abdelaal**

Mr. Hesham was appointed as an Executive Board Member of aiBANK in October 2017.

Mr. Hisham is a visionary, strategist, and luminary in the banking sector who boasts over three decades of progressive expertise.

Deputy CEO Executive Board Member



**Mr. Karim Ali Awad Saleh Salama**

Mr. Karim Awad is an esteemed executive serving as the Group CEO and Chairman of the Executive Committee at EFG Holding S.A.E. With over 25 years of experience, he began his career at EFG Hermes in 1998, quickly ascending through the ranks. Renowned for his leadership acumen, he led the Investment Banking Department in 2007, overseeing numerous high-profile local and regional transactions.

Non-Executive Board Member



**Mr. Mohamed Khaled Mohamed Abd Elkhabir**

Mr. Mohamed Abdel Khabir serves as the Group Chief Financial Officer (CFO) of EFG Holding, a member of the Executive Committee, and a board member in several EFG Hermes subsidiaries. Since joining in 2016, Mr. Abdel Khabir has played a pivotal role in EFG Hermes' transformation from a MENA-based investment bank to a financial solutions house for frontier markets.

Non-Executive Board Member



**Mrs. Nada Mohamed Rafik Shousha**

Mrs. Nada Shousha is a highly accomplished professional with a distinguished career in finance and development. Currently serving as a Non-Executive Board Member of aiBANK since 2022, she brings a wealth of expertise and leadership to the institution.



**Mrs. Hanan Hussein Ali El Borollossy**

Ms. Hanan El Borollossy brings over 30 years of extensive banking experience to her role as Acting Chief Risk Officer at CIB since 2020. Her journey with the bank began in 1991 when she joined the Corporate Banking Department; subsequently, she embarked on her career as a Credit Analyst after completing CIB's Credit Course in 1992.



**Mr. Ahmed Galal Aldin Othman Ismael**

Mr. Ahmed Galal Ismail is the Chief Executive Officer and a member of the Board of Directors at Majid Al Futtaim Holding, a renowned leader in shopping malls, retail, and leisure activities across the Middle East, Africa, and Asia. With assets exceeding USD 18 bn and a workforce of 44,000 employees, Majid Al Futtaim Holding is a major player in the industry.

**Non-Executive Board Member**



**Mr. Tarek Mohamed Moharam Faheem**

Mr. Tarek Fahim brings over 30 years of extensive experience in leading financial institutions with a specialization in wholesale risk management and corporate credit relationship management. His career began in 1990 at HSBC Egypt, where he held various key positions and played a significant role in shaping the bank's risk management practices.

**Independent Non-Executive Board Member**



**Mrs. Eman Mahmoud Abdelaziz Mahmoud**

Ms. Eman Mahmoud Abdel Aziz is known for her extensive experience and leadership roles. She began her career in 1979 at Arab Bank PLC, Egypt, where she joined the Treasury & Capital Market Department. Over the years, she has held various positions in the banking industry, demonstrating her expertise in treasury management and capital markets.

**Non-Executive Board Member**



**Mr. Ayman Mohamed Al Tayeb Mohamed Soliman**

Mr. Ayman Mohamed Soliman is currently serving as the Chief Executive Officer of the Sovereign Fund of Egypt, bringing with him a wealth of experience and expertise in various sectors.

**Non-Executive Board Member**



**Dr. Mohamed Sameh Ahmed Mohamed Amr Bandar**

Dr. Mohamed Sameh Amr is a distinguished legal scholar and practitioner serving as the Dean of the Faculty of Law at Cairo University since 2023. He has held the position of Chairman of the International Law department at the Faculty of Law since 2016. In addition to his academic responsibilities, Dr. Mohamed is the Founder and Managing Partner of Amr & Partners Law Firm based in Cairo.

**Independent Non-Executive Board Member**



**Mrs. Nevine Omran Abdel-salam Al Shafie**

Ms. Nevine Al-Shafie, a distinguished figure in the banking and financial sector, has held significant positions throughout her career. With her expertise and leadership, she has contributed to the growth and development of various organizations.

**Non-Executive Board Member**

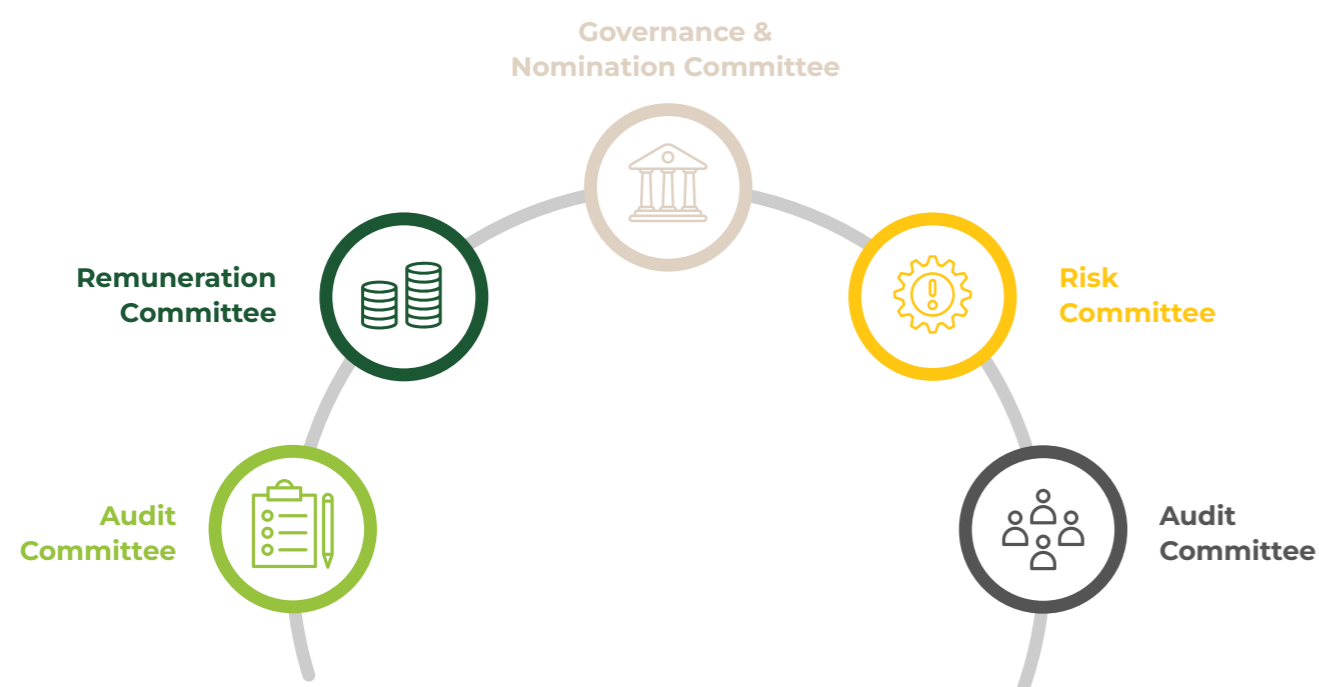


## Board Overview

The Board of Directors at aiBANK bears the overall responsibility for the well-being of the Bank. It plays a critical role in setting strategic objectives, especially concerning risk, and provides guidance to employees and management. A strong governance culture is fostered by the Board, which also institutes a code of conduct for staff and management. Additionally, the Board is tasked with maintaining the interests of all stakeholders, endorsing policies and values, and overseeing the Bank's operational and financial activities. This includes meeting regulatory requirements and ensuring the effectiveness of internal controls and risk management systems to protect the Bank's reputation. Recently, the BoD became responsible for the oversight of the sustainability strategy and policies and objectives within the Bank's business, per CBE directives. This ensures that sustainability is embedded into the Bank's strategic objectives to have full alignment on internal and external levels.

aiBANK has five standing committees: the Audit Committee, Remuneration Committee, Governance and Nomination Committee, Risk Committee, and Sharia Committee. Each committee operates under a charter approved by the Board.

During the fiscal year 2023, the Board convened 14 meetings. Throughout this period, each serving director attended more than 85% of the total number of both board meetings and the respective committee meetings to which they were appointed.



Committee	Members	Duties and Responsibilities (Including but Not Limited to the Following)
Audit Committee	<ul style="list-style-type: none"> <li>Eng. Tarek Kabil Mohamed Abdelaziz Kabil</li> <li>Mr. Mohamed Khaled Mohamed Abd Elkhabir</li> <li>Mr. Tarek Mohamed Moharam Faheem</li> </ul>	The Audit Committee, acting under the Board of Directors' mandate, meets at least four times annually to confirm the efficiency of the Bank's internal controls, risk management, and audit functions. It also plays a crucial role in the preliminary evaluation for the appointment of independent auditors and oversees their work closely. Additionally, the committee informs the Board of potential issues that could negatively affect the Bank's operations or lead to violations of laws and internal guidelines.
Remuneration Committee	<ul style="list-style-type: none"> <li>Eng. Tarek Kabil Mohamed Abdelaziz Kabil</li> <li>Mr. Karim Ali Awad Saleh Salama</li> <li>Mr. Ayman Mohamed Al Tayeb Mohamed Soliman</li> <li>Dr. Mohamed Sameh Ahmed Mohamed Amr</li> </ul>	<p>The Remuneration Committee, under the Board of Directors' guidance, meets at least four times annually to outline the compensation structure for aiBANK's senior executives and board members. This encompasses all financial aspects, such as salaries, allowances, and equity shares, aligning with the Bank's strategic goals. Additionally, the committee ensures that compensation practices consider the Bank's internal control functions, like risk and financial management, to avoid compromising their independence.</p> <p>It conducts comparative salary analyses to ensure aiBANK's competitiveness in attracting and retaining talent. The committee is also tasked with formulating transparent salary and remuneration policies, considering the Bank's risk exposure, and ensuring these policies are board-approved and disclosed.</p>
Governance & Nomination Committee	<ul style="list-style-type: none"> <li>Mrs. Nada Mohamed Rafik Shousha</li> <li>Mrs. Nevine Omran Abdelsalam Al Shafie</li> <li>Dr. Mohamed Sameh Ahmed Mohamed Amr</li> </ul>	The Governance and Nomination Committee meets at least four times annually and is responsible for the regular assessment of aiBANK's governance structure, recommending governance policy modifications as approved by the Board, and compiling comprehensive governance reports. It evaluates the Bank's annual report with a focus on disclosure relevance and governance implications. Additionally, the committee oversees the performance evaluations of the Board, managing records and follow-ups. It also handles nominations of independent board members and the appointment, reappointment, or removal of board members, ensuring compliance and governance integrity throughout its activities.

Committee	Members	Duties and Responsibilities (Including but Not Limited to the Following)
Risk Committee	<ul style="list-style-type: none"> <li>Eng. Tarek Kabil Mohamed Abdelaziz Kabil</li> <li>Mrs. Eman Mahmoud Abdelaziz Mahmoud</li> <li>Mrs. Hanan Hussein Ali El Borollossy</li> <li>Mr. Tarek Mohamed Moharam Faheem</li> </ul>	The Risk Committee meets at least four times annually to oversee the Bank's risk management strategies and ensure senior management develops a job structure for risk management that maintains its independence from operational activities. The committee mandates quarterly assessments of the Bank's overall risks with a focus on investment and credit portfolio risks. It reviews executive management's evaluation of collateral values provided by customers for financing and credit facilities, ensuring their adequacy and validity. These assessments and management strategies require Board approval, aligning with the Bank's commitment to strong risk oversight.
Sharia Committee	<ul style="list-style-type: none"> <li>Mr. Hesham Mohamed Abdelaal</li> <li>Dr. Ali Jumaa Muhammad</li> <li>Dr. Mohamed Najeeb Awadeen</li> <li>Dr. Refaat Al-Sayed Al-Awaady</li> </ul>	The Sharia Committee supervises Islamic branch operations to ensure adherence to Sharia principles. It evaluates all Islamic transactions for compliance with established standards. While the committee approves Islamic matters, these decisions are for informational purposes and not for regulatory ratification. Decisions by the regulatory body are independent and conveyed to the Board. This ensures that Islamic operations align with both Sharia guidelines and regulatory independence.

### Leadership Structure

An effective Board is crucial for the long-term success and strategic goals of the Bank. There is a distinct separation of roles between the Chairman and Non-Executive Director, Eng. Tarek Kabil, and the CEO, Mr. Tamer Adel Ali Seif-Aldin, ensuring a balance of power. This structure allows the Chairman to focus on guiding the Board's operations and strategies while the CEO manages the day-to-day business. The Chairman ensures the Board operates effectively and inclusively, addressing strategic issues and development needs. By contrast, the CEO is tasked with implementing the Board's decisions, keeping the Board informed, and leading the Bank toward its strategic vision.



### Sustainable Governance

aiBANK's commitment to sustainable governance is highlighted by its dedicated Sustainability & Sustainable Finance Committee, established in 2023. This committee, whose members are selected by management and approved by the Executive Committee, upholds the Bank's core principles by leading sustainability initiatives. Its key responsibilities include the following:

- It shapes the sustainability strategy, integrating it with aiBANK's overall mission and values.
- It develops and oversees policies, aligning short- and long-term sustainability targets with the Bank's annual business plan.
- It emphasizes capacity building for sustainable finance, driving the culture throughout the Bank.
- It undertakes carbon footprint assessments to inform emission reduction strategies.
- It evaluates risks associated with sustainability, ensuring the Bank's activities align with its environmental and social responsibilities.
- It reinforces internal coordination, clarifying roles to ensure the effective implementation of sustainable decisions.
- It supports the annual sustainability reporting process, including adherence to internationally recognized standards.





Our Control Environment

Risk Management

At aiBANK, effective risk governance is foundational to our operations. It is a responsibility shared by all levels of the organization, from front-line employees to the Board of Directors. Our governance structure is designed to ensure that risks are identified, assessed, and managed in alignment with our strategic objectives and risk appetite. We operate under a strong governance framework that includes an Enterprise Risk Framework and a Risk Appetite Statement, which provide a unified understanding of aiBANK’s risk profile and articulate the levels of risk we are willing to undertake. This framework is supported by our Board and executive management, who oversee risk governance, ensuring accountability and transparency across the Bank.

Risk Management Framework

The Bank’s Risk Inventory sets out the Bank’s major risk categories and related subcategories to which the Bank’s businesses and operations could be exposed. The Risk Inventory facilitates consistent risk identification and is the starting point in developing risk management strategies and processes. The Bank’s major risk categories are:

Risk Category	Capital Impacted
Strategic Risk	FC SRC IC NC HC
Credit Risk	FC SRC IC
Market Risk	FC
Operational Risk	FC MC IC
Model Risk	FC MC IC
Insurance Risk	FC
Liquidity Risk	FC
Capital Adequacy Risk	FC
Legal, Regulatory Compliance, and Conduct Risks	FC SRC IC NC HC
Reputational Risk	FC SRC IC NC HC

In managing these risks, we follow the Basel three-lines-of-defense model, which outlines the roles and responsibilities within our business segments and governance, risk, and oversight groups. This comprehensive risk management structure ensures that all business activities fall within our articulated risk appetite.

## Risk Appetite

aiBANK's risk appetite is strategically defined to ensure that all risks align with our business goals and capacity for management. Our Risk Appetite Statement specifies the types and levels of risk we are willing to assume to enhance stakeholder value, avoiding any significant single-loss events and safeguarding the aiBANK brand. We prioritize well-understood, manageable risks conducive to our sustainable growth objectives.

## Environmental and Social Management System (ESMS)

aiBANK firmly upholds its responsibility toward environmental and social risk management, beginning with our corporate practices. In 2023, our ESMS is a testament to our commitment to ensuring that all banking activities, particularly investments and credit decisions, adhere to our stringent E&S Policy.

Our ESMS is based on international and national frameworks, where we integrate functions as a proactive early warning system within our broader emergency management framework. It encompasses nine core elements, each assessed on a scale from 0 (Low) to 2 (High), which facilitate the comprehensive evaluation of the Bank's environmental and social management performance:

- Policy: Establishing a foundation for our E&S commitment and actions.
- Risk and Impact Identification: Recognizing potential E&S risks associated with investments.
- Management Programs: Structuring programs to address identified risks and impacts.
- Organizational Capacity: Building competency to support E&S initiatives.
- Emergency Preparedness: Ensuring readiness to respond to E&S emergencies.
- Stakeholder Engagement: Involving stakeholders in E&S processes.
- Communication Mechanisms: Facilitating external E&S communications and grievances.
- Community Reporting: Keeping affected communities informed about E&S matters.
- Monitoring and Review: Continuously assessing the effectiveness of E&S management.

## ESMS Procedures

Key procedures in our ESMS include the following.

- a) Screening Investments: Conducting thorough screenings of our Exclusion List before making credit and finance decisions.

### ESG Screening and Exclusion

Exclusion List: We prohibit investment in activities with negative environmental or social impacts.

- Production or trade of radioactive materials (does not apply to the purchase of medical, quality control, or measurement equipment)
- Genetic engineering
- Companies practicing forced labor or child labor
- Activities or materials deemed illegal under host country laws, regulations, or international conventions
- Cross-border trade of harmful waste
- Racist or anti-democratic content
- Production or trade of weapons and munitions
- Production or trade in gambling casinos
- Production or trade of alcoholic beverages

#### Eligible Categories:

The eligible categories in the ESMS have been reviewed and are aligned with the latest international principles and national compliance requirements.

#### Green

- Clean and Renewable Energy
- Energy Efficiency
- Sustainable Infrastructure
- Sustainable Construction
- Waste Management and Recycling
- Sustainable Water and Wastewater Management
- Sustainable Transportation
- Eco-Friendly and Green Products
- Climate Change Adaptation
- Climate Smart Agriculture
- Pollution Prevention and Control

#### Social

- Healthcare
- Education
- Digital Services and Telecommunication
- Infrastructure
- Handicrafts



- b) E&S Risk Categorization and Assessment: Classifying potential projects by risk level and excluding high-risk (Category A) projects from investment consideration.

ESG Screening and Exclusion		High	Medium	Low
E&S Activity Risk Category	High (Category A)	Detailed due diligence	Moderate due diligence	Minimum due diligence
	Medium (Category B)	Detailed due diligence	Moderate due diligence	Minimum due diligence
	Low (Category C)	Moderate due diligence	Minimum due diligence	Minimum due diligence

- c) Due Diligence: Performing environmental and social due diligence before loan approvals to manage potential risks.

### Managing Environmental Risk

We proactively assess direct risks related to the ownership and operation of the Bank's business assets and indirect risks stemming from environmental performance or events, such as the impacts of climate change on our retail customers and clients. Furthermore, we are vigilant about emerging environmental regulatory issues and the potential for opportunity loss if we fail to leverage environmental trends.

Key environmental risks include:

- **Direct risks:** Risks associated with the ownership and operation of the Bank's business, which includes the management and operation of company-owned or company-managed real estate, fleet, business operations, and associated services.
- **Indirect risks:** Risks associated with environmental performance or environmental events, such as changing climate patterns that may impact the retail customers and clients to whom aiBANK provides financing or in which aiBANK invests.
- **Risks arising from the changing regulatory environment:** Identifying and managing new or emerging environmental regulatory issues.
- **Risk of opportunity loss:** Failure to understand and appropriately leverage environment-related trends to meet customer and consumer demands for products and services.

### Risk Training and Awareness



aiBANK is committed to fostering a strong risk culture through awareness and communication of the Bank's Risk Appetite Statement and the Enterprise Risk Framework via enterprise risk communication programs, employee orientation, training, and participation in internal risk management conferences.

### Compliance and Internal Audit

Regarding succession planning within our Compliance function, we prioritize identifying critical activities and ensuring employees possess the necessary skills and competencies. This approach fosters continuity within our operations and mitigates risks associated with potential knowledge gaps or talent shortages.

Our Conflict-of-Interest Policy is meticulously crafted to uphold the highest standards of transparency and ethical conduct. When engaging with suppliers and vendors, we rigorously assess potential conflicts of interest and incorporate explicit contract clauses to prevent such disputes. Similarly, employees are required to disclose any financial interests or connections that may compromise impartial decision-making, with declarations of conflicts documented and maintained for each engagement.

Personal relationships that may influence recruitment, selection, or promotion decisions are also subject to immediate disclosure, reinforcing our commitment to fair and unbiased practices.

In analyzing cases and complaints received from 2021 to 2023, the statistics reveal a consistent effort to diligently investigate and assess complaints. While the number of complaints fluctuates annually, our commitment to transparency and responsiveness remains unwavering. Additionally, the available information regarding the outcomes of cases, including convictions or resolutions, underscores our dedication to upholding regulatory compliance and ensuring fair outcomes for all stakeholders involved.



