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Independent Assurance Report

On Extent of Compliance with Corporate Governance Regulations

Attn. Messrs. Abu Dhabi Islamic Bank - Egypt "S.A.E."

Attn. Messrs. Financial Regulatory Authority (FRA)

Introduction:

We have tested the Governance Report prepared by the Management of Abu Dhabi Islamic Bank - Egypt "S.A.E." (ADIB) for the financial year ended 31 December 2024.

Management's Responsibility

The ADIB Management is responsible for preparation and presentation of its Governance Report according to the regulations issued by the Financial Regulatory Authority (FRA) and the Egyptian Corporate Governance Code issued by the Egyptian Institute of Directors, and the related laws and decrees, as stipulated in the first paragraph of the Governance Report. The Management's responsibility extends also to defining the non-compliance points and the justifications thereof.

Independent Auditor's Responsibility

Our responsibility is limited to testing the information stated in the Governance Report and providing a conclusion in light of the tests conducted. We have tested the Governance Report according to the Egyptian Standard for Assurance Tasks no. (3000) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This Standard requires compliance with the Professional Ethics including the Principle of Independency, as well as planning and performing our assurance process to get an Assurance that the Governance Report is free from any material misstatements.

The testing procedures mainly include obtaining evidences through observation and inquiries addressed to the officials in charge of preparing the Governance Report, as well as examining documents when appropriate.

We believe that the evidences we have obtained is sufficient and appropriate to provide a basis for our conclusion.

This report has been prepared for submission to the (FRA) based on the mandate of the ADIB Management, and not for any other purpose. Therefore, it should not be used for any purpose other than that for which it was prepared.

Conclusion

The Corporate Governance Report referred to above, expresses fairly and clearly in all its material aspects the extent of the bank's compliance with the Corporate Governance Rules during the financial year ended 31 December 2024 based on the regulations issued by the (FRA) and the Egyptian Corporate Governance Code issued by the Egyptian Institute of Directors, and the related laws and decrees.

Cairo, 6 February 2025

Auditor

Hoda Mostafa Shawki
Forvis Mazars Mostafa Shawki



Abu Dhabi Islamic Bank – Egypt

Corporate Governance Annual Report for listed companies

Corporate Governance Report Year 2024

Abu Dhabi Islamic Bank - Egypt

Abu Dhabi Islamic Bank - Egypt is considered one of the leading banks in the Egyptian banking market. It was established in 1980, and were listed on the Egyptian Stock Exchange in June 1996.

Given that adherence to governance practices has become crucial for the development of financial markets and the protection of investors, it has also become a fundamental factor relied upon by investors and donors when making investment and financing decisions.

Therefore, the Abu Dhabi Islamic Bank – Egypt recognizes the importance of applying principles and standards of sound governance. This involves adhering to professional and ethical standards in all transactions, as well as accurate and timely disclosure of information. The bank is committed to providing accurate and up-to-date information to shareholders in line with governance principles, legislative and regulatory requirements. This contributes to deepening and developing the institutional efficiency, enhancing the trust of shareholders and all other stakeholders in the bank's performance and the banking sector as a whole.

Company Name Abu Dhabi Islamic Bank -Egypt

General Information:

| | | | |
|---|----------------------------|---|---------------------------|
| Company Purpose: Providing all Banking activities compatible with Islamic Sharia principles. | | | |
| Duration of the company | 25 years | Listing date | 19-6-1996 |
| The law | No: 43 Year: 1974 | Stock nominal value | 10 EGP |
| Authorized capital | 10 billion Egyptian pounds | Issued Capital | 6 billion Egyptian pounds |
| Paid-in Capital | 6 billion Egyptian pounds | Commercial registry number & registration date | 205364 in 4/8/1980 |

Investor relations:

| | | | |
|-----------------------------------|--|----------------|--|
| Investor relations officer | Mahmoud Mohamed Hussein El Semeen Rasha Elsayed Ibrahim elhefnawey | | |
| Head Office address | 9 Al-Mostashar Mohamed Fahmy Al-Sayed Street (Rostom), | | |
| Telephone no. | 02-27986370-01021114893 02-27983468-01017033343 | Fax No. | |
| Website | www.adib.eg | | |
| E-mail | ADIB.EG_investors.Relation@adib.eg | | |

General Assembly of the Bank

The General Assembly of the Bank is considered the supreme authority, representing all shareholders of the bank. They possess all powers as capital owners, and the law stipulates a legal quorum for its validity, which cannot be less than a certain threshold. Each shareholder has the right to attend the General Assembly of the Bank and vote on its resolutions.