## Responsible Conduct

To attain our business objectives, aiBANK's success hinges on the goals we set and how we pursue them. Hence, the conduct of our employees is governed by the following set of internal policies, standards, and guidelines:



### Anti-Money Laundering

aiBANK is dedicated to upholding a strong Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT) framework. Our commitment involves the comprehensive implementation of AML policies, controls, and procedures, alongside conducting in-depth risk assessments. A foundational aspect of our approach is the Customer Due Diligence (CDD) or Know Your Customer (KYC) program, which includes:

- Customer acceptance policies
- Rigorous identification and verification processes
- Risk classification and profiling
- Regular updates of customer data
- EDD measures on high-risk customers and activities
- Diligent transaction monitoring and investigations to detect illicit activities.

Our adherence to AML regulations is reinforced through:

- Board-approved AML/KYC and CFT policies outlining stakeholder responsibilities.
- A dynamic AML/CFT program featuring ongoing risk assessments and a solid CDD framework.
- A risk-based approach to updating KYC forms ensuring our data accurately reflects current risk profiles.
- Daily and monthly transaction monitoring, with thorough investigations of unusual activities and timely reporting of Suspicious Transaction Reports (STRs) or Suspicious Activity Reports (SARs) to the authorities.

To foster a culture of compliance, we conduct:



Regular AML training and workshops for employees as part of our Compliance training plan to equip our team with the latest AML tactics.



Awareness programs that include training on our AML/KYC and CFT policies and procedures, whistleblowing channels, and anti-bribery and corruption efforts.

In response to regulatory changes, such as CBE's circular DD 22/11/2023, we swiftly update our operational framework to maintain compliance and operational efficiency.

Moreover, we are enhancing our AML capabilities with the implementation of the SAS Transaction Monitoring Module, which is currently under User Acceptance Testing (UAT). This technological advancement will significantly boost our ability to monitor and act against suspicious transactions, reinforcing our commitment to safeguarding our financial system and ensuring compliance with regulatory standards.

**ZERO**

- Incidents of non-compliance with laws and regulations
- Non-monetary sanctions
- Amount of legal and regulatory fines and settlements

### Grievance Mechanism

At aiBANK, we recognize the importance of open dialogue and constructive engagement with our stakeholders. To ensure a transparent and accountable approach to addressing concerns, we have implemented a robust Grievance Mechanism, which will be further developed in the coming years according to our strategy. This mechanism is designed to effectively manage and address grievances and complaints from diverse stakeholders, including communities, workers, and other interested parties. We have made substantial efforts to implement multiple channels for grievances, such as a dedicated call center staffed with personnel knowledgeable about our sustainability policies, a specific email address, and social media platforms for managing sustainability-related issues. Our commitment is to create a platform where all stakeholder comments, suggestions, and objections are not only heard but thoroughly considered, promoting trust, upholding transparency, and demonstrating our dedication to responsible and sustainable business practices. Through these efforts, we aim to continuously improve our operations and contribute positively to the well-being of the communities we serve.

### Customer Protection


The Customers' Rights Protection Unit has been established in accordance with CBE instructions issued in February 2019. This unit ensures diligent follow-up on customer complaints, underscoring the comprehensive approach of all internal policies and procedures to uphold the principles of equity and fairness throughout the process. We ensure that all clients are treated fairly without discrimination based on gender, religion, or race, as well as provide clear information about the Bank's products, services, and procedures. The unit also prepares informative flyers for branches to raise customer awareness. Additionally, various channels are available for customers to submit complaints, facilitating direct communication between the Customers' Rights Protection Unit and those who have lodged complaints. This comprehensive approach ensures an effective and responsive handling of customer concerns. Finally, financial and banking awareness is maintained through specialized training courses for all employees, with a schedule designed and followed by the HR Division.


**No complaints have been reported from external parties or regulatory bodies, and there are no documented cases of leaks, thefts, or losses of customer data during this reporting period.**

# 03

## Sustainable Finance

 Responsible Finance

 Sustainable Finance

 Financial Inclusion

 Customer Satisfaction

Capitals:  FC  SRC  MC  NC  HC



# Sustainable Finance

At aiBANK, sustainable finance embodies the integration of ESG criteria into our financing activities, laying the foundation for a strategy that achieves both financial returns and positive social impacts. This approach ensures that our investments yield financial rewards and contribute meaningfully to the well-being of our environment and communities. Through this dual-focus lens, aiBANK is committed to leading the way in sustainable development, aligning financial success with the urgent need for environmental stewardship and social responsibility.

## ESG in Financing

In line with its commitment to sustainable development, aiBANK strategically integrates its ESMS into core business functions, particularly the credit approval process, adhering to CBE regulations, international standards, and guidelines to effectively promote green and sustainable facilities through lending programs. The ESMS framework complements aiBANK's credit policy by addressing environmental and social risks, enhancing due diligence procedures, and improving risk assessment and incorporation into credit decision-making and existing portfolios. By integrating ESMS in credit functions, aiBANK ensures heightened awareness and compliance with acceptable credit practices while managing exposure to environmental and social risks.

Read more on: [Environmental and Social Management System \(ESMS\)](#).



## Commitment to a Low-Carbon Economy

In line with our commitment to sustainable development, aiBANK's approach to supporting a low-carbon economy is guided by the principles of responsible lending of Green Loan Principles (GLP). Adhering to these principles, we ensure that all lending activities are directed toward sustainable projects, with a thorough process for project evaluation, management of proceeds, and transparent reporting. These practices strictly follow standards set by the Loan Market Association (LMA) and the International Capital Market Association (ICMA), reflecting our dedication to sustainable development and responsible financial conduct.

Read more on: [Journey to a Low-Carbon Economy](#)

## Sustainable Lending Portfolio (Unsecured Corporate Loans Portfolio)



The steps in the credit approval process are designed to ensure the Environmental and Social Management System (ESMS) is fully incorporated into the credit decision-making process. This integration, in line with international standards, enables aibank to identify and address potential environmental and social risks, including both physical and transitional risks. The goal is to assist clients in avoiding, reducing, and managing these risks effectively to maintain sustainable business practices. This includes obligations for client engagement with stakeholders and the public disclosure of project details. Furthermore, an Environmental & Social Action Plan must be included in the legal agreement. This plan will specify the mitigation actions required, consistent with applicable environmental and social standards, as well as national laws and regulatory requirements, and it should detail the timeline agreed upon for the client's implementation of these actions.



An efficient environmental and social management system (ESMS) based mainly on international Performance Standard serves as an early warning system to prevent actions as a required part of the emergency management system, it covers the nine fundamental elements of an ESMS through a score card with a scale from 0 (Low), 1 (Medium) to 2 (High).



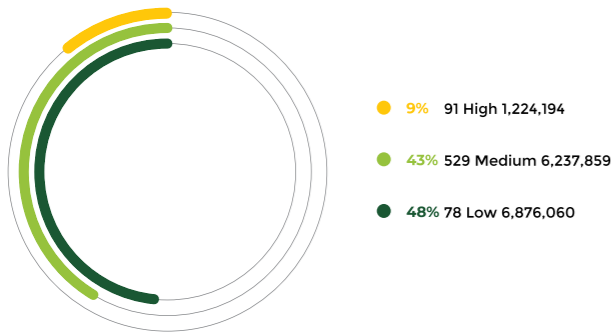
The screening process allows for the classification of industries into high, medium, and low risk, designated as Category A, B, and C, respectively.



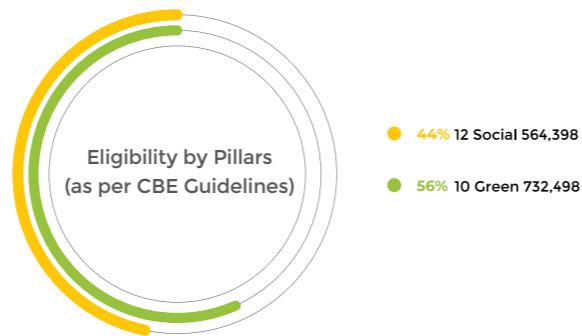
Categorization of aiBank's sustainable portfolio (SAR %) (Green/Social in accordance with CBE guidelines).



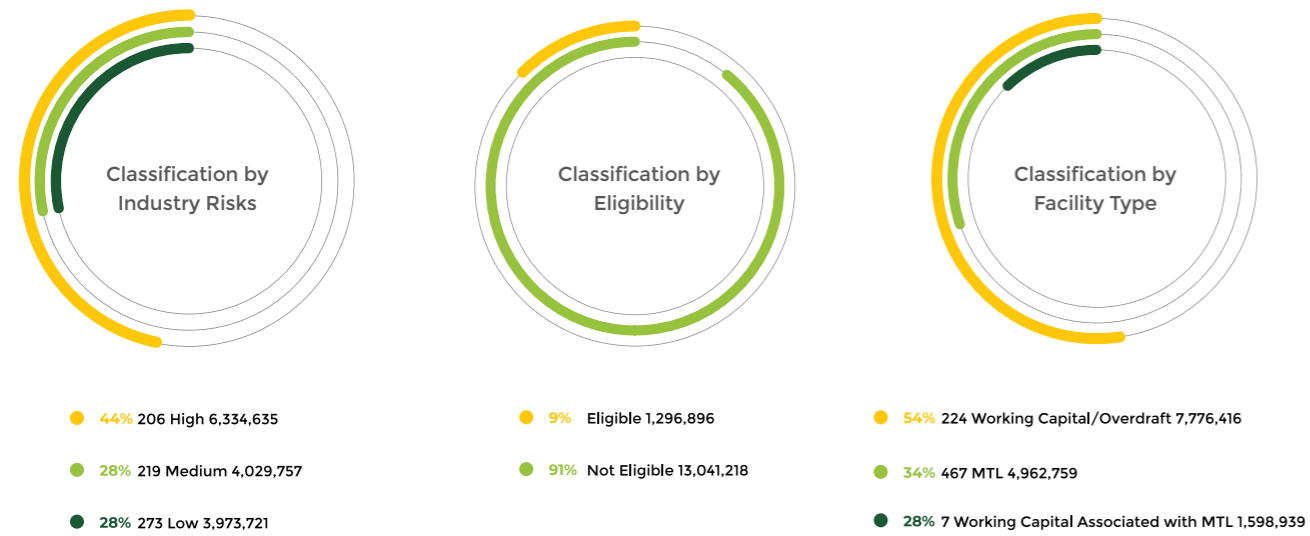
**Figure X: Sustainable lending portfolio by E&S risk classification**



**Figure X: Sustainable lending portfolio by pillar**



**Figure X: Sustainable lending portfolio**

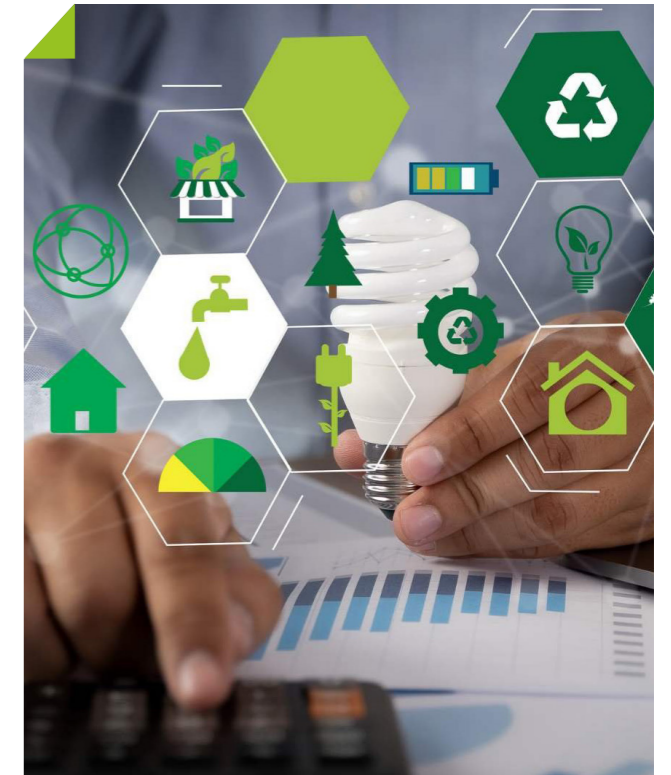


In aiBANK's commitment to sustainable growth and prudent risk management, our sustainable lending portfolio from the unsecured direct corporate loans portfolio highlights our E&S risk assessment and the sustainability profile of our financing. The portfolio's risk classification shows a strategic distribution, with 44% in high-risk industries where we implement stringent due diligence to balance returns with responsibility. Medium- and low-risk sectors each represent 28% of our portfolio, showcasing our broad-based support for businesses that align with aiBANK's E&S criteria.

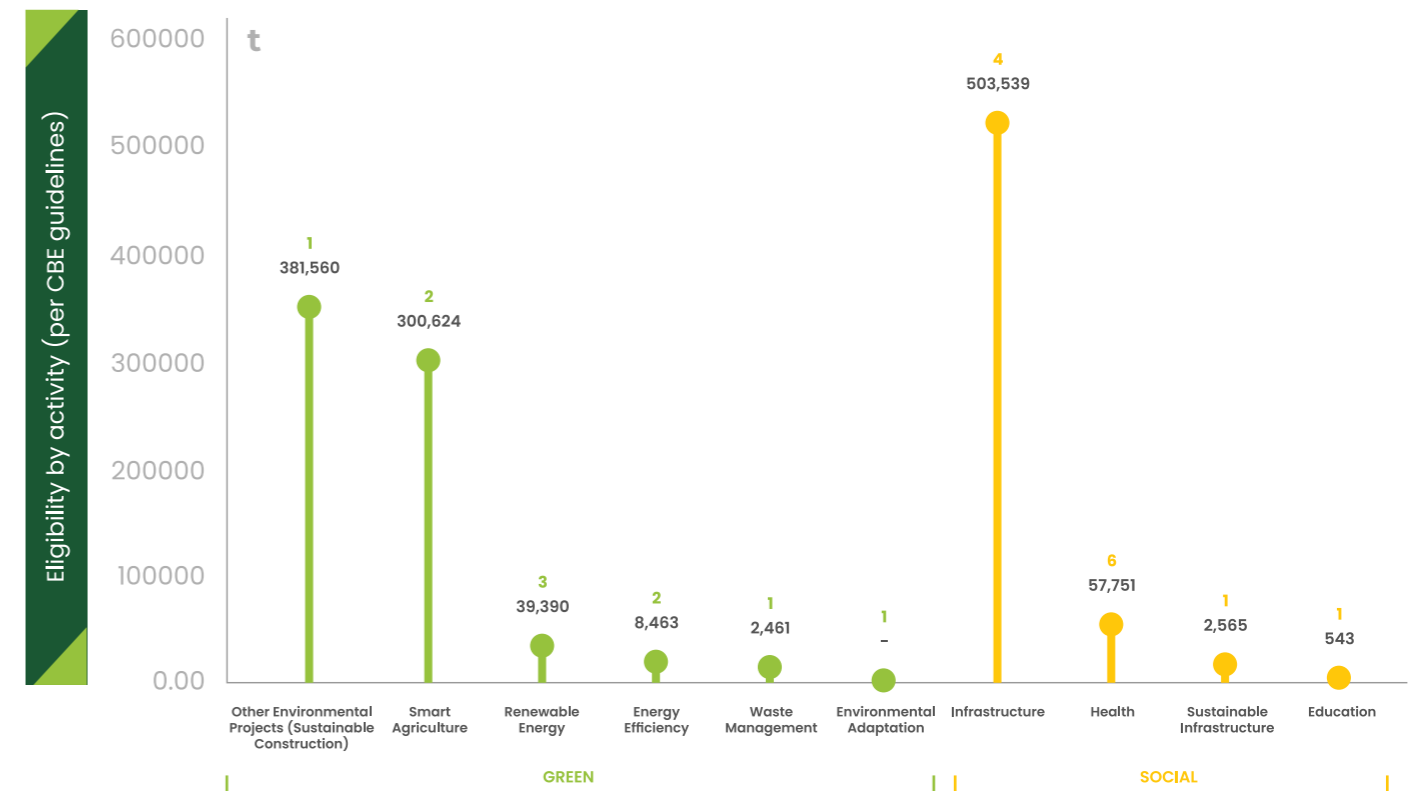
Our eligibility analysis indicates that 9% of our portfolio meets our rigorous E&S standards, exemplifying our proactive selection of projects that contribute positively to social and environmental welfare. While most of the portfolio is currently classified as not eligible, this presents a forward-looking opportunity for aiBANK to work closely with these clients, guiding them toward sustainable practices and potential eligibility.

Diving into facility types, the predominance of working capital/overdraft facilities at 54.24% underscores our dedication to providing flexible financial support to our corporate clients, enabling their agility and growth. Medium-term loans account for 34.63%, reflecting our long-term commitment to our clients' sustainable success. The working capital associated with MTL, although a smaller fraction, is an integral part of our strategy to support the immediate operational needs of our clients with a sustainability focus.

This strategic assessment is a testament to aiBANK's dedication to not only finance growth but also encourage positive change, enhancing sustainability in the corporate sector. Through ongoing evaluations and refinements to its loan portfolio, aiBANK reaffirms its commitment to advancing financial stability, environmental responsibility, and social progress.



**Figure X: Sustainable lending by activity**



Category	Activity	Category Percentage in 2023
Social	Infrastructure	89.22 %
	Health	10.23%
	Sustainable Infrastructure	0.45%
	Education	0.10%
Total		100%
Social	Other Environmental Projects( Sustainable construction)	52.09%
	Smart Agriculture	41.04%
	Renewable Energy	5.37%
	Energy Efficiency	1.16%
	Waste Management	0.34%
Total		100%

Figure X reflects aiBANK's focused efforts in integrating E&S into its unsecured corporate loan portfolio. Our focused investments in Other Environmental Projects (Sustainable Construction) and Smart Agriculture demonstrate aiBANK's commitment to financing projects that not only meet stringent E&S criteria but also contribute to SDGs.

Our allocations toward Renewable Energy and Energy Efficiency projects, although more modest, reflect our targeted efforts to support the transition to a low-carbon economy. These investments are critical steps toward our goal of environmental stewardship and echo our dedication to mitigating climate change.

In the social domain, our significant investment in Infrastructure signals our understanding of its foundational role in societal development. Our contribution to Health reflects our responsibility toward social welfare and underscores our commitment to enhancing community health standards.

The allocations to Sustainable Infrastructure and Education might be smaller by comparison, but they are nonetheless vital components of our strategic vision for social well-being. These investments are a testament to our belief that financial instruments are powerful tools for social change and ensure that we contribute to a broad spectrum of societal needs. At aiBANK, we are committed to financing affordable housing projects to give people a decent life and raise the standard of living. We believe that responsible finance and its social impact can be achieved by investing in projects that address social issues and produce both positive social impact and financial returns. This entails funding initiatives with a social objective or focus, either directly or indirectly, in an effort to improve the world.

Corporate Finance portfolio percentage by Sector				
Main Industries	Percentage of Sector's Total Loans to Total Corporate Loans			Growth Rate
	2021	2022	2023	2021 to 2023
Contracting	21.60%	18.00%	24.03%	11.2%
Real Estate Development	5.30%	15.00%	11.60%	118.9%
Cables and Electric Equipment	7.30%	10.00%	8.39%	14.9%
Fertilizers and Chemicals	4.20%	10.00%	8.04%	96.1%
Nonbanking FI (Leasing, Mortgage, Factoring)	9.30%	7.00%	8.03%	-12.7%
Metal Industries	14.80%	7.00%	7.69%	-48.0%
Building Material	8.20%	6.00%	4.35%	-47.0%
Food and Beverage	2.40%	5.00%	4.02%	67.5%
Tourism	5.50%	3.00%	3.46%	-37.1%
Plastic Industries	3.80%	2.00%	3.09%	-18.7%
Energy (Electricity, Oil, and Gas)	3.30%	2.00%	2.68%	-18.8%
Spinning, Weaving, and Ready-Made Garments	2.70%	2.00%	2.58%	-4.4%
Furniture and Woodwork	2.80%	2.00%	2.40%	-14.3%
Logistics	2.50%	2.00%	1.87%	-25.2%

Corporate Finance portfolio percentage by Sector				
Main Industries	Percentage of Sector's Total Loans to Total Corporate Loans			Growth Rate
	2021	2022	2023	2021 to 2023
Retail and Wholesale Trade	1.60%	2.00%	1.72%	7.5%
Agricultural	1.50%	2.00%	1.29%	-14.0%
Others	0.70%	1.00%	1.28%	82.9%
Packing, Printing, and Paper Industries	1.40%	1.00%	1.05%	-25.0%
Services (Consultancy, Educational, Technical)	0.70%	1.00%	0.91%	30.0%
Medical Equipment and Supplies	0.10%	1.00%	0.83%	730.0%
Telecom	0.30%	1.00%	0.50%	66.7%
Vehicles	0.00%	0.00%	0.18%	0.18%
Glass Industries	0.00%	0.00%	0.01%	0.1%

The table above illustrates the diversity in our Finance portfolio across various sectors. The Contracting sector has consistently constituted the highest percentage of our total Corporate Loans Portfolio over the past three years. Moreover, the Real Estate Development sector has experienced significant growth, recording a remarkable increase of 118.9% over the same period. Furthermore, as part of our commitment to environmental protection, we have strategically shifted our focus away from the metal and plastic industries toward more sustainable finance initiatives.

### Large Corporate and Syndicated direct loans portfolio

Despite the depreciation of the Egyptian pound and an inflation rate averaging 32.2% in 2023, as reported by the IMF, aiBANK has demonstrated remarkable resilience and strategic agility.

Figure X demonstrates our resilience and strategic adaptability through the remarkable growth of our client base and loan portfolio. From 2021 to 2023, the number of clients served by aiBANK increased by 31% from 152 to 199. This surge reflects our proactive approach to offering tailored financial solutions that address the unique challenges and opportunities faced by businesses during this period.

Simultaneously, our loan portfolio increased more than double from EGP 5.5 bn in 2021 to approximately EGP 11.4 bn in 2023. This reflects our adaptation and response to the evolving economic landscape, including the impacts of the Egyptian pound's depreciation and high inflation rates.

Large Corporate and Syndicated direct Loans	2021	2022	2023
Clients	152	204	199
Direct Loans in EGP K	5,552,630	12,671,177	11,441,150

Figure X: Large Corporate direct loans by number of clients

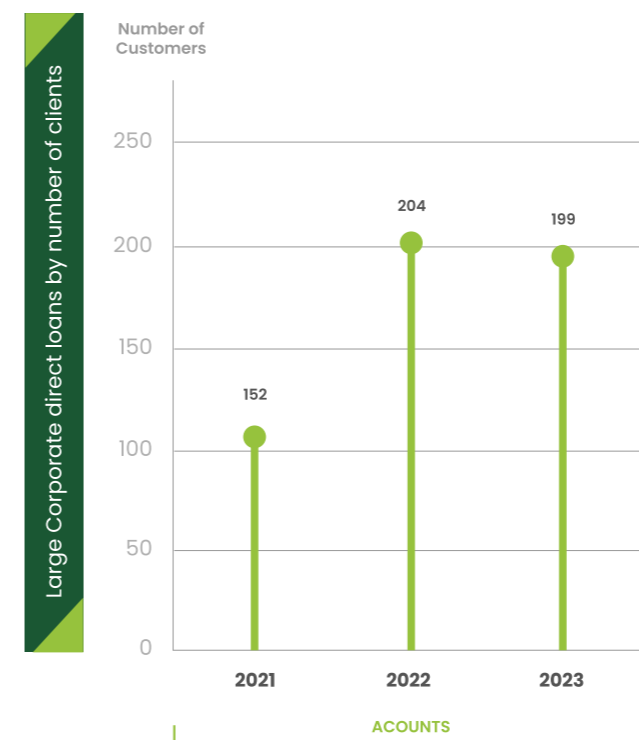
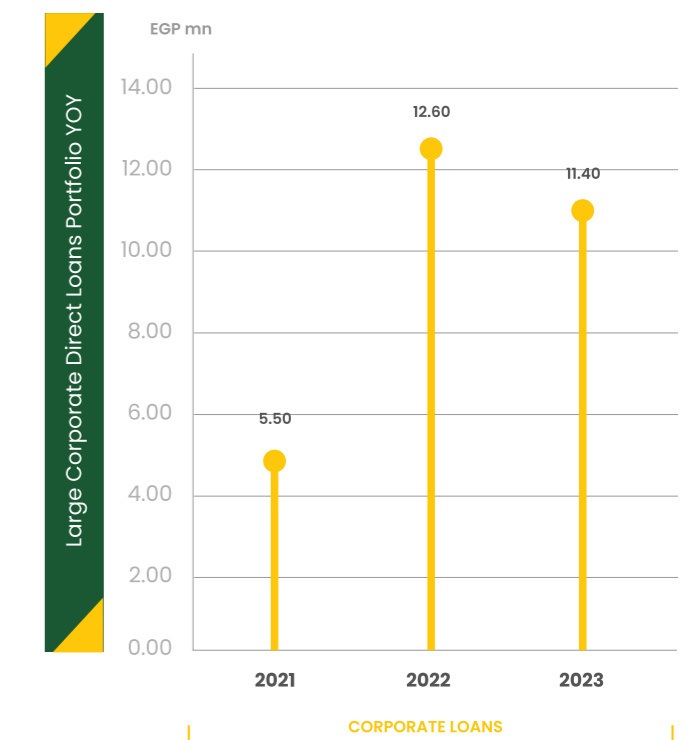


Figure X: Large Corporate and Syndicated direct Loans



## SME Banking

At aiBANK, we recognize the role of SMEs in driving economic growth, innovation, and employment. aiBANK supports this vital sector through comprehensive banking solutions and targeted support, aligning with CBE mandates to reach 25% of the bank's total portfolio and the national strategy for financial inclusion and sustainable development.

### Our Approach to Empowering SMEs

Our approach revolves around significant growth in our SME direct portfolio increased by 27.5% from 2.9 bn 2022 to 3.8 bn 2023 expanding our customer base and deepen our engagement with existing clients. We achieve this by offering tailored financial products and services designed to meet the unique needs of SMEs.



### Total SME Direct Loans (EGP mn)

	2022	2023
Small Enterprises	1,526	2,527
Medium Enterprises	1,465	1,288
Total	2,991	3,815

The allocation toward small enterprise loans surged from 2022 to 2023, to reach EGP 2,527 mn; medium enterprise loans also saw a significant decrease reaching EGP 1,288 mn in 2023. Cumulatively, these allocations raised the total SME loans by a notable EGP 824 mn between the fiscal years of 2022 and 2023.

### Number of SME Clients

	2022	2023
Small Enterprises	474	657
Medium Enterprises	119	131
Total	593	788

In 2023, the number of small enterprise clients rose substantially, surging by 183 clients compared to the previous year. Concurrently, the number of medium enterprise clients grew by 12 clients compared to 2022.



Main Industries	Clients		Client Growth Rate	Total Direct Loans (mn)		Total Loan Growth Rate
	2022	2023		2022	2023	
Small Enterprises	474	657	38.6%	1,526	2,527	65.6%
Industry	118	280	137.2%	520.6	1,158	122%
Agriculture	4	7	75%	14.4	12.1	-16%
Services	102	103	1%	262.5	709	170%
Trade, etc.	250	267	6.8%	728.1	648	10.9%
Medium Enterprises	119	131	10%	1,465	1,288	-12.1%
Industry	33	38	15.1%	383	517	34.9
Agriculture	00	00	00	00	00	00
Services	39	30	-23%	793	265	-66.6
Services	47	63	34%	289	506	75.1

The table above provides insights into the distribution of our SME portfolio across sectors. Small enterprises recorded significant growth between 2022 and 2023 in terms of both clients, which surged by 38.6%, and total loans, which rose by 65.6%. Conversely, medium enterprises saw a modest 10% increase in clients but experienced a 12.1% decrease in total loans over the same period. The industrial sector emerges as the highest-financed sector, boasting a remarkable growth rate of 122% in small enterprises and 34.9% in medium enterprises.

### Supporting SMEs Beyond Financing

Beyond offering financial products, aiBANK has launched initiatives such as the NilePreneurs Initiative, which provides entrepreneurs with non-banking services including training and consultancy. This effort fosters an ecosystem conducive to SME growth and sustainability. Furthermore, aiBANK is committed to supporting SMEs even during challenging times through policies that facilitate assistance and rescheduling agreements for SME defaulters. This ensures fair treatment and encourages supportive banking relationships.

### Digital Transformation in SME Banking



#### Credit Workflow Solution

Our credit workflow solution represents a significant leap forward in automating and streamlining the credit initiation and approval processes. Traditionally burdened by paper-based systems, our new digital approach promises to significantly reduce processing times, minimize manual errors, and enhance transparency. By automating these critical steps, we expedite the lending process and free up valuable resources to focus on providing personalized services and support for our SME clients. This solution is currently in progress, with a strategic aim of transforming how we manage credit requests to make it faster and more efficient for businesses to access the funds they need.



#### Full-Fledged Credit Workflow (2024–2025)

Following the launch of the workflow solution, aiBANK SME customers are poised to experience heightened convenience. This transition introduces a range of benefits including on-premise access to facilities, streamlined online application processes, finance and loan calculators, and automated tips tailored to improve financial positions and credit standings. Additionally, planned features include automating payments to suppliers and government entities, leveraging facility accounts to minimize paper requests, and reducing the need for frequent visits to servicing networks. This holistic approach enables businesses to allocate more time and resources toward core operations, fostering growth and efficiency.



#### Full-Fledged Online Banking Offering (2024–2025)

Set to launch in 2024, our online banking solution for enterprise customers is another milestone in our digital transformation journey. This platform is designed for the specific needs of SMEs, offering a suite of online services covering all aspects of business banking. The platform will provide SMEs with a comprehensive, secure, and user-friendly online banking experience, from day-to-day transactions to complex financial management tools. This initiative underscores our commitment to leveraging technology for better service delivery and aligns with the growing digitalization trend in the banking sector.



### Integration with Supply Chain Platforms (2025)

With the launch of the comprehensive workflow and online banking systems, the seamless connection of customers with their entire value chains in a digital environment emerges as a pivotal catalyst. This synergy not only amplifies but also accelerates the realization of aiBANK's strategic objectives: convenience, speed, and quality. By integrating every aspect of the banking experience into a cohesive digital ecosystem, aiBANK empowers its customers to navigate their financial endeavors with unparalleled efficiency and effectiveness.

### Forward-Looking Strategy

As aiBANK moves into 2024 and beyond, our focus sharpens on strategic innovation and adapting to the evolving SME banking landscape, embracing emerging challenges and opportunities with a forward-looking approach.

We are introducing targeted KPIs to expand our SME banking portfolio and launch innovative lending products tailored for high-impact industries. These efforts are designed to support sectors that drive economic growth and job creation, with a particular emphasis on sustainability and value chains. In response to fluctuating interest rates and FX changes, we are committed to adapting our strategies to ensure continuous growth and stability in our SME banking portfolio. We will also capitalize on the significant opportunities presented by the growing preference for locally manufactured goods and the shift toward sustainable business practices. We align our offerings with these trends and aim to support SMEs while prioritizing environmental sustainability, tapping into new markets, and reinforcing our commitment to economic empowerment.

Integrating the anticipated challenges and opportunities into its strategic planning, aiBANK aims to navigate the SME banking sector's complexities with a balanced approach to risk management and innovation. This strategy ensures our readiness to support SME growth amidst changing economic conditions, affirming our role in fostering economic development and sustainability.

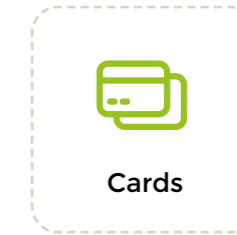
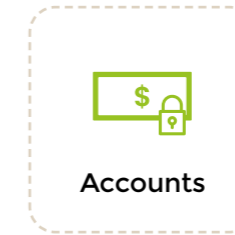
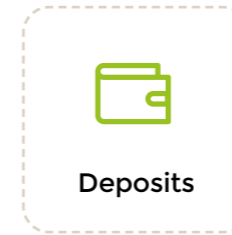


## Retail, Financial Inclusion, and Distribution Channels

### Retail Banking

#### aiBANK Retail Products and Services

aiBANK's retail banking division offers a comprehensive suite of products and services designed to meet the diverse needs of its customers:



#### aiPremier Elite

aiBANK's introduction of aiPremier Elite marks a significant stride in catering to the needs of high-net-worth individuals. This exclusive segment not only offers bespoke benefits but also promises a tailored banking journey like no other.

Distinguished by its commitment to personalized service, aiPremier Elite ensures that affluent clients receive the utmost attention and convenience.



Each customer is assigned a dedicated relationship manager to ensure seamless assistance and guidance at every step. The provision of exclusive waiting lounges at aiBANK branches further underscores our dedication to providing a sanctuary of comfort and privacy for our esteemed clientele.

In addition to prioritized processing for all essential transactions, aiPremier Elite eliminates the hassle of account opening fees and checkbook issuance charges, empowering customers with effortless financial management. The inclusion of a Platinum Credit Card with a credit limit of up to EGP 1 mn adds another layer of prestige and purchasing power to their repertoire.

The benefits extend beyond banking conveniences to encompass preferential pricing on loans and tailored lending solutions. With aiPremier Elite, accessing real estate financing options up to EGP 15 mn at competitive rates becomes a reality, empowering clients to realize their property aspirations with ease and confidence.

In essence, aiPremier Elite redefines the banking experience for high-net-worth individuals, blending luxury with functionality to create a truly unparalleled financial ecosystem tailored to their unique needs and aspirations.



aiPremier Elite also offers a bespoke banking experience through non-banking services, including:

- ✔ **Personal Assistance Benefits** such as government paperwork services, domestic services including home maintenance and house cleaning, and bill payments (electricity, gas, bank payments, school fees, etc.).
- ✔ **Entertainment Benefits** such as concert tickets and restaurant reservations.
- ✔ **Health Benefits** include complimentary complete medical examinations in major hospitals and booking of appointments with doctors, hospitals, and health clubs.
- ✔ **Travel Benefits** include free Ahlan Airport services, transportation services to and from the airport, and airline ticket reservations.
- ✔ **Lifestyle Benefits** such as complimentary golf classes, spa access, and hotel stays.
- ✔ **Dedicated Call Center 17022.**



### Our Performance

Retail Performance	2021	2022	2023
Deposits in EGP	11,762,073	12,576,565	15,128,387
Retail Loans in EGP	3,794,919	5,344,766	7,506,706
Number of Clients	8,460	14,435	19,154

aiBANK's retail banking has shown remarkable performance and growth over the last three years, underlining our commitment to expanding financial inclusion and supporting the economic well-being of our diverse client base. From 2021 to 2023, aiBANK experienced a significant increase in deposits, rising from EGP 11.76 bn to EGP 15.12 bn. This upward trend reflects our customers' trust and confidence in aiBANK as a reliable repository for their financial assets.

Figure X: Retail customer base by number of clients

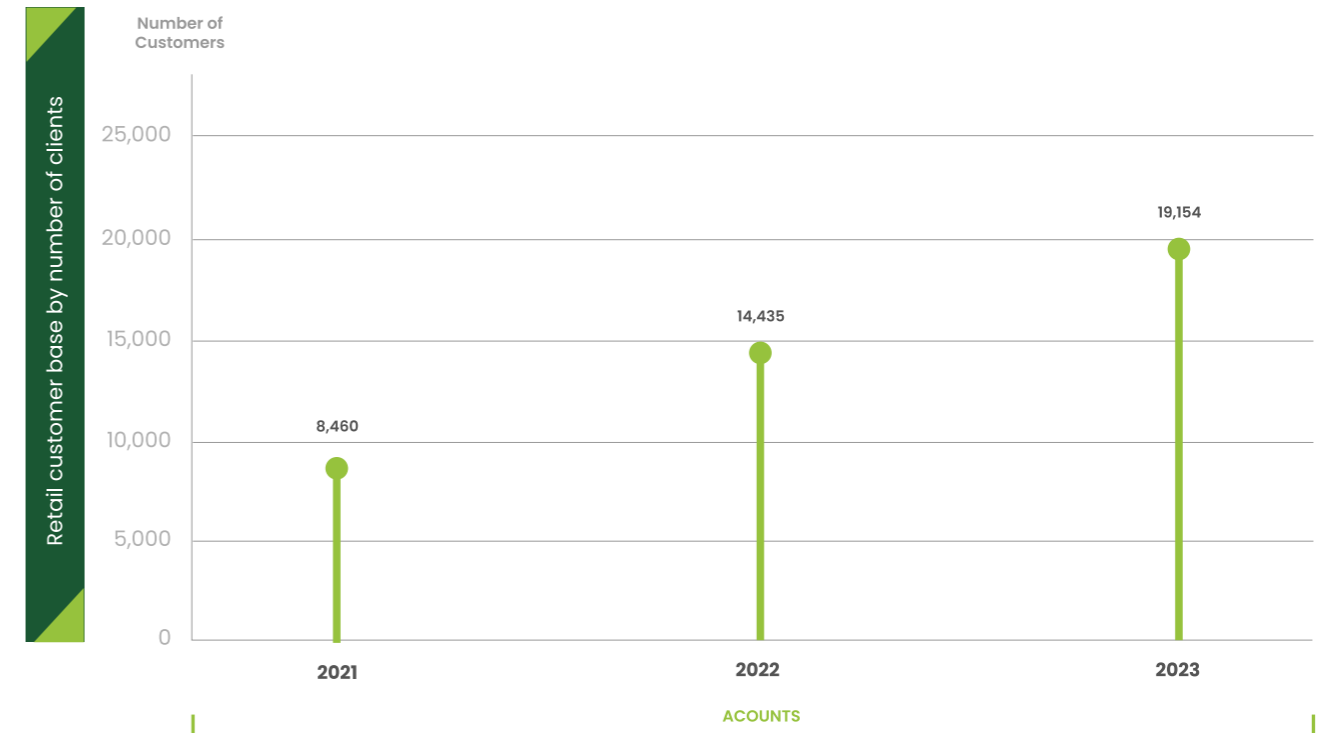


Figure X highlights the substantial increase in our customer base, which more than doubled from 8,460 in 2021 to 19,154 in 2023, reflecting our successful outreach and the wide appeal of our retail banking services.

### Retail Loans Portfolio YOY

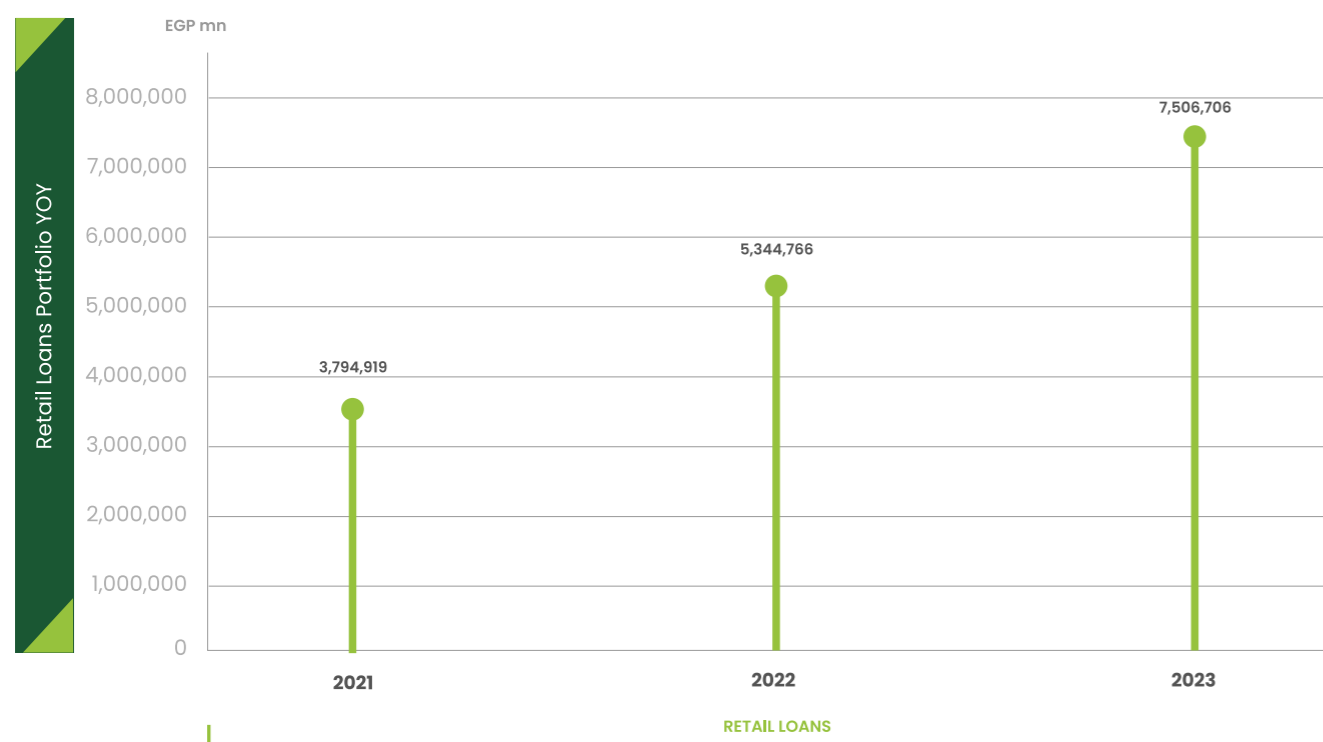


Figure X depicts the significant growth in retail loans from EGP 3.79 bn in 2021 to EGP 7.50 bn in 2023, more than doubling our loan portfolio in just two years. This growth not only underscores aiBANK’s commitment to providing accessible financial services but also highlights the increasing demand for personal and consumer credit in the market.