The General Assembly comprises all shareholders, each according to their proportion of capital contribution. The assembly is managed in a manner that allows all shareholders to access the agenda, which includes all presented topics for expressing their opinions, whether to accept or adopt them. They have the freedom to express their views entirely, and all of this is documented in the minutes of the General Assembly meeting and a ledger that records all discussions and decisions during the meeting.

In 2024, shareholders were invited to attend the ordinary and extraordinary General Assembly meeting on March 21, 2024, following all pre-legal procedures and instructions from regulatory authorities. The meeting was notified in advance, and shareholders were informed through mail invitations. Additionally, invitations were sent to the Financial Regulatory Authority, the General Authority for Investment and Free Zones, the Egyptian Stock Exchange, and the Central Bank of Egypt. The invitation was also published on the trading screens of the Egyptian Stock Exchange. This was done through the following steps:

- Publishing the first and second notifications inviting shareholders in two widely circulated official newspapers.
- Distributing the agenda and related memoranda to the shareholders.
- Sending the invitation and its attachments to Financial Regulatory Authority & the Egyptian Stock Exchange & Misr of Central Clearing, Depository and Registry & the General Authority for Investment and Free Zones, the Central Bank of Egypt, and the bank's External auditors, in compliance with the provisions of Article 44 of the Abu Dhabi Islamic Bank - Egypt's bylaws.

Key decisions made during the General Assembly meeting held in 2024 include:

- Approval of the auditors' report on the financial statements and closing accounts for the fiscal year ending on 31/12/2023.
- Informing the General Assembly of the Sharia Advisory and Supervision Board's report on the bank's activities for the fiscal year ending on 31/12/2023.
- Approval of the Board of Directors' report on the bank's business results for the fiscal year ending on 31/12/2023, as well as the governance report and the auditor's report commenting on it.
- Approval of the budget, income statement, and other financial statements for the fiscal year ending on 31/12/2023.
- Discharge of the members of the Board of Directors and absolution of their responsibility for all activities during the fiscal year ending on 31/12/2023.
- Approval of the changes in the composition of the Board of Directors during 2023 up to the date of the Ordinary General Assembly meeting on March 21, 2024, and approval to authorize the Board members to engage in any technical or administrative work in any other joint-stock company, in accordance with the laws and decisions issued in this regard.
- Determining the attendance and travel allowances for the Board members for meetings of the Board and its subcommittees, for the fiscal year ending on 12/31/2024.
- Appointment of the auditors and determination of their fees for the fiscal year ending on 12/31/2024.
- Approval of the disbursement of amounts spent in the form of donations during the year 2023, totaling EGP 13,457,582 (Thirteen million, four hundred fifty-seven thousand, five hundred eighty-two Egyptian pounds), with authorization for the bank's Board of Directors to allocate an amount of EGP 30 million in donations for social purposes that align with the principles of Islamic Sharia, through the Abu Dhabi Islamic Bank - Egypt Foundation, under the supervision and oversight of the bank's Shariah Board during the fiscal year ending on 12/31/2024.
- Approval of an increase in the bank's issued and paid-up capital through a free increase from EGP 5 billion to EGP 6 billion, an increase of EGP 1 billion, distributed over 100 million shares with a nominal value of EGP 10 per share. This increase will be financed through a distribution of bonus shares funded from the net profits of 2023, at a rate of 0.2 shares for each original share of the bank's stock before the increase. The CEO and Managing Director, or those they designate, are authorized to take all necessary actions and sign the amendment contract, as well as make any amendments required by the Financial Regulatory Authority, the General Authority for Investment and Free Zones, or any other administrative body.
- Approval of distributing a share of the net profits earned in 2023 to the employees and the Board of Directors of the bank, according to the rules set by the Board of Directors, and in accordance with the distribution criteria and percentages outlined in Article 52 of the bank's Articles of Association.

Shareholders were invited in 2024 to attend the bank's Ordinary General Assembly meeting, which was held on December 12, 2024, after following all necessary legal procedures for valid convening. Approval was granted by those entitled to vote on the matter presented, to approve the decision issued by the Board of Directors of the bank in its meeting No. "5" held on November 7, 2024, to approve the acquisition of supportive financing from the main shareholder, Abu Dhabi Islamic Bank – UAE, in the amount of "Sixty-six million nine hundred twenty-five thousand US dollars" to support the bank's growth and expansion plan. This financing is to be provided for a period of 7 years at a pricing rate of (3% SOFR rate +).