Retail Loan Recipients	2021	2022	2023
Greater Cairo	2,567,750	2,987,709	4,238,988
Giza	675,208	1,256,867	1,927,770
Suez Canal	192,900	292,294	299,808
Alexandria	326,900	782,437	1,015,919
Upper Egypt and the Red Sea	32,161	25,459	24,221
<b>Total in EGP</b>	<b>3,794,919</b>	<b>5,344,766</b>	<b>7,506,706</b>

### Figure X: Geographical Distribution of Retail Loans

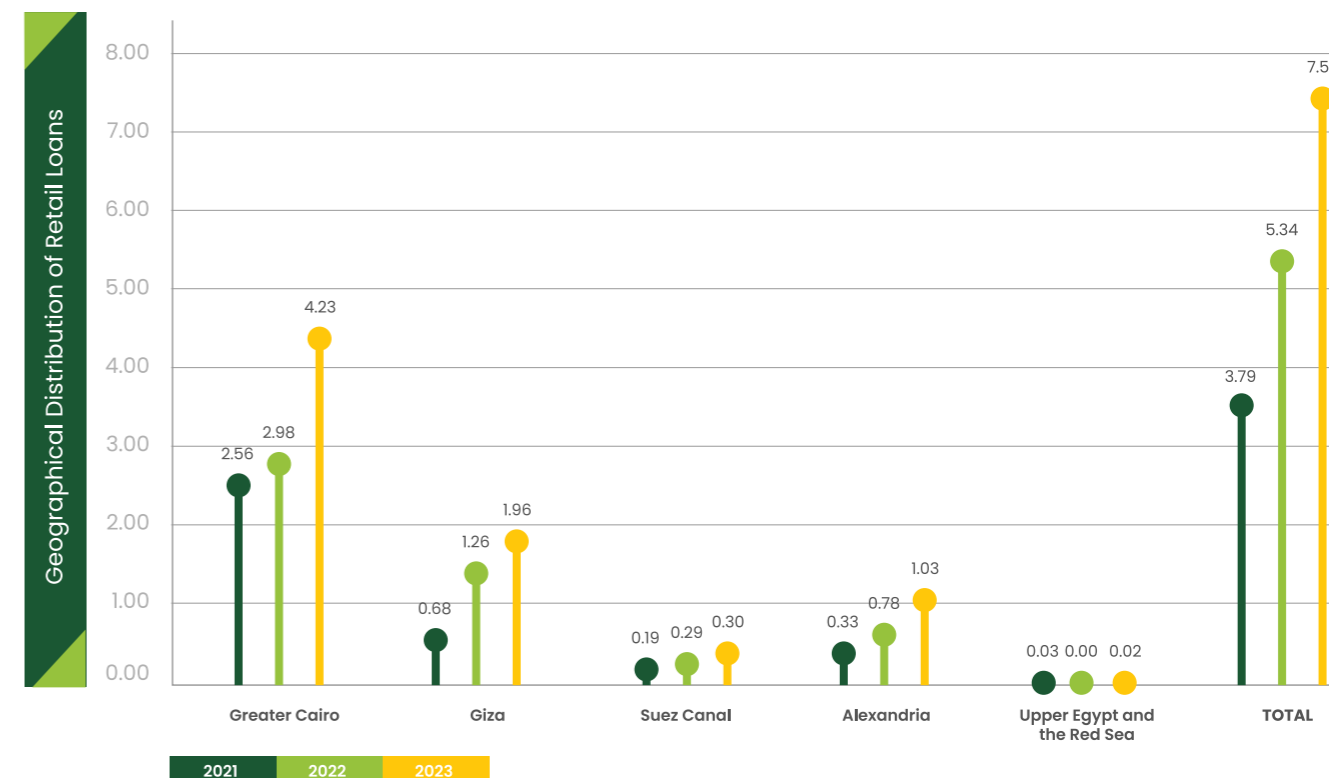


Figure X illustrates the geographical distribution of aiBANK’s retail loans, clearly visualizing how the Bank’s lending activities align with different regions’ demographic and economic profiles. As Egypt’s most populous governorate, Cairo naturally accounts for the largest share of retail loans. This concentration in Cairo reflects the high demand for financial services in the nation’s economic hub. Giza and Alexandria, respectively the second and third most populous governorates, closely follow Cairo in terms of loan volumes, with slight variations. These trends underscore aiBANK’s strategic emphasis on urban centers, where banking services are in high demand and the Bank can leverage its resources most effectively.

Moreover, aiBANK’s commitment to financial inclusion and regional economic development is evident from its keen interest in extending operations into areas beyond major urban centers. As highlighted in Figure X, there is a concerted effort to grow the Bank’s presence in the Suez Canal, Upper Egypt, and Red Sea regions. Traditionally, these regions have received a smaller share of retail loans; their inclusion in aiBANK’s lending approach signifies a move toward supporting local economic activities and providing banking services to underserved communities. This expansion also diversifies aiBANK’s portfolio and aligns with its sustainability goals by promoting equitable access to financial services across Egypt.



### Expanding aiBANK's Network

Over recent years, aiBANK has embarked on a strategic expansion and enhancement of its ATM network driven by our dedication to accessibility, customer satisfaction, and sustainable banking practices. Starting in 2021, we streamlined operations by outsourcing cash replenishment and first-line maintenance and centralizing the ATM reconciliation process.

aiBANK has expanded its ATM services significantly across key regions and introduced functionalities tailored to the needs of all our customers, including special services for individuals with disabilities. Notably, we enabled non-aiBANK cardholders to deposit via our ATMs. We also unveiled a multilingual interface to enrich the user experience with services such as loan payments, cash deposits, mini-statement printing, and more.

2023 marked a pivotal moment in our journey toward inclusivity and sustainability. We deployed the newest software across our ATMs for quicker and more efficient service access and embraced go-green initiatives for ATM receipts. Furthermore, we launched instant cash deposit and withdrawal services in partnership with Fawry stores, significantly enhancing convenience for our customers.

Region	2021	2022	2023	Target for 2024
Cairo	27	37	45	51
Giza	9	12	15	17
Alexandria	7	11	11	16
Menya	2	2	3	4
Suez	1	1	1	2
Sharqia	-	1	2	4
Benisuef	-	1	1	1
Ismailia	1	1	2	2
Sharqia	1	1	-	4
Damietta	1	1	1	2
Port Said	1	1	2	2
Qalyubia		1	3	4
Dakahlia			2	3
Tanta				3
<b>Total</b>	<b>50</b>	<b>70</b>	<b>88</b>	<b>115</b>

Our ATMs have increased significantly in the last three years, reaching 88 in 2023; our target is to install 115 ATMs by the end of 2024. Since 2022, our ATM network has seen significant growth, particularly aimed at supporting customers with disabilities. We allocated 25 specially designed ATMs across various regions, including Cairo, Giza, Alexandria, Dakahlia, Qalyubia, and Tanta, ensuring these machines are equipped to aid individuals with disabilities in conducting transactions like deposits and withdrawals seamlessly. This initiative underscores aiBANK's commitment to inclusivity and accessibility and aligns with the goals of the CBE and Egypt Vision 2030.

Region	Number of ATMs
Cairo	14
Giza	4
Alexandria	4
Dakahlia	1
Qalyubia	1
Tanta	1
<b>Total</b>	<b>25</b>



### Forward-Looking Strategy

Looking ahead, aiBANK is committed to continuing its support for retail clients while navigating the complexities of the current economic environment. Our strategy focuses on the following aspects:




- **New Features:** To serve our customers, we will continue to introduce new features such as credit card services to improve customer satisfaction.
- **Enhanced Cybersecurity:** The security of our customers' data remains a top priority. We will invest in advanced cybersecurity systems to safeguard our ATMs from fraud and cyberattacks.
- **Improved Cash Management:** We will optimize cash management in our ATMs to minimize the need for frequent refills and improve operational efficiency.
- **Advanced Analytics:** We will leverage advanced analytics to gain a deeper understanding of ATM usage patterns. This will allow us to strategically distribute ATMs and better serve our customers.
- **Accessibility:** We will continue our efforts to ensure everyone has access to our ATMs, including individuals with disabilities.
- **Environmental Sustainability:** We will strive to reduce the environmental impact of our ATMs by promoting paperless receipts.

## Financial Inclusion

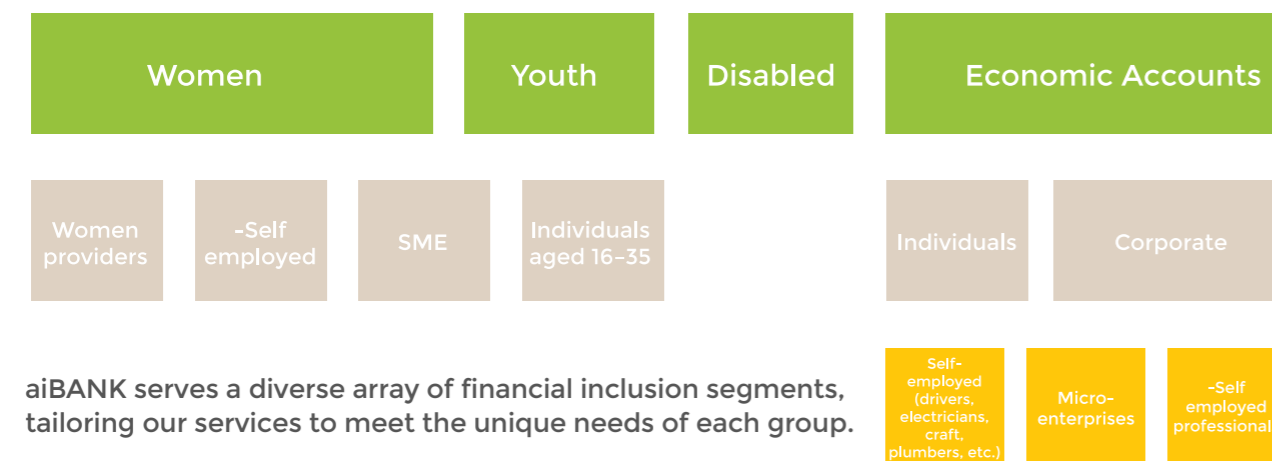


At aiBANK, financial inclusion is one of the key components to achieving economic stability, prosperity, and sustainability. Recognizing the transformative power of financial access, we launched our comprehensive Financial Inclusion Strategy on September 17, 2023. This strategy aligns with CBE directives and encompasses many initiatives to integrate underserved communities into the financial system.

Adhering to CBE financial inclusion policies and procedures, aiBANK has implemented several initiatives to broaden access to financial services, including:

-  **Financial Literacy:** Launching nationwide programs to enhance financial understanding and capability.
-  **Accessibility:** Modifying our branches and ATMs to accommodate the needs of disabled customers, including braille-embossed materials and sign language training for staff.
-  **Digital Inclusion:** Implementing digital solutions like InstaPay and Mezza Card to reach unbanked and underprivileged segments effortlessly.

### Financial Inclusion Segments



aiBANK serves a diverse array of financial inclusion segments, tailoring our services to meet the unique needs of each group.

## Empowering Women and the Youth

The Bank has launched several targeted products and services to support women and the youth:

- **Tamkeen Program for Women:** Now being launched, this is the second integrated lending program to support self-employed Egyptian women.
- **Youth Savings Account:** Currently being tested, this account aims to foster a savings culture among the youth. It is coupled with financial literacy initiatives and tools for growth.



## Accessibility Enhancements

Recognizing the diversity of our customer base, we have implemented a comprehensive suite of initiatives designed to ensure that our banking services are inclusive, accessible, and sensitive to the needs of individuals with disabilities. These efforts reflect our dedication to promoting equal opportunities and fostering an inclusive financial environment.

### Enhancing Branch Accessibility

- **Braille-Embossed Materials:** We provide braille-embossed applications, cards, and brochures across all branches, ensuring our banking services are accessible to visually impaired customers.
- **Educational Resources:** Our branches feature educational and big-font videos tailored for visually impaired customers to enhance their understanding of our financial products.
- **Physical Accessibility:** We have installed ramps, provided wheelchairs, and ensured that our ATMs are fully functional and equipped with headsets, making our branches physically accessible to everyone.
- **One-Stop Service:** Selected branches offer a one-stop service to assist disabled customers and streamline their banking experience.

Our approach to enhancing accessibility involves empowering our employees and equipping them with the necessary knowledge and skills to adeptly serve customers with disabilities. This empowerment is realized through two main avenues:

- **Sign Language Training:** Our staff undergo training to proficiently communicate with customers with hearing disabilities.
- **Specialized Training:** This encompasses instructions for using braille-embossed applications and gaining an in-depth understanding of the diverse needs of customers with disabilities.

Through these training programs, aiBANK ensures that our team is not only prepared but also empathetic and efficient in addressing and supporting the specific requirements of our customers, fostering an inclusive and accessible banking environment for all.

## Financial Literacy Initiative

Our financial literacy campaign encompasses a variety of programs and tools designed to reach a diverse audience including women, the youth, individuals with disabilities, and the unbanked or underprivileged segments of society. Each program aims to raise awareness of banking services and promote a deeper understanding of financial products and the benefits of banking.

aiBANK has proactively conducted rounds of financial literacy inductions for our staff, equipping them with the knowledge and tools to further disseminate financial literacy among our customers.

### Overview of Conducted Programs



## Programs

- Financial Literacy Sessions:** These sessions provide foundational knowledge on banking products, the importance of savings, and the benefits of engaging with formal financial services. To ensure the accessibility of our financial literacy materials to everyone, aiBANK is committed to spreading financial education throughout society. Our goal is to enlighten the public about their banking rights to ensure they are well-informed about financial and banking transactions. We achieve this by distributing educational materials across all our branches, providing everyone with the opportunity to become financially literate.
- Ground Activities:** In partnership with ministries and organizations, such as the Ministry of Youth and Sport and Wayana, the National Council for Disability, Wayana Handicapped, aiBANK engages in events and workshops for community engagement. These activities aim to provide practical advice and foster open dialogue on financial matters.
- Digital Literacy:** Acknowledging the challenges posed by digital illiteracy, aiBANK integrates digital literacy into its financial education programs. This initiative is crucial for guiding individuals on the safe and effective use of online banking services and digital financial tools, empowering them to navigate the digital banking landscape confidently.

## Mortgage Loans

At aiBANK, we are committed to making homeownership more accessible and affordable, particularly for low- and middle-income individuals and families. The Bank has signed a cooperation protocol with the Social Housing Fund and Real Estate Finance Support. This partnership aims to significantly increase cooperation and funding, with an estimated EGP 800 mn allocated to supporting low- and middle-income applicants. This initiative is in harmony with the CBE's directive on stimulating the expansion of the real estate financing field. It also underscores aiBANK's dedication to social responsibility and our strategic commitment to financial inclusion.

Figure X: Mortgage loans by sector

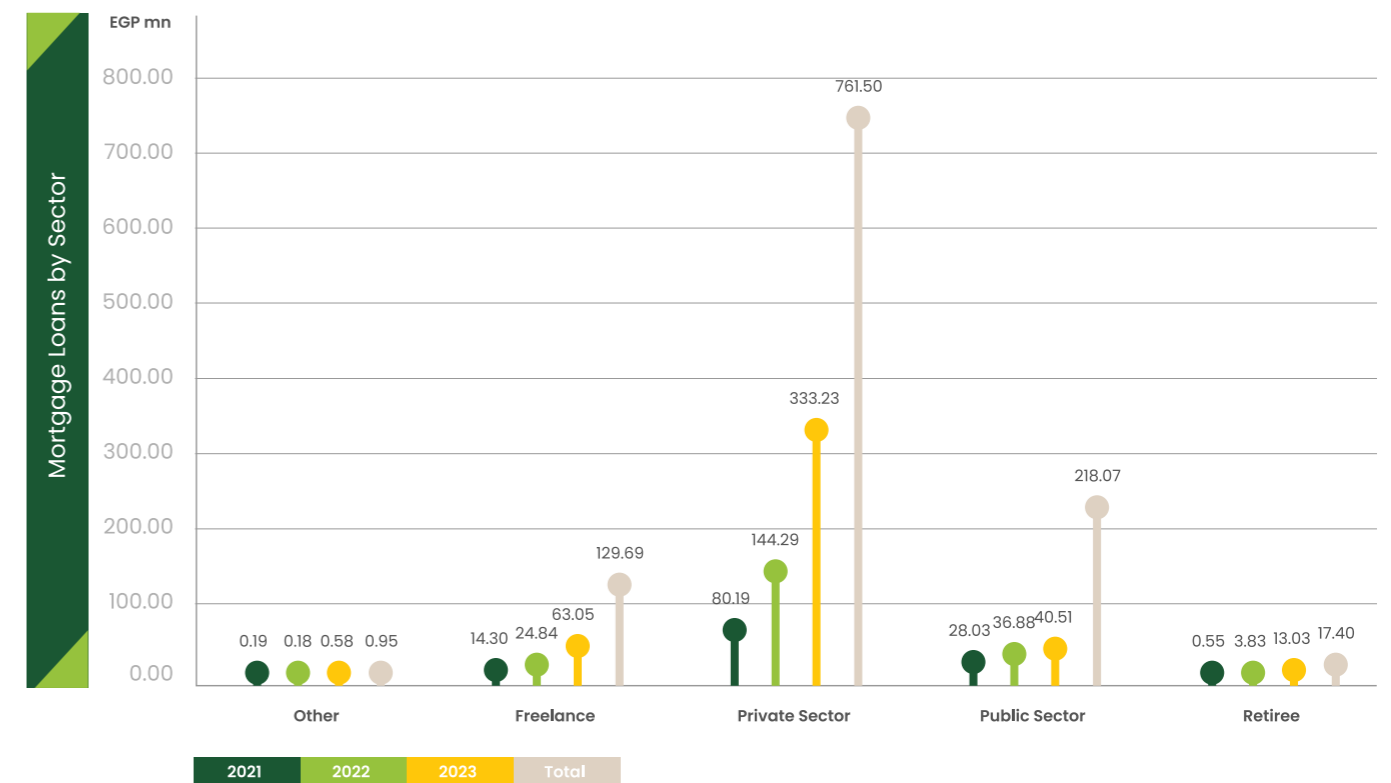


Figure X shows aiBANK's mortgage loans from 2021 to 2023 and the Bank's marked commitment to broadening financial inclusivity, evidenced by the significant growth in lending across social segments. Notably, the surge in loans to freelancers signals aiBANK's adaptability to changing employment landscapes, highlighting how the Bank's inclusive approach caters to non-traditional sectors. Similarly, the substantial increase in mortgage financing for the private sector underscores the Bank's role in fueling economic development and job creation, reflecting our strategic focus on empowering pivotal elements of the economy. The attention to retirees through increased loan allocations further highlights aiBANK's dedication to inclusivity and ensuring that financial planning and homeownership opportunities are accessible across age groups. This comprehensive growth in mortgage lending underlines aiBANK's commitment to enhancing financial access and supporting the economic stability of individuals and businesses alike.

Figure X: Mortgage loans by gender



Figure X illustrates aiBANK's mortgage loans disaggregated by gender. Female borrowers experienced a remarkable increase in loan receipts, reflecting the Bank's concerted effort to support female homeownership and economic empowerment. Despite this positive trend, male borrowers continue to receive a larger share of mortgage loans, underscoring the existing gender gap in lending. Nevertheless, the overall growth in mortgage loans suggests that aiBANK is advancing financial inclusion, enhancing its offerings and accessibility of mortgage loans to a broader demographic, thereby contributing to the economic fortification of the communities it serves.

### Green Products

alignment with CBE initiatives, aiBANK has launched the following loans in 2023.

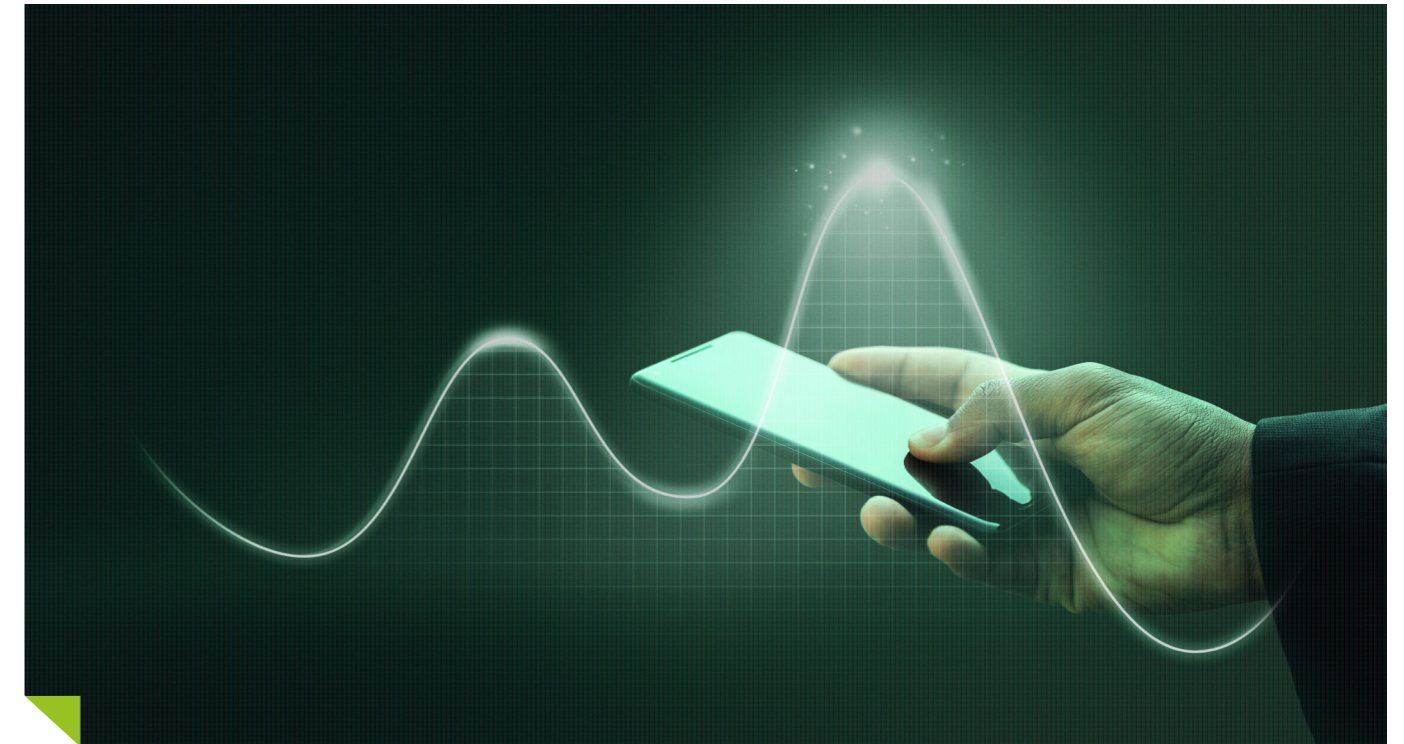
- Electric Car Loans in April

The electric car loan, with a total value of EGP 4,341,000, is similar to the auto loan (same criteria), although we now encourage applicants by waiving the admin fee. The main purpose of this loan is to encourage customers to adopt electric/battery alternatives to fossil fuels to reduce energy usage and emissions.

- Solar Power Loans in November

The solar panel loan was introduced to customers under the same personal loan criteria, that is, according to their individual capacities and status: self-employed, salaried, or installment transfer. The main purpose of this loan is to encourage customers to use solar power instead of direct electricity to reduce energy usage and emissions.

## Customer Experience and Responsible Engagement



### Our Approach

At aiBANK, we offer a range of essential services to ensure a smooth and customer-focused banking experience. Our call center, acting as the initial contact point, efficiently handles queries and provides support. We are dedicated to boosting customer satisfaction, overseeing product management, and assessing branch quality with innovative scorecards. Notably, we launched the Branch Service Quality Scorecard in 2022 and reached a 63% implementation rate in 2023.

We maintain product and service standards through Service Level Agreements (SLAs) and Turn-around Time (TAT) metrics alongside mystery shopping initiatives to continually enhance branch performance. Our E-Channel back office manages online interactions and registrations, enhancing our digital capabilities, while the Centralized Services Unit focuses on complaint resolution and customer retention.

The introduction of new KPIs signifies a strategic pivot toward operational optimization. These KPIs, which include the TAT post-LOS workflow launch and online banking registration and activation rates, emphasize the importance of process efficiency and seamless customer onboarding. They align with our goals for continuous process improvement, customer retention through credit card campaigns, and technological advancements via CRM upgrades. Coupled with retail SLAs post-LOS and CRM implementation, these KPIs frame our approach to improving service delivery in line with our objectives, showcasing our commitment to adaptability, operational efficiency, and customer centricity in the dynamic financial services landscape.

## Challenges and Opportunities

Throughout our operations, we face many obstacles identified as material topics. The location of our call center poses a significant risk, with network stability directly impacting service levels and line availability. This poses a potential threat to the overall customer experience and operational efficiency. The call center manpower issue adds another layer of risk as high turnover levels may cause staff shortages, negatively affecting SLAs and potentially disrupting customer service. We are placing the call center in the physical expansion at our downtown head office to provide better connectivity and improve customer experience.

Conversely, credit card retention is viewed as an opportunity, with the potential for increased retention rates through strategic new product campaigns. Retail SLA also presents an opportunity: products and SLAs can be improved and optimized following the launch of the LOS workflow system. We are addressing these material issues with a balanced approach that mitigates risks while leveraging opportunities crucial for the organization's overall success and sustainability.

### Social Housing and Mortgage Finance Fund protocol

Aiming to provide diverse financing solutions to citizens, aibank signed a cooperation protocol with the Social Housing and Mortgage Finance Fund. This fund currently collaborates with 31 financing institutions to provide real estate financing to limited- and middle-income citizens.



### Long-term agreement with Visa

His strategic partnerships, such as the long-term agreement with Visa, positioned aiBANK as a leading provider of integrated retail, corporate, and Islamic banking solutions in Egypt. This partnership aimed to offer customers innovative e-payment solutions, enhancing convenience and accessibility for aiBANK's clientele.



## Achievements in 2022

- ✓ One wave of SQ branches monitoring all branches
- ✓ SLA between the call center and other key stakeholders (approved and signed off)
- ✓ One wave of mystery shopping and a customer satisfaction survey
- ✓ CRM Phase 1 upgrade
- ✓ Centralized Service Unit creation to handle all customer complaints

## Achievements in 2023

- ✓ Two waves of SQ branches monitoring all branches and dress code evaluation
- ✓ SLA between the call center and other key stakeholders (approved and signed off)
- ✓ Updated our product catalogue and shared it with our branches and the call center
- ✓ Second wave of mystery shopping calls and satisfaction surveys confirmed to take place starting in October 2023
- ✓ 32 e-forms developed
- ✓ Five new and revisited published processes
- ✓ Monthly branch SQ scorecards have been announced and conducted in July 2023
- ✓ Online banking restricted pilot phase with 63 new user registrations from August 20, 2023
- ✓ Card and loan retention at 16% and 6%, respectively
- ✓ Social media handling from 8 AM to 10 PM (inquiries and complaints)
- ✓ Over 500 social media leads (loans and credit cards)

# 04


## Sustainable Operations

 Diversity and Gender Equality

 Capacity Building and Awareness

 Talent Attraction and Retention

 Digital Transformation

 Sustainable Supply Chain Management

 Responsible Consumption

 Emission Reductions

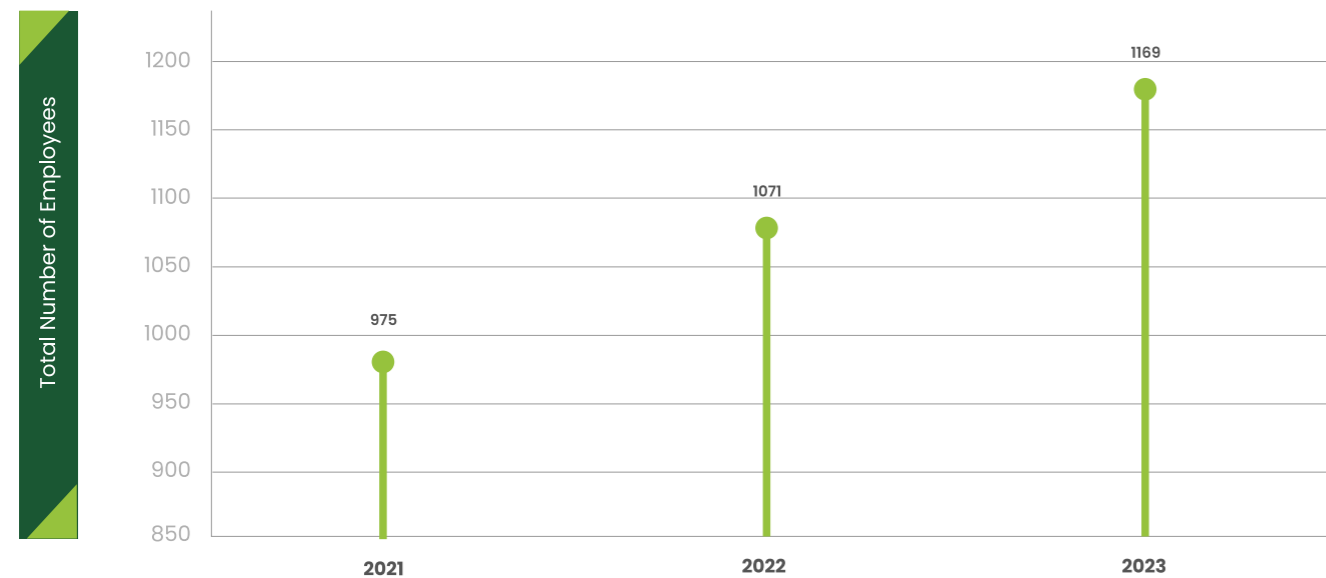
Capitals:  HC  IC  SRC  NC



# Sustainable Operations

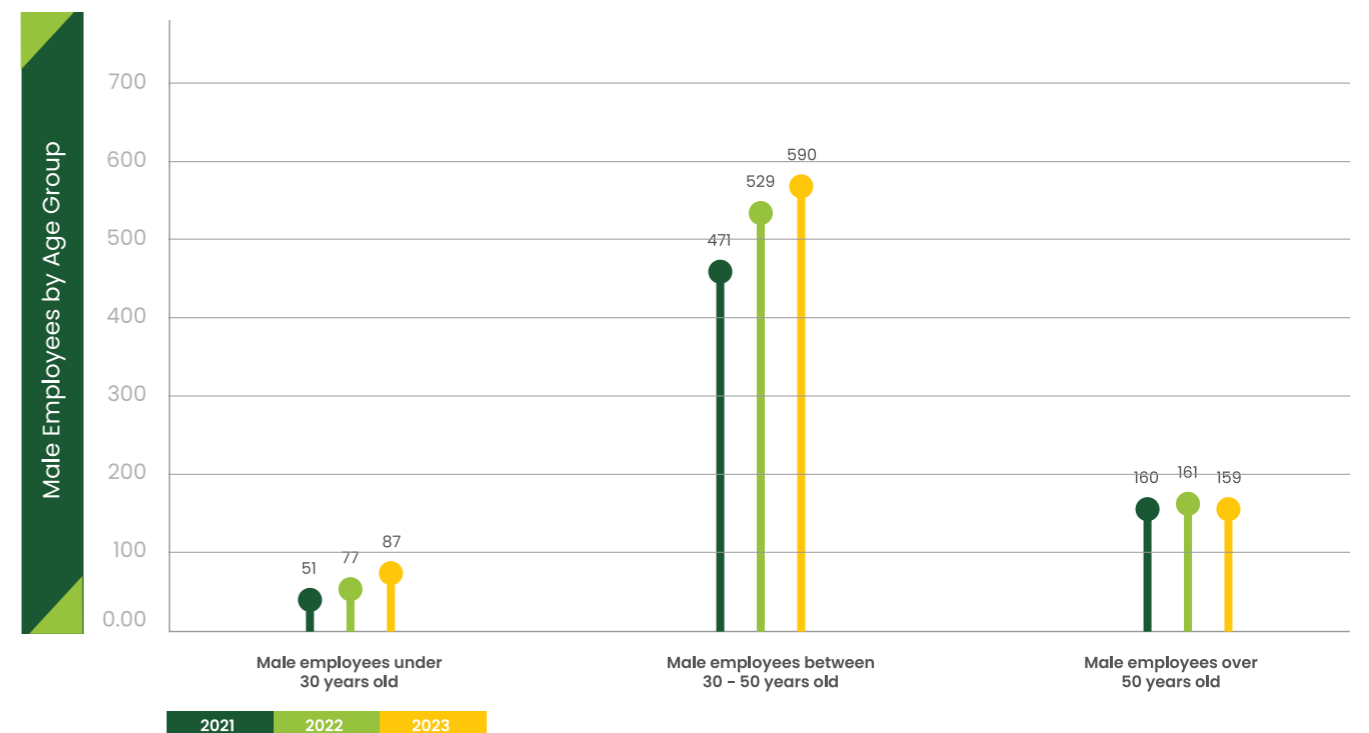
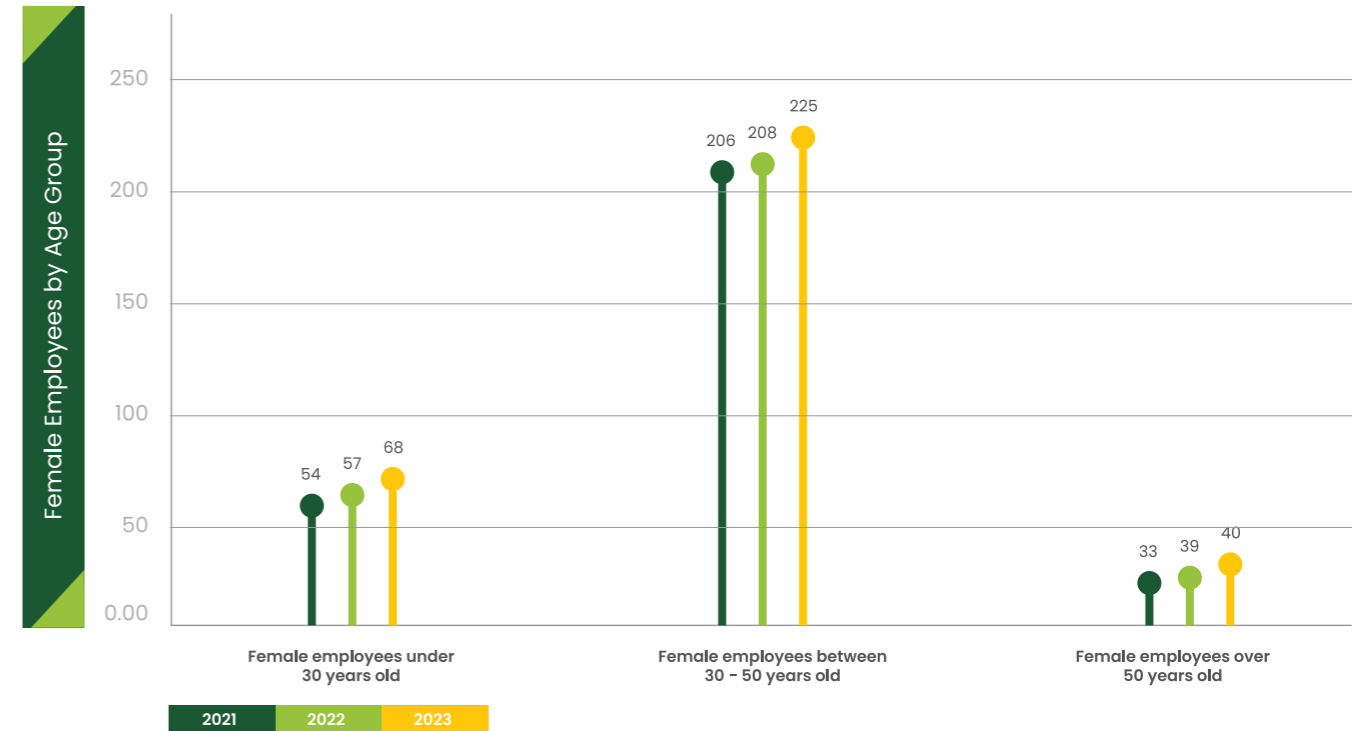
## Human Capital Value Proposition

aiBANK's performance and success lie in the development of our human capital. Our personnel are integral to our achievements, and our ESG strategy outlines the direction for cultivating an adaptable, diverse, and inclusive workforce, promoting trust, creativity, and transparency. The growth and solid groundwork we have laid over the years are significantly attributed to our skilled and devoted employees. We firmly believe that creating a vibrant and flexible workforce is crucial for fostering a sustainable economy. Throughout the year, we have made substantial progress in shaping a workforce that mirrors the communities in which we operate. Our efforts focus on constructing a work environment that is diverse, inclusive, supportive, and aligned with our core values of passion, integrity, and knowledge.



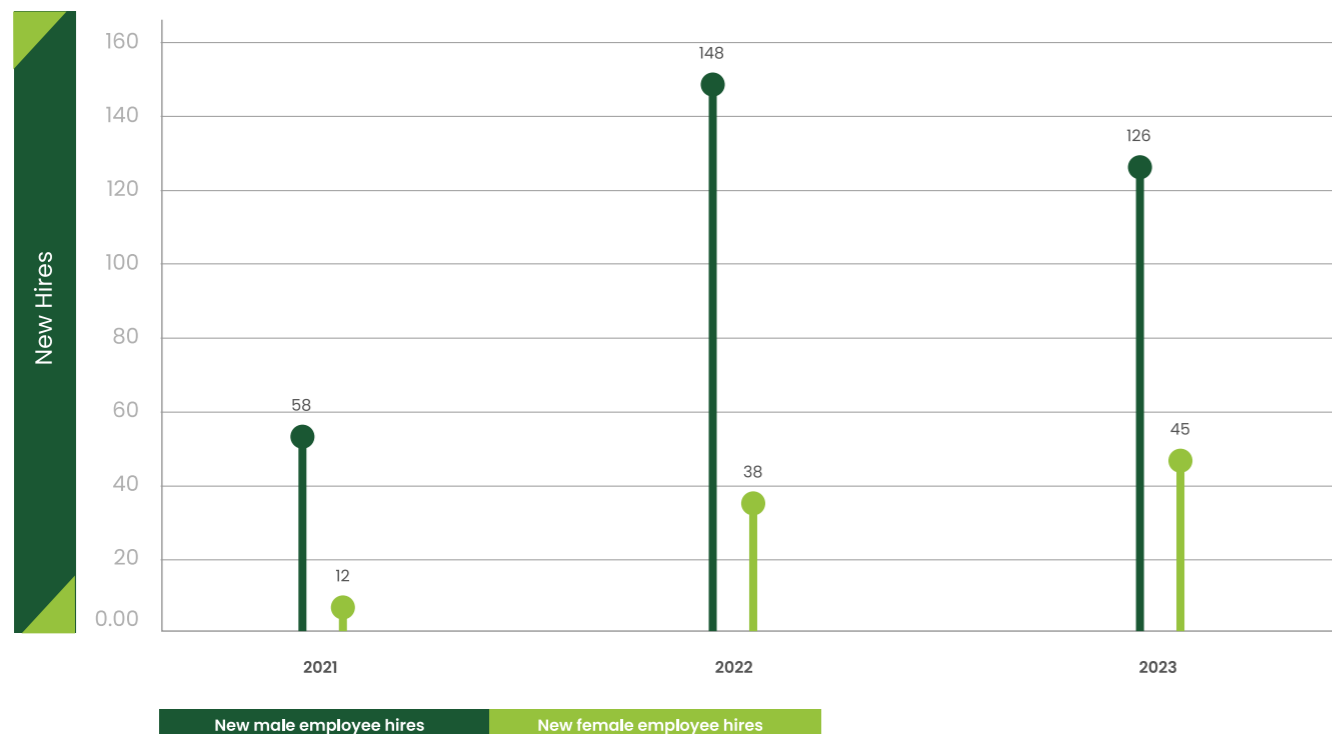
Our resilience during challenging periods is a product of our human resources practices, which focus on establishing a working culture that promotes inclusivity and equity. We actively promote diversity and inclusion to cultivate an environment conducive to optimal performance, recognizing the strength derived from the diversity of both our employees and clients in key markets. Embracing a diverse workforce enhances our competitiveness and readiness to navigate industry changes as varied perspectives are brought to the forefront by our diverse staff.

Employees aged 30-50 constitute the greatest share of our workforce, marking aiBANK's wealth of experience and active innovation.