The Extraordinary General Assembly:

Extraordinary The General Assembly is responsible for reviewing and making decisions on matters that fall outside the scope of the Ordinary General Assembly, as specified by law. The Extraordinary General Assembly differs from the Ordinary General Assembly in terms of the legal authority to consider specific matters and issue decisions on them, as well as the legal quorum required for attendance and the voting percentage on the presented topics. However, the other provisions and regulations apply equally to both assemblies.

In 2024, a meeting of the Extraordinary General Assembly was called on March 21, 2024, following the same legal procedures mentioned above, to review and approve the following:

- Increasing the bank's authorized capital from EGP 7 billion to EGP 10 billion, an increase of EGP 3 billion, with authorization for the CEO and Managing Director, or those they designate, to take all necessary actions, sign the amendment contract, and make any modifications deemed necessary by the Financial Regulatory Authority, the General Authority for Investment and Free Zones, or any other administrative body.
- Amendment of Articles "6 and 7" of the Articles of Association of Abu Dhabi Islamic Bank – Egypt, according to the resolutions of the Ordinary General Assembly and the Extraordinary General Assembly meetings held on March 21, 2024. This includes increasing the bank's authorized capital from EGP 7 billion to EGP 10 billion, an increase of EGP 3 billion, as well as increasing the issued and paid-up capital by a free increase from EGP 5 billion to EGP 6 billion, an increase of EGP 1 billion, distributed over 100 million shares with a nominal value of EGP 10 per share. This increase will be financed through the distribution of bonus shares from the net profits of the year, at a rate of 0.2 shares for each original share of the bank before the increase. The amendment is subject to approval by the Central Bank of Egypt, and the CEO and Managing Director, or those they designate, are authorized to take all necessary legal actions to approve the amendment with the General Authority for Investment and Free Zones and the relevant administrative authorities. They are also authorized to make any amendments suggested by these authorities in accordance with the applicable laws and regulations, without the need for further presentation to the Extraordinary General Assembly.

The amendments are as follow:

*Article 6 before the amendment: *

The bank's authorized capital was set at EGP 7 billion, and the bank's issued and fully paid-up capital was set at EGP 5 billion, distributed over 500 million shares, with each share having a nominal value of EGP 10 (ten Egyptian pounds), all of which are nominal shares.

*Article 6 after the amendment: *

The bank's authorized capital is set at EGP 10 billion (ten billion Egyptian pounds), and the bank's issued and fully paid-up capital is set at EGP 6 billion (six billion Egyptian pounds), distributed over 600 million shares (six hundred million shares), with each share having a nominal value of EGP 10 (ten Egyptian pounds), all of which are nominal shares.

*Article 7 before the amendment: *

The bank's capital consists of 500 million nominal shares, and the capital was subscribed to as follows: -

| No. | Name | Nationality | No. Of Shares | Nominal Value | Currency |
|-----|---|-------------|---------------|---------------|----------------|
| 1 | Abu Dhabi Islamic Bank (Public Joint Stock Company) | Emirati | 2,630,681,340 | 263,068,134 | Egyptian Pound |
| 2 | Emirates International Investment Company L.L.C | Emirati | 701,593,950 | 70,159,395 | Egyptian Pound |
| 3 | Respond Investment L.L.C Sole Proprietorship L.L.C | Emirati | 380,317,920 | 38,031,792 | Egyptian Pound |
| 4 | Other Shareholders | Emirati | 1,287,406,790 | 128,740,679 | Egyptian Pound |
| | Total | Emirati | 5,000,000,000 | 500,000,000 | Egyptian Pound |

The Shareholders have fully paid the nominal value of the issued capital shares as recorded in the commercial register. Additionally, an amount of EGP 1 billion, representing 100% of the capital increase, has been paid according to the bank certificate issued by Abu Dhabi Islamic Bank – Egypt, dated 14/02/2023.

*Article 7 after the amendment: *

The bank's authorized capital is set at EGP 10 billion (ten billion Egyptian pounds), and the bank's issued and fully paid-up capital is set at EGP 6 billion (six billion Egyptian pounds), distributed over 600 million shares (six hundred million shares), with each share having a nominal value of EGP 10 (ten Egyptian pounds), all of which are nominal shares.

| No. | Name | Nationality | No. Of Shares | Nominal Value | Contribution Share | Currency |
|-----|---|-------------|---------------|---------------|--------------------|----------------|
| 1 | Abu Dhabi Islamic Bank (Public Joint Stock Company) | Emirati | 319,225,034 | 3,192,250,340 | 53.20% | Egyptian Pound |
| 2 | Emirates