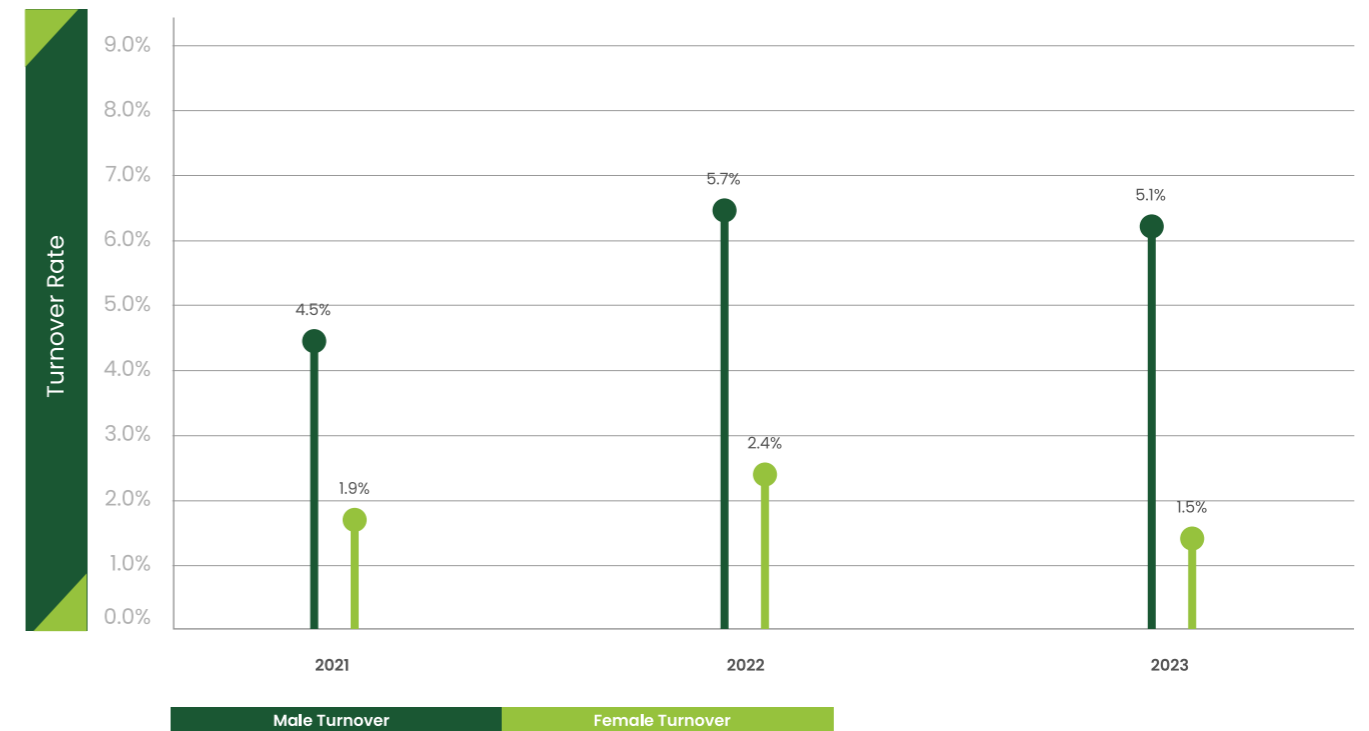


### Participating in Employment Fairs

As part of AiBank's commitment to empowering the youth, the bank actively supports university students and recent graduates by providing them with training and job opportunities to help them fulfill their career goals. In 2023, AiBank sponsored several career fairs held at private universities. These fairs aimed to equip students and recent graduates seeking employment with comprehensive information about various sectors of the labor market and to help them understand market demands.



We reinforce our dedication to establishing an inclusive and equitable workforce by advancing our commitment to SDGs. At aiBANK, we recognize that our workforce is the wellspring of creativity, driving innovation and contributing to developing a sustainable society. We put a strong emphasis on the inclusion of women and young individuals in our workforce through our recruitment practices. In 2023, aiBANK increased its workforce by hiring 171 new employees, 73.7% male and 26.3% female. Comparatively, we hired 186 employees in 2022, 79.6% male and 20.4% female.



The effectiveness of our organization in recruiting, integrating, overseeing, and recognizing our personnel plays a crucial role in our overall success. Regarding staff turnover, we conduct exit interviews for all resigning employees. Exit reports are important at aiBANK as they provide valuable insights into our workplace culture and level of employee satisfaction. They also enable us to pinpoint areas for improving employee retention and engagement. As a result, we have succeeded in reducing turnover rates between 2022 and 2023.

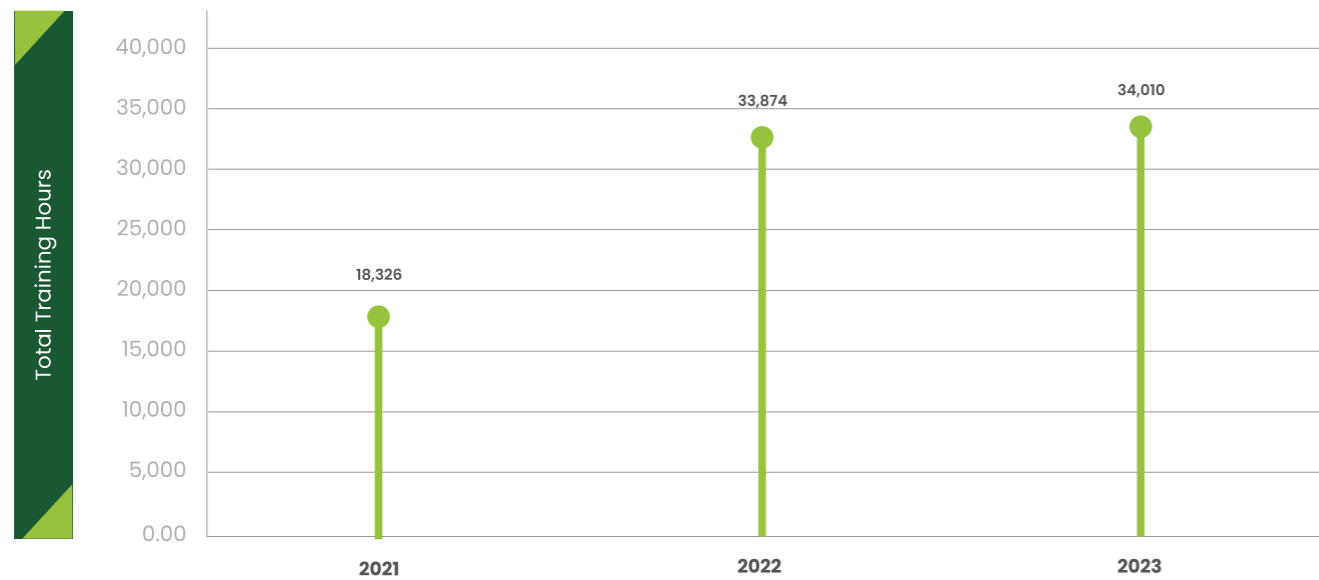




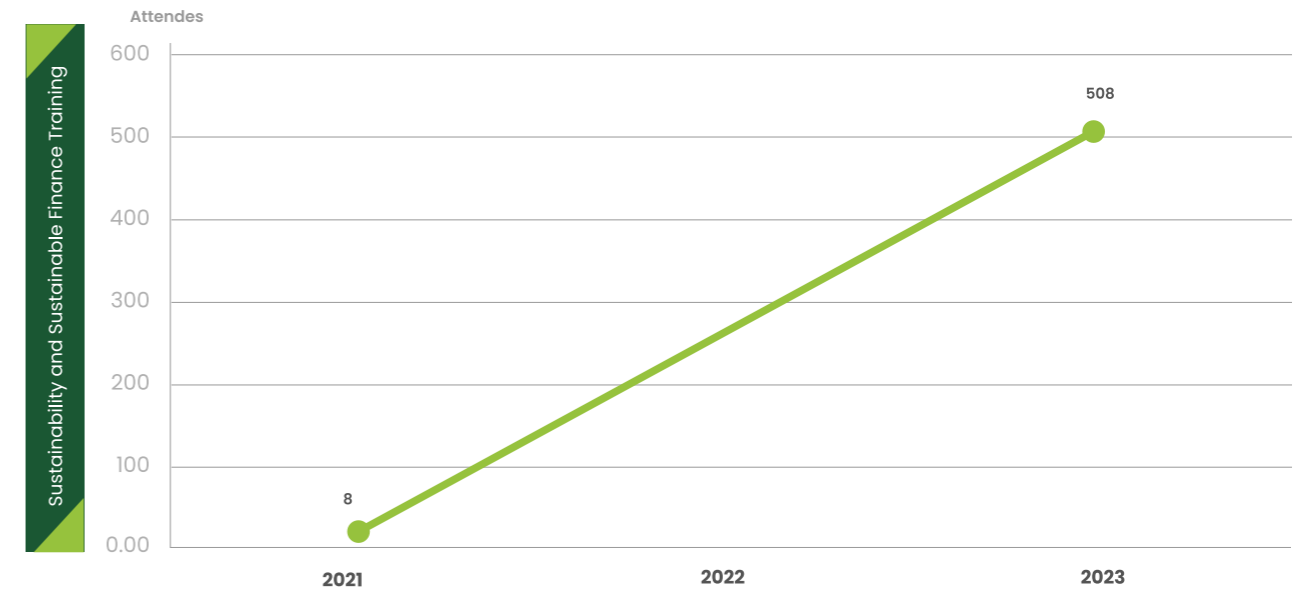
## Nurturing Our Employees

Maternity Leave	2021	2022	2023
Female employees who took maternity leave	15	14	11
Female employees who returned to work after their maternity leave	10	8	6

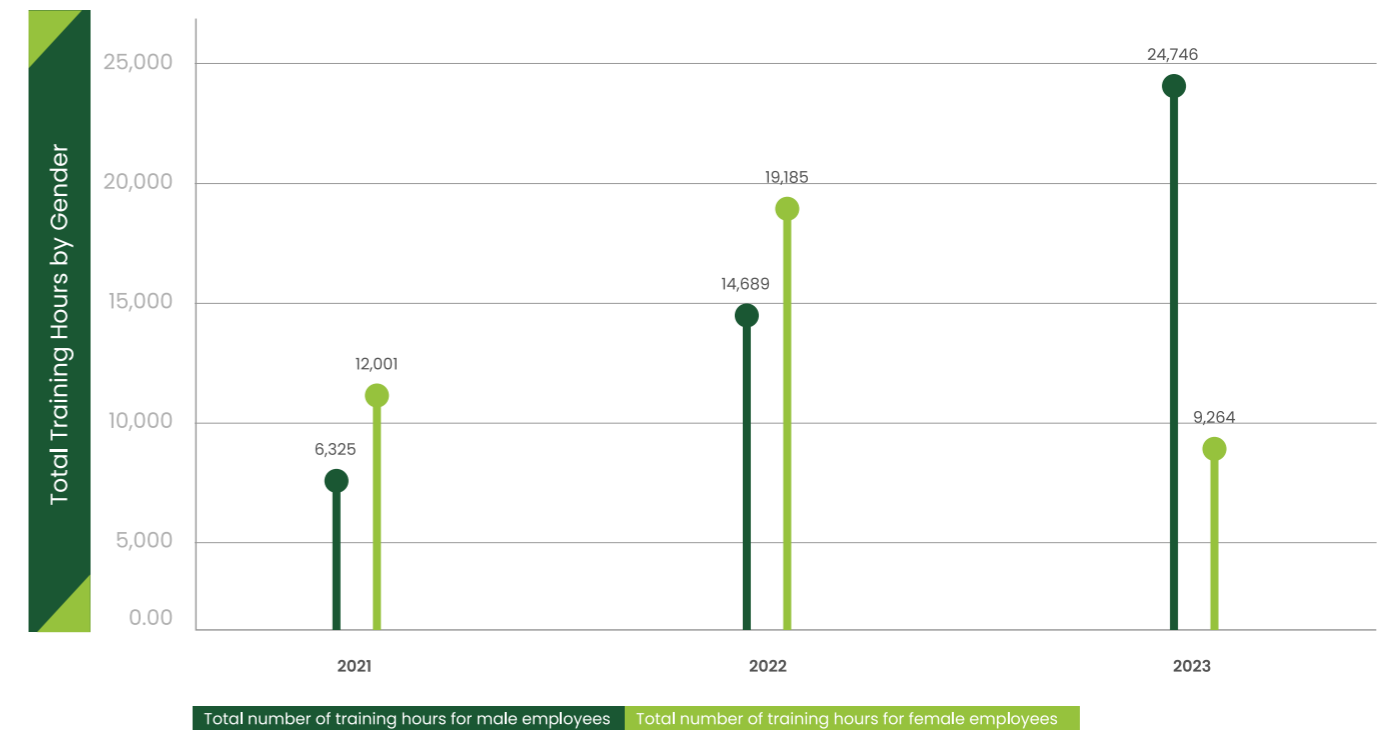
To promote equality in the workplace and ensure a supportive working environment for all employees, aiBANK offers female employees maternity leave, recording 14 leaves in 2022 and 11 leaves in 2023. Over the last three years, 56% of female employees who took maternity leave later returned to work.



To support our employees' ongoing growth and success, we implemented an HR strategy to encourage our workforce's continuous development and ensure their efficiency and productivity. Through various initiatives, we are dedicated to enhancing their skills and knowledge, thereby improving their current and future performance. We frequently introduce new training and development opportunities to expand both our employees' capabilities and the overall competency of the Bank. The diverse array of opportunities provided to our staff has helped cultivate a culture of learning. Our extensive training programs are instrumental in continually nurturing and enhancing our staff's technical and interpersonal skills.



Notably, we introduced training focused on sustainability and sustainable finance in 2022, with eight employees participating. This number increased to 508 in 2023, reflecting our enhanced efforts, including providing additional training sessions, to meet our strategic goals and foster specialized skill sets through varied operations and functions. This has increased our Sustainable asset ratio to reach 9%.



aiBANK considers training and career advancement essential for sustaining a prominent market position and allocates substantial resources to provide effective professional development. To foster ongoing growth, we offer a range of courses tailored to various workforce levels. This commitment to continuous development plays a key role in attracting diverse talent, contributing to aiBANK's status as a preferred employer in the banking sector. This strategy attracts and engages employees, giving aiBANK a distinct competitive edge.

The percentage of security personnel who received formal training on the organization's human rights policies or specific procedures are reported below.

Year	Percentage of Security Personnel who Received Specific Procedure Training
2021	40%
2022	87.5%
2023	87.5%



#### Employee Excellence Awards

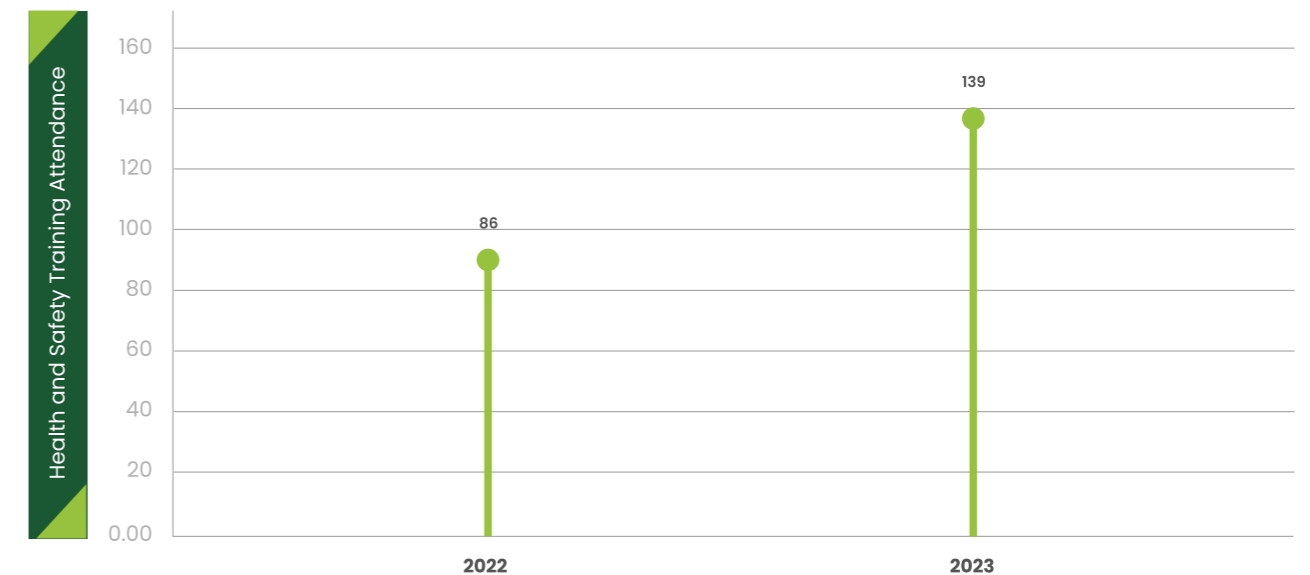
In 2023, aiBank celebrated its exceptional employees from various departments and branches with awards presented by the bank's CEO and Managing Director. This recognition is designed to enhance employee loyalty and self-discipline, which in turn promotes better performance and development, and heightens their competitive spirit.

#### Annual employees' engagement & team building Event

In 2023, aiBank hosted a two-day event called "Moving Forward - Sustainable Growth" aimed at celebrating and boosting employee engagement. The event took place at the JW Marriott Hotel and was attended by notable figures including the bank's Chairman and the CEO & Managing Director. The primary goal of this gathering was to acknowledge the hard work and dedication of the employees, increase their motivation and sense of belonging, and strengthen their connection with the organization. The event featured a variety of dynamic and interactive activities, including team-building exercises, motivational speeches, recognition awards, and social gatherings, providing employees with a chance to forge stronger relationships and bond with their peers outside the traditional office setting. This event was designed to cultivate a positive and unified working culture that supports the bank's goals for sustainable growth and development.



#### Health and Safety



The graph above shows the number of employees who participated in health and safety training in 2022 and 2023. The training courses encompassed various areas including facility insurance, fire-fighting, evacuation procedures, and first aid.

#### Actions to be taken to prevent work-related accidents:

- Stop working in the event of a serious risk and inform the competent HQ department
- Daily inspection of firefighting equipment
- Provide appropriate firefighting equipment
- Prohibit smoking inside the Bank except in dedicated spaces
- Clean all the steps of staircases
- Place a sign indicating that the stairs are wet in wet conditions.

## Our Digital Transformation

At aiBANK, digital transformation is at the core of our strategy to enhance our digital capabilities, foster innovation, and invest in robust technology infrastructure. Our journey toward digitization is multifaceted and focuses on improving service quality, speed, and the overall customer experience. Through a series of digital initiatives, aiBANK is set to revolutionize the banking experience for both our retail and corporate customers while automating internal processes for higher efficiency and improved service agreements.

### Key Achievements

Our digital transformation efforts have yielded significant successes:

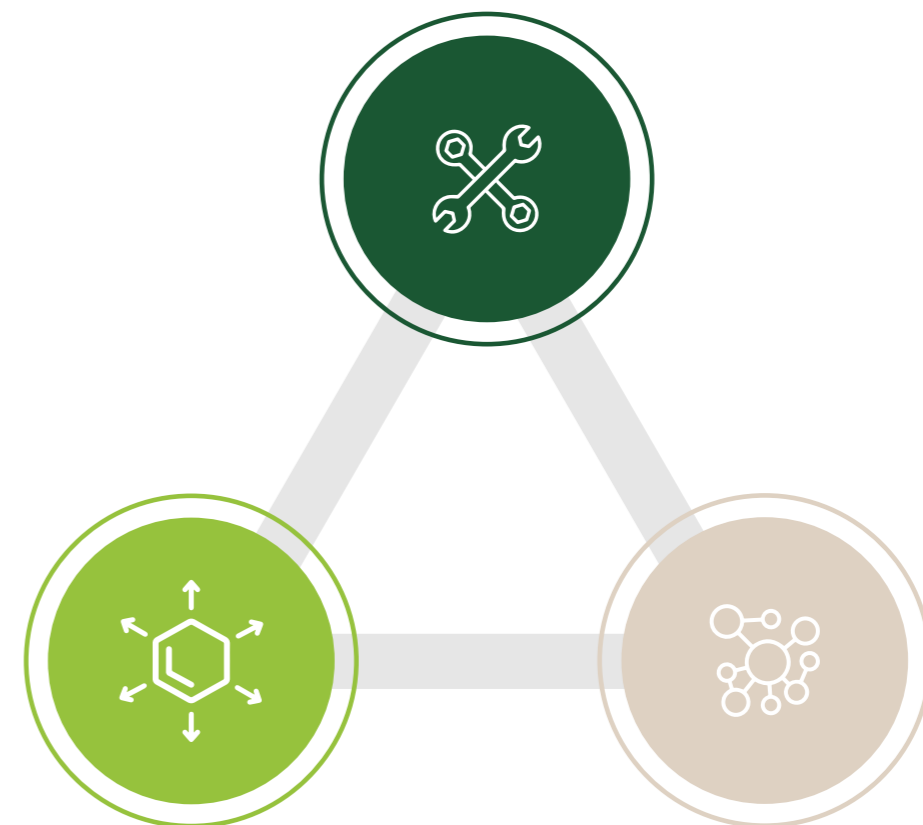


These accomplishments highlight the tangible benefits of our digital transformation strategy, including improving our customer service, operational efficiency, and overall sustainability.

## Transformation Journey and Milestones

### Phase 1: Building the Foundation

Infrastructure Enhancements: Initiated OpenShift and IBM Cloud Pak for integration, automation, and expanded server and storage capabilities, laying the groundwork for advanced digital services.



### Phase 2: Scaling and Expanding

Core Banking and Infrastructure: Upgraded core banking systems for scalability and implemented enterprise backup solutions to prepare for a comprehensive digital banking infrastructure.

### Phase 3: Integration and Automation

Enhanced IPN and core banking and introduced Digital Banking Drop 1 alongside infrastructure upgrades, including adding 4G communication lines, modernizing branch technology, and implementing secure file transfer protocols for improved efficiency and security.

## Future Digitalization Plans

**Digital Projects:** Focusing on retail and corporate digital platforms, loan origination, and payment integration to enhance customer interaction and service delivery.

**Enterprise Projects:** Implementing AML, data warehousing, and ERP systems alongside digital archiving and risk management solutions to support data-driven decisions and compliance.

**Automation Roadmap:** Introducing process workflows for remittances, cheques, and payrolls coupled with robotic process automation (RPA) to streamline operations.

**Infrastructure Roadmap:** Upgrading network management solutions, enhancing application performance monitoring, and ensuring data security through advanced cybersecurity measures.

Expanding process automation and RPA to enhance operational efficiency.

Launching comprehensive digital banking solutions for corporate and retail customers.

Supporting branch network expansion with advanced network and communication technologies.

## Supply Chain Management

aiBANK is dedicated to promoting environmentally conscious practices throughout our supply chain. We aim to build a diverse and extensive vendor network to procure top-notch goods and services that will reach 583 local suppliers in 2023. In line with our commitment to integrating ESG considerations into our sourcing processes, we will create a strategy for conducting thorough ESG due diligence when selecting third-party suppliers. Yet, this year, we have paid local suppliers that reached EGP 472 mn.

### Supplier Code of Conduct

aiBANK is unwavering in its commitment to upholding integrity and social responsibility standards. The Bank expects all suppliers and service providers delivering products and services to aiBANK to adopt comparable commitments.



### Human Rights and Employment Standards

- Suppliers/providers shall comply with all applicable labor and employment laws, regulations, and legislation.
- Suppliers/providers shall respect the human rights of all their employees and abide by the laws and regulations concerned with human rights.
- All employees must be offered the same opportunities and freedom of expression.
- Suppliers/providers shall not engage in any illegal conduct harmful to individuals, such as, but not limited to, offenses against a person, forced or child labor, and labor trafficking (e.g., employing persons by using force, fraud, or coercion).
- Comply with all applicable laws relating to hiring discrimination, employment practices, harassment, and retaliation.



### Health and Safety Standards

- Suppliers shall comply with all applicable health and safety laws and regulations to ensure they do not pose unnecessary risks to employees or the public.
- aiBANK expects suppliers to adopt the necessary practices to reduce health and safety risks, support accident prevention, and ensure safe workplaces for all employees.





### Environmental Standards

- Suppliers/providers shall comply with all environmental laws and regulations and develop a sustainable environmental policy to reduce waste and minimize their operations' environmental impacts.



### Anti-Corruption, Bribery, and Conflict of Interest Policy

aiBANK expects all contracted suppliers and companies seeking to sell goods or services to conduct their business in accordance with the highest ethical standards. Suppliers shall comply with all laws and regulations concerning combating bribery and corruption and avoid unacceptable practices.

- Suppliers shall not offer to any aiBANK staff money, goods, or services as a consideration or in expectation of a favorable decision, information, opinion, recommendation, vote, or any other form of favor that qualifies as corruption.
- Suppliers shall immediately declare if any of the suppliers' staff has any relative (to the fourth degree) employed by aiBANK.



### Confidentiality, Privacy, and Security of Data

Suppliers/providers are required to protect the personal and confidential assets and information of aiBANK and its customers in accordance with all applicable local laws. They also need to implement the necessary processes to provide appropriate protection factors for this information.



### Diversity of Suppliers

aiBANK seeks suppliers that value and support supply chain diversity and support its objectives, steering away from monopolistic practices. aiBANK expects suppliers to:

- Integrate supplier diversity in their operations and their subcontractor decisions.
- Commit to fair competition and combat monopolistic practices.



### Non-Solicitation

aiBANK expects that all contracted suppliers and providers understand that aiBANK has expended and continues to expend significant time and funds on recruiting and training its employees, and that losing employees would cause significant and irreparable harm to aiBANK. Accordingly, suppliers/providers shall comply with the following:

- Shall not, directly or indirectly, solicit, hire, or recruit—or attempt to solicit, hire, or recruit—any employee of aiBANK for their benefit or the benefit of any other person. This clause includes current aiBANK employees, employees whose services have been terminated by the Bank, and employees induced to terminate their employment at aiBANK, for a period of two years immediately following the termination of the employee's employment with aiBANK regardless of the reason for the termination, whether voluntary or involuntary.
- In the event of a breach of this clause, the breaching supplier/provider shall be obliged to pay aiBANK an amount equal to the gross annual compensation of the hired employee.

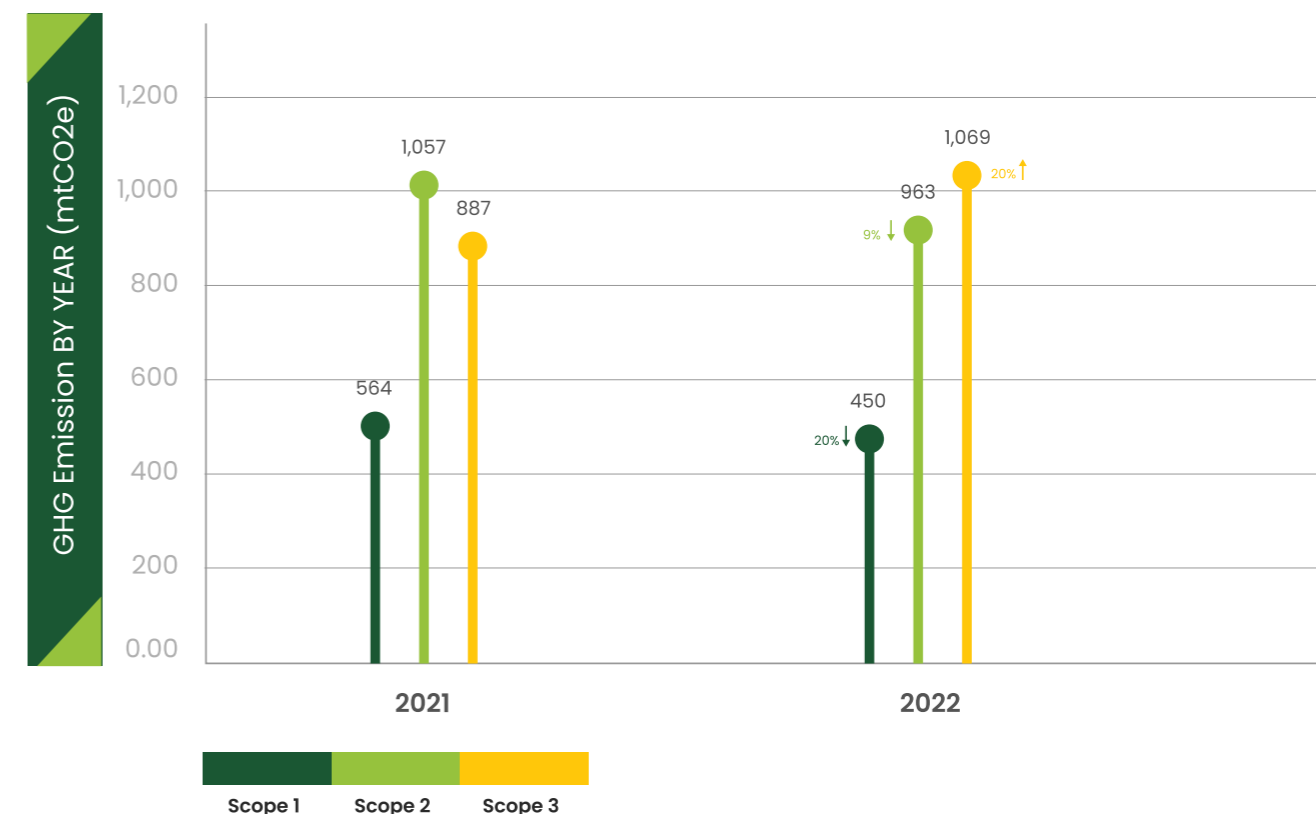


## Environmental Stewardship

Being a prominent financial institution in Egypt, aiBANK recognizes its significant responsibility in addressing climate change. We have released our first Carbon Footprint report for the 2022 reporting year. The document outlines our primary contributors to GHG emissions through our headquarter and outlines a decarbonization strategy. Our goal is not solely to disclose GHG emissions but also to actively diminish our overall GHG inventory in the years ahead.

### GHG Emissions

GHG Emission Scopes	2021 mtCO <sub>2</sub> e	2022 mtCO <sub>2</sub> e
<b>SCOPE 1: DIRECT EMISSIONS</b>		
Stationary Combustion	0.41	N/A
Mobile Combustion	191	291
Fugitive Emissions	373	159
<b>Total from Scope 1</b>	<b>564</b>	<b>450</b>
<b>SCOPE 2: INDIRECT EMISSIONS</b>		
Purchased Energy	1,057	963
<b>Total from Scope 2</b>	<b>1,057</b>	<b>963</b>
<b>Total from Scopes 1 and 2</b>	<b>1,621</b>	<b>1,413</b>
<b>Carbon Intensity of Scopes 1 and 2</b>	<b>2.32</b>	<b>2.24</b>
<b>SCOPE 3: INDIRECT EMISSIONS</b>		
Purchased Goods and Services	29.09	120
Fuel and Energy-Related Activities (not included in Scopes 1 and 2)	52	75
Waste Generated in Operations	30	12
Business Travel	9	28
Employee Commuting	767	835
<b>Total from Scope 3</b>	<b>887</b>	<b>1,069</b>
<b>Total from Scopes 1, 2, and 3</b>	<b>2,508</b>	<b>2,482</b>



In recent years, we have been devoted to minimizing our environmental impact. Compared to traditional banks, we operate with a much smaller carbon footprint. Our primary focus is diminishing energy consumption, which significantly contributes to our environmental impact and operational costs. As a result, we continuously explore avenues to reduce energy usage in our offices and facilities. Specifically, aiBANK aims to incorporate eco-friendly practices into all its operations, encompassing strategies for energy efficiency, initiatives for water conservation, and efforts to minimize paper usage, all of which enhance the Bank's environmental sustainability.

Year	Total Water Consumption (m <sub>3</sub> )	Total Paper Consumption (kg)
2021	14,952	30,190
2022	15,018	23,587



### Sustainability Measures and Achievements

The Engineering and Logistics team contributed to achieving one of the Bank's main sustainability strategies, which gave the green light for implementing a range of sustainability solutions in our new premises and various operational aspects:



Buildings

#### Head offices

- Heat management
- Solar photovoltaic cells and solar heaters
- LED lighting and controls
- Water saving
- Utilization of sustainable materials
- Carbon footprint reduction

#### Branches

- LED lighting
- VRF air conditioning
- Green walls (i.e., walls with natural plants)



Paperless Environment

- Paper consumption control
- Old paper recycling
- Solid waste management.

### Advancing Sustainable Building Practices in the New Capital



Saving Energy

- Installing motion sensors where applicable in office spaces. Motion and occupancy sensors provide energy savings of 45-50% compared to traditional methods based on estimated occupancy levels.
- Installing double-pane tinted tempered glass filled with argon gas to reduce the transfer of heat and harmful UV rays. Using this type of glass increases HVAC efficiency, with up to a 19.53% reduction in the cooling load compared to the base case scenario.
- Solar cell panels were installed on 50% of the roof area per the ACUD code, meeting 3% of the building's load.
- Installed a solar heater system, reducing electricity consumption by 60-70% compared to other systems.



Saving Water

- Using push buttons (self-closing, 30 seconds) for all public toilets.
- Installing tap water filters, reducing water consumption by 45-50%.
- All manager toilets have mixer taps with infrared sensors.

### Enabling Change Through Environmental Initiatives

- Installing VRF systems, which have green and LEED certificates, for HVAC to reduce carbon emissions and electricity consumption.
- Replacing all head office fluorescent lights with LEDs.
- Replacing the 10th, 11th, and Cairo branch floors from Feron AC to Chiller to reduce electricity consumption.
- Installing green walls in all our branches.
- The supply chain monitors, controls, and aims to reduce paper consumption. Our annual paper consumption was reduced by 14% in 2022.
- The Bank sent six tons of waste to Tadweer for recycling.
- 165 tons of documents and cardboard were shredded and recycled by specialized factories.

# 05

## Investing in Our Community

Capitals:  FC  SRC





# Investing in Our Community

## aiBANK Foundation for Community Development: Sustaining Positive Impact

In 2016, aiBANK underscored its deep-seated dedication to community welfare by establishing the aiBANK Foundation for Community Development (the Foundation). Recognized as non-profit organization registered under the Ministry of Social Solidarity (No. 10355), the Foundation operates as aiBANK's dedicated developmental arm. The Foundation operates under the guidance of a Board of Trustees comprised of nine members responsible for overseeing and managing its initiatives. The strategic focus on specific areas stems from the Foundation's commitment to positively impacting the community.

Over the past seven years, the Foundation has been a driving force in enhancing health, education, and empowerment for individuals. The Foundation has contributed to many vital initiatives including supporting Egypt's COVID-19 vaccination campaign, reducing patients' waiting lists, and empowering women through the Algharemat initiative in collaboration with the Misr Elkheir Foundation. Additionally, the Foundation has contributed to launching the National Charity Fund for Education and tackled poverty in vulnerable areas across the Alexandria, Behira, Kafr El-Sheikh, and Damietta governorates in partnership with the Tahya Misr Fund.



مؤسسة بنك الاستثمار العربي  
للتنمية المجتمعية

The aiBANK Foundation for Community Development aspires to:

- 1 Play a pivotal role in community development. It strives to have a sustainable positive impact by enhancing living conditions, healthcare, education, and economic opportunities for disadvantaged individuals, particularly those with special needs, thereby contributing to poverty reduction.
- 2 Implement initiatives geared toward environmental protection and raising environmental awareness.
- 3 Reduce inequalities by providing underprivileged individuals and those with special needs access to quality healthcare and education.
- 4 Encourage and foster effective synergies and partnerships with reputable institutions and NGOs, actively contributing to the creation of a more just and compassionate society where individuals facing complex social issues and barriers have the opportunity to thrive.

### Strategic Pillars

Strategic Pillar	SDGs	Egypt Vision 2030 Goals
Healthcare	SDG 3: Good Health and Well-Being	Goal 3: Health and Well-Being for All Egyptians
Education	SDG 4: Quality Education	Goal 2: Develop an Education System that Promotes Critical Thinking
Environment	SDG 13: Climate Action SDG 15: Life on Land	Goal 7: Sustainable Development and Climate Change
Empowering People with Disabilities	SDG 10: Reduced Inequalities	Goal 3: Social Justice and Social Security for People with Disabilities
Social Solidarity	SDG 1: No Poverty	Goal 1: Eradicating Poverty Through Social Solidarity

## Sustainable Impact: Strategic Overview

The Foundation is committed to fostering a brighter future for the underprivileged, with a focus on community upliftment, environmental conservation, and sustainable development. Central to our mission is empowering those with special needs and other disadvantaged individuals through educational and vocational training programs, enabling them to transcend poverty. Our initiatives span healthcare provision, education enhancement, inclusivity for people with disabilities, and environmental protection. We also donate through partnerships with other NGOs. Guided by specific goals, we aim to improve healthcare access, reduce educational inequalities, safeguard the environment, and ensure equal opportunities for all, striving to create a significant and lasting positive impact on the community.

### aiBANK Foundation's Strategic Initiatives Toward SDGs

The Foundation has undertaken multiple initiatives aligned with SDGs to address critical global challenges. Targeting Goal 1: No Poverty, Goal 2: Zero Hunger, Goal 3: Good Health and Well-Being, Goal 4: Quality Education, and Goal 17: Partnerships for the Goals, our initiatives are strategically designed to contribute to the broader agenda of eradicating poverty, eliminating hunger, promoting health and well-being, ensuring quality education, and fostering collaborative partnerships for sustainable development. Through these concerted efforts, the Foundation is actively creating a positive impact in line with the global vision outlined by the UN's SDGs.

### Philanthropic Commitment and Strategic Initiatives

The aiBank Foundation has taken significant strides in supporting the goals of Egypt's vision 2030 and the UN Sustainable Development Goals. through its unwavering efforts and contributions in various initiatives, particularly in the areas of healthcare, education, and poverty alleviation. The notable increase in funding between 2021 and 2023 highlights our growing commitment to philanthropy and strategic initiatives. The significant jump in funding from 2022 to 2023 reflects our strategic expansion and intensified focus on philanthropic efforts during that period.

2021	2022	2023
EGP 1,545,000	EGP 746,675	EGP 2,043,000

## Supporting Solidarity Initiatives

The Foundation supports numerous associations involved in projects with a strong societal impact and solidarity initiatives, particularly for the benefit of underprivileged groups. There are many different types of support operations, including financial aid and donations, which are aimed at creating value for the community and fall under various fields.



Building on the Foundation's longstanding partnership with the Al-Orman Association, the Foundation's Board of Trustees approved the donation of EGP 258,000 to distribute 2,000 Ramadan food boxes during the holy month to underprivileged families in the Beni Suef and Fayoum governorates.

20  
23

aiBANK offers sacrificial meat (Sukuk El-Odhya) in all aiBANK branches in cooperation with the Orman Association and the Egyptian Food Bank. This contributes to achieving Egypt Vision 2030 goals and aligning with "zero hunger" SDGs.

aiBANK distributed 25,000 food boxes in the most vulnerable areas of the Alexandria, Beheira, Kafr El-Sheikh, and Damietta governorates in partnership with the northern military zone and the Tahya Misr Fund by donating EGP 1,250,000.

In 2023 AiBANK and its Foundation sponsored the International Day of People with Disabilities celebrations organized by the Arab Center, organizing conferences at the Yacht Club Giza to support people with special needs and encourage their integration into society.

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22

The Foundation renewed its partnership with the Al-Orman Association. For the sixth consecutive year, the Foundation signed a cooperation agreement with the Al-Orman Association to distribute 2,000 Ramadan food boxes during Ramadan to the neediest families in the Beni Suef governorate by donating EGP 181,675.

The Foundation signed a cooperation agreement with the Al-Orman Association to distribute 2,000 Ramadan food boxes worth EGP 135,000 during Ramadan to the neediest families in Beni Suef.

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21

The Foundation's Board of Trustees approved the donation of EGP 350,000 to the Misr Elkheir Foundation to contribute to the Iftar Million Sayem campaign by distributing 2,000 Ramadan food boxes during the holy month of Ramadan to the neediest families.

The Foundation's Board of Trustees approved an in-kind donation of food boxes during the holy month of Ramadan to the neediest families registered at the West Cairo Department of the Ministry of Social Solidarity.

## Promoting Health and Wellness

- In late 2023, the Foundation signed a tripartite agreement with the EFG Foundation for Social Development (EFG Foundation) and the Magdi Yacoub Heart Foundation to support the training and qualification of nurses in treatment centers affiliated with the Magdi Yacoub Heart Foundation at the Aswan Heart Centre (AHC). The plan is to enhance the quality of healthcare services provided to patients suffering from cardiovascular diseases, particularly in Upper Egypt. The AHC nurse fellowship program is one of the most distinguished training programs for nurses nationally. A total of 70 nurses are selected annually from five different universities across Egypt and undergo comprehensive training in quality cardiac care using interdisciplinary and participatory methods.
- In 2023, for Breast Cancer Awareness Month, aiBANK organized a workshop in collaboration with the Moumena Kamel Foundation to raise awareness about early detection of breast cancer and teach employees how to conduct a self-examination.
- In 2022, the Foundation signed a tripartite cooperation agreement with the EFG Foundation and the Magdi Yacoub Foundation to support bypass surgery and open-heart operations in Aswan Hospital for disadvantaged people.
- In 2021, the Foundation's Board of Trustees approved the donation of EGP 1 mn to contribute to the presidential initiative of the Tahya Misr Fund for supplying COVID-19 vaccines to eligible groups, especially the elderly and high-priority individuals.



## Education

- In 2023, the Foundation supported the education of underprivileged children by covering the operating expenses of two community schools in the Fayoum governorate. This initiative was launched to bolster educational opportunities for underprivileged children and help them unleash their full potential.
- For the sixth consecutive year, the aiBANK Foundation's Board of Trustees approved an in-kind donation of school bags and supplies to the disadvantaged children of the neediest families registered at the West Cairo Department Ministry of Social Solidarity.



**Awards and Recognition**



*Fastest Growing Bank in the Arab Region by the World Union of Arab Bankers*



*Best SMEs Financier by the Africa Global Fund*

*Most Innovative SMEs Financing Campaign—Financing that Moves You 100 Strides Forward—Egypt 2023 by The Global Economics*

**aiBANK**  
HAS BEEN RECOGNIZED AS  
HIGHLY REGARDED IN  
**SME BANKING**  
at  
**THE EUROMONEY  
MARKET LEADERS  
AWARD**

**aiBANK**  
HAS WON  
**TWO AWARDS**  
FROM  
**THE GLOBAL ECONOMICS**

**MOST INNOVATIVE SME**  
Financing Campaign  
"Financing That Moves you 100 Strides Forward"

**BEST EMERGING CEO**  
In Business Banking

*Best Emerging CEO in Business Banking—Egypt 2023 by The Global Economics.*



شكراً وتقدير

من السيد / جبر الفتاح السيدني  
رئيس جمهورية مصر العربية

إلى السيد /  
**بنك الاستثمار العربي**

تقديرًا لمدنا للدور الوطني والمساهمة الفعالة في دعم مشروعات صندوق تحيا مصر  
مع أطيّب التحيات بديار التوفيق ومزيد من الجهد لخدمة الوطن



جبر الفتاح السيدني  
رئيس جمهورية مصر العربية

*Certificate of appreciation from President Abd El Fattah El Sisi for supporting Tahya Misr fund projects.*

# 06

## Appendix

- ESG Performance Tables
- SASB Index: Commercial Banks Index
- GRI Index
- Integrated Reporting Principles Index
- List of Abbreviations

## ESG Performance Tables

### Environmental

	Unit	2021	2022
<b>GHG Emission</b>			
Scope 1	tCO2e	564	450
Scope 2	tCO2e	1,057	963
Scope 3	tCO2e	887	1,069
<b>Resource Efficiency</b>			
<b>Energy</b>			
Energy Consumption per FTE	kWh/FTE	1,057	963
<b>CO2 Emissions from Electricity Consumption</b>			
<b>Waste</b>			
Total Waste Produced	Tons	30	12
<b>Water</b>			
Total Water Consumption	m3	14,952	15,018

### Social

Employees by gender	2021		2022		2023	
	Number of Employees	% Of Employees	Number of Employees	% Of Employees	Number of Employees	% Of Employees
<b>Total</b>	975		1,071		1,169	
<b>Male</b>	682	69.95%	767	71.62%	836	71.51%
<b>Female</b>	293	30.05%	304	28.38%	333	28.49%

Employees by Age Category and Gender		2021		2022		2023	
		Number of Employees	% Of Employees	Number of Employees	% Of Employees	Number of Employees	% Of Employees
Under 30 years old	<b>Total</b>	105	10.77%	134	12.51%	155	13.26%
	<b>Male</b>	51	5.23%	77	7.19%	87	7.44%
	<b>Female</b>	54	5.54%	57	5.32%	68	5.82%
30-50 years old	<b>Total</b>	677	69.44%	737	68.81%	815	69.72%
	<b>Male</b>	471	48.31%	529	49.39%	590	50.47%
	<b>Female</b>	206	21.13%	208	19.42%	225	19.25%
Over 50 years old	<b>Total</b>	193	19.79%	200	18.67%	199	17.02%
	<b>Male</b>	160	16.41%	161	15.03%	159	13.60%
	<b>Female</b>	33	3.38%	39	3.64%	40	3.42%

Total New Employee Hires by Age Category and Gender		2021	2022	2023
		Number of Employees	Number of Employees	Number of Employees
Under 30 years old	Total	18	74	55
	Male	9	51	31
	Female	9	23	24
30-50 years old	Total	52	109	111
	Male	49	94	91
	Female	3	15	20
Over 50 years old	Total	0	3	5
	Male	0	3	4
	Female	0	0	1

Total Employee Turnover		2021	2022	2023
		% Turnover Rate	% Turnover Rate	% Turnover Rate
Under 30 years old	Male	0.4%	0.8%	0.8%
	Female	0.5%	1.5%	0.5%
30-50 years old	Male	2.2%	3.1%	2.6%
	Female	0.6%	0.8%	0.4%
Over 50 years old	Male	2.0%	1.8%	1.7%
	Female	0.7%	0.2%	0.5%

Total Training Hours	2021	2022	2023
Total Training Hours Female	12,001	19,185	9,264
Total Training Hours Male	6,325	14,689	24,746
Total	18,326	33,874	34,010

### SASB Index: Commercial Banks Index

Topic	Metric	Category	Page Number
Data Security	1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Quantitative	Information Incomplete
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	102
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	70-74
Financial Inclusion & Capacity Building	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Quantitative	Information Unavailable
Financial Inclusion & Capacity Building	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	
Financial Inclusion & Capacity Building	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	82-84
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of ESG factors in credit analysis	Discussion and Analysis	54-56
Financed Emissions	Description of the methodology used to calculate financed emissions	Discussion and Analysis	Information Unavailable
Business Ethics	Total amount of monetary losses because of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	0

Topic	Metric	Category	Page Number
Business Ethics	Description of whistleblower policies and procedures	Discussion and Analysis	Information Incomplete
Systemic Risk Management	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	Information Incomplete
Activity Metrics	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Quantitative	Confidential
Activity Metrics	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Quantitative	71,77,78

## GRI Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Page Number	OMISSION	
			REASON	EXPLANATION
General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	2	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.	
	2-2 Entities included in the organization's sustainability reporting	12		
	2-3 Reporting period, frequency and contact point	2		
	2-4 Restatements of information	Not applicable		
	2-5 External assurance			
	2-6 Activities, value chain and other business relationships	16-17		
	2-7 Employees	92-99		
	2-8 Workers who are not employees		Not applicable	
	2-9 Governance structure and composition	49-59		
	2-10 Nomination and selection of the highest governance body		Not applicable	
	2-11 Chair of the highest governance body	49-59		
	2-12 Role of the highest governance body in overseeing the management of impacts	49-59		
	2-13 Delegation of responsibility for managing impacts	49-59		
	2-14 Role of the highest governance body in sustainability reporting	51		



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Page Number	OMISSION	
			REASON	EXPLANATION
<b>General Disclosures</b>				
<b>GRI 2: General Disclosures 2021</b>	2-15 Conflicts of interest	57		
	2-16 Communication of critical concerns	59		
	2-17 Collective knowledge of the highest governance body	48-51		
	2-18 Evaluation of the performance of the highest governance body		Not applicable	
	2-19 Remuneration policies	49		
	2-20 Process to determine remuneration	49		
	2-21 Annual total compensation ratio	NA		
	2-22 Statement on sustainable development strategy	7		
	2-23 Policy commitments	58-59 104		
	2-24 Embedding policy commitments	Throughout the report		
	2-25 Processes to remediate negative impacts	59		
	2-26 Mechanisms for seeking advice and raising concerns	29-31		
	2-27 Compliance with laws and regulations	58-59		
	2-28 Membership associations	85 115-116		
	2-29 Approach to stakeholder engagement	29-31		
2-30 Collective bargaining agreements		Not applicable		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Page Number	OMISSION	
			REASON	EXPLANATION
<b>Material Topics</b>				
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	31-32	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.	
	3-2 List of material topics	33-35		
<b>Economic Performance</b>				
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	23		
	201-2 Financial implications and other risks and opportunities due to climate change	52-57		
	201-3 Defined benefit plan obligations and other retirement plans		Not applicable	
	201-4 Financial assistance received from government		Not applicable	
<b>Market Presence</b>				
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage			
	202-2 Proportion of senior management hired from the local community	2% of senior management are hired from the local community		
<b>Indirect Economic Impacts</b>				
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	64-67		
	203-2 Significant indirect economic impacts	112-117 87-88		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Page Number	OMISSION	
			REASON	EXPLANA- TION
<b>Procurement Practices</b>				
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	103		
	2-16 Communication of critical concerns		Not applicable	
<b>Anti-corruption</b>				
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	104		
	205-2 Communication and training about anti-corruption policies and procedures		Not applicable	
	205-3 Confirmed incidents of corruption and actions taken		Not applicable	
<b>Anti-competitive Behavior</b>				
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Not applicable	
<b>Tax</b>				
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax		Confidential	
	207-2 Tax governance, control, and risk management		Confidential	
	207-3 Stakeholder engagement and management of concerns related to tax		Confidential	
	207-4 Country-by-country reporting		Confidential	
<b>Materials</b>				
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume		Not applicable	
	301-2 Recycled input materials used		Not applicable	
	301-3 Reclaimed products and their packaging materials		Not applicable	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Page Number	OMISSION	
			REASON	EXPLANA- TION
<b>Energy</b>				
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization		Information incomplete	
	302-2 Energy consumption outside of the organization		Information incomplete	
	302-3 Energy intensity		Information incomplete	
	302-4 Reduction of energy consumption		Information incomplete	
	302-5 Reductions in energy requirements of products and services		Information incomplete	
<b>Water and Effluents</b>				
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource		Not applicable	
	303-2 Management of water discharge-related impacts		Not applicable	
	303-3 Water withdrawal		Not applicable	
	303-4 Water discharge		Not applicable	
	303-5 Water consumption		107	
<b>Biodiversity</b>				
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Not applicable	
	304-2 Significant impacts of activities, products and services on biodiversity		Not applicable	
	304-3 Habitats protected or restored		Not applicable	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Not applicable	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Page Number	OMISSION	
			REASON	EXPLANA- TION
<b>Emissions</b>				
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	106, 107		
	305-2 Energy indirect (Scope 2) GHG emissions	106,107		
	305-3 Other indirect (Scope 3) GHG emissions	106,107		
	305-4 GHG emissions intensity		Information Unavailable	
	305-5 Reduction of GHG emissions	108,109		
	305-6 Emissions of ozone-depleting substances (ODS)		Information Unavailable	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Information Unavailable	
<b>Waste</b>				
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	122		
	306-2 Management of significant waste-related impacts	108,109		
	306-3 Waste generated	122		
	306-4 Waste diverted from disposal		Information Unavailable	
	306-5 Waste directed to disposal		Information Unavailable	
<b>Supplier Environmental Assessment</b>				
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	104		
	308-2 Negative environmental impacts in the supply chain and actions taken		Not applicable	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Page Number	OMISSION	
			REASON	EXPLANA- TION
<b>Employment</b>				
<b>GRI 401: Employ- ment 2016</b>	401-1 New employee hires and employee turnover	94, 95, 124		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Not applicable	
	401-3 Parental leave	96		
<b>Labor/Management Relations</b>				
<b>GRI 402: Labor/ Management Rela- tions 2016</b>	402-1 Minimum notice periods regarding operational changes	4 weeks		
<b>Occupational Health and Safety</b>				
<b>GRI 403: Occupa- tional Health and Safety 2018</b>	403-1 Occupational health and safety management system	aiBank has an occupational health and safety management system		
	403-2 Hazard identification, risk assessment, and incident investigation		Not applicable	
	403-3 Occupational health services	aiBank has occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety	99		
	403-5 Worker training on occupational health and safety	99		
	403-6 Promotion of worker health	99		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	99		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Page Number	OMISSION	
			REASON	EXPLANA- TION
Occupational Health and Safety				
<b>GRI 403: Occupa- tional Health and Safety 2018</b>	403-8 Workers covered by an occupational health and safety management system	All Workers		
	403-9 Work-related injuries	Zero		
	403-10 Work-related ill health	Zero		
Training and Education				
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	96		
	404-2 Programs for upgrading employee skills and transition assistance programs	96-98		
	404-3 Percentage of employees receiving regular performance and career development reviews		Information Incomplete	
Diversity and Equal Opportunity				
<b>GRI 405: Diversity and Equal Opportu- nity 2016</b>	405-1 Diversity of governance bodies and employees	44, 93-95		
	405-2 Ratio of basic salary and remuneration of women to men		Confidential	
Non-discrimination				
<b>GRI 406: Non-dis- crimination 2016</b>	406-1 Incidents of discrimi- nation and corrective actions taken	0		
Freedom of Association and Collective Bargaining				
<b>GRI 407: Freedom of Association and Collective Bargain- ing 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Not Applicable	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Page Number	OMISSION	
			REASON	EXPLANATION
Child Labor				
<b>GRI 408: Child La- bor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor		Not Applicable	
Forced or Compulsory Labor				
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		Not Applicable	
Security Practices				
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights poli- cies or procedures	98		
Rights of Indigenous Peoples				
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples		Not Applicable	
Local Communities				
<b>GRI 413: Local Com- munities 2016</b>	413-1 Operations with local community engagement, im- pact assessments, and devel- opment programs	112-117		
	413-2 Operations with sig- nificant actual and potential negative impacts on local communities		Not Applicable	
Supplier Social Assessment				
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	103-105		
	414-2 Negative social impacts in the supply chain and actions taken		Not Applicable	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Page Number	OMISSION	
			REASON	EXPLANATION
Public Policy				
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions		Legal Prohibitions	
Customer Health and Safety				
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories		Not Applicable	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Not Applicable	
Marketing and Labeling				
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling		Not Applicable	
	417-2 Incidents of non-compliance concerning product and service information and labeling		Not Applicable	
	417-3 Incidents of non-compliance concerning marketing communications		Not Applicable	
Customer Privacy				
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		Information Incomplete	

## Integrated Reporting Principles Index

IR Content Elements	Page Number
An Organizational overview and external environment	12-13
B Governance	49-59
C Business model	36-41
D Risks and opportunities	52-57 /88
E Strategy and resource allocation	26-28
F Performance	23
G Outlook	7 74 81
H Basis of preparation and presentation	About the report

IR Guiding Principles	Page Number
A Strategic focus and future orientation	36-41
B Connectivity of information	36-41
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E Conciseness	About the report
F Reliability and completeness	About the report
G Consistency and comparability	About the report

## List of Abbreviations

Term	Definition
ACUD	Administrative Capital for Urban Development
AML	Anti-Money Laundering
ATM	Automated Teller Machine
bn	Billion
BoD	Board Of Directors
CBE	Central Bank of Egypt
CD	Certificate of Deposit
CDD	Customer Due Diligence
CEO	Chief Executive Officer
CFT	Counter-Financing of Terrorism
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
DNA	Deoxyribonucleic Acid
E&S	Environmental and Social
EGP	Egyptian Pound
ERP	Enterprise Resource Planning System
ESG	Environmental, Social, and Governance
ESMS	Environmental and Social Management System
FC	Financial Capital
FI	Financial Inclusion
FX	Foreign Exchange
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HC	Human Capital
HR	Human Resources
HVAC	Heating, Ventilation, and Air Conditioning
IC	Intellectual Capital
IMF	International Monetary Fund
IR	Integrated Reporting
KPI	Key Performance Indicator

Term	Definition
KYC	Know Your Customer
LDR	Loan-to-Deposit Ratio
LED	Light-Emitting Diode
LEED	Leadership in Energy and Environmental Design
LOS	Loan Origination System
m3	Cubic Meter
MC	Manufacturing Capital
mn	Million
mtCO2e	Metric Tons of Carbon Dioxide Equivalent
MTL	Medium-Term Loan
NC	Natural Capital
NGO	Non-Governmental Organization
NIM	Net Interest Margin
RM	Relationship Manager
ROA	Return on Assets
ROE	Return on Equity
RPA	Robotic Process Automation
SAR	Suspicious Activity Report
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goal
SLA	Service Level Agreement
SMEs	Small and Medium Enterprises
SQ	Service Quality
SRC	Social Relationship Capital
STR	Suspicious Transaction Report
TAT	Turnaround Time
UAT	User Acceptance Testing
USD	United States Dollar
UV	Ultraviolet
YOY	Year-on-Year

## Independent Limited Assurance Statement

### To the Board of Directors Arab Investment Bank

DCarbon is a leading sustainability and environmental consultancy based in Egypt and registered under Egyptian law no. 159 for the year 1981 and its executive regulation. DCarbon assists public and private organizations understand and address their economic, environmental, and social impact. DCarbon is a member and partner with multiple global establishments in corporate sustainability. It is a certified training partner of the Global Reporting Initiative (GRI), a GRI Gold Community member, and an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD), and the IFRS latest Sustainability Disclosures (IFRS-S1/S2).

DCarbon was engaged by the Arab Investment Bank (aiBank or the Bank) to perform a limited independent assurance on its 2023 Sustainability Reporting Principles and Disclosures ('the Report') following the Global Reporting Initiative (GRI) 2021 reporting principles, content elements, disclosures, materiality, and sector-specific key performance indicators.

#### Assurance Scope and Boundaries

For this report, which marks aiBank's one-year reporting cycle, the scope of assessment and assurance focused on 1) materiality, 2) reporting principles, 3) quality of the reported indicators, 4) report structure, 5) sufficient evidence of involvement of top management, 7) alignment to aiBank Business Strategy.

The scope of assurance has covered data and information for operations in Egypt from January 1, 2023, to December 31, 2023, demonstrating our commitment to comprehensive reporting and transparency, as per the GRI Standards 2021.

#### Sector-Specific Assurance Scope and Boundaries

The report's scope included alignment with the United Nations Sustainable Development Goals (SDGs) and Egypt Vision 2030, which aiBank has presented in this report. It also presented an outlook on externalities and stakeholder engagements' outcomes and considered national priorities.

Through investigative engagement with the Bank, DCarbon concluded the necessary evidence of the credibility and consistency of the ESG governance mandate and the integration of ESG into core business activities, as presented through the data presented in the report.

#### Materiality

The assurance considered the GRI 2021 for all disclosures and materiality processes. The assessment of impacts and identification of topics has undertaken a rigorous internal exercise, with internal rating of all topics based on stakeholders concerns and needs.

#### Data Assurance

Considering the scope of assurance, our limited assurance boundaries focused, within the availability or limitations of data provided, on the following:

- Availability, affordability, and quality of disclosures over the reporting period.
- Connectivity of the business activities and the proper focus on material issues.
- Completeness and conciseness of data through verification of Stakeholders Engagement Plan and Implementation.
- Reliability of information through engagement with the Bank's representatives.
- Alignment of material issues to internal/external risks.
- Sound analysis of the Materiality Identification process, including stakeholders' inclusiveness.
- Review of disclosures on the various topics represented through quantitative and qualitative indicators to ensure both future comparability and context.

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#### The assurance scope did not cover:

- Data and information outside the reporting period indicating looking-forward statements.
- Verification statements indicating testimonials, opinions, success stories, and / or aspirations.
- Verification of claims (limited to data and information presented)

#### Assurance Provider's Role

The Assurance Plan for this reporting cycle included all assurance duties as described in the "Assurance Scope and Boundaries, Sector Specific Assurance Scope and Boundaries, Materiality, and Data Assurance" of this document.

We have ensured that the report narrative and data provided represented an adequate view to stakeholders to support the decision-making process through the completeness and connectivity of non-financial data.

Our limited assurance engagement included inquiries to aiBank's professionals who were delegated and involved in preparing reported data. It also included applying analytical procedures to evidence supporting the issuance of assurance conclusions on the report content. DCarbon's Senior analysts, Mr. Mohamed Sherif, and Ms. Marie Hanna, provided support in the verification process and data mining.

#### Responsibilities of the Management

aiBank's management was responsible for the preparation and fair presentation of the selected information included in this report, in alignment/accordance with the various Standards indicated in the Assurance Scopes and Boundaries. It was responsible to assert that the internal controls enabled the preparation of narrative and information, free from material misstatement. Through our engagement with the Bank, we have observed that the leadership and management that governed the release of this report have actively proven their periodical oversight of the process.

#### Conclusion

We have reviewed the Sustainability Report of Arab Investment Bank for its operation in Egypt. Considering the risk of material error, we received all necessary explanations from the Bank to support sufficient evidence to our assurance conclusion. Based on the activities performed and evidence received, in our opinion, Arab Investment Bank has complied the report, in all material respects, with the GRI Standards and its Principles for sustainability reporting

DR. 

**Ehab Shalaby, Ph.D.**  
**Chairman & CEO**





بنك الاستثمار العربي  
ARAB INVESTMENT BANK

This document ("the Report") serves as aiBANK's First Sustainability Report, prepared in accordance with the 2021 New Global Reporting Initiative (GRI) guidelines. The Report encompasses the period from January 1, 2023, to December 31, 2023, unless otherwise stated. To provide a more comprehensive understanding, data that falls outside the primary scope of the Report may be included, particularly if it offers pertinent context to activities within the reporting period.



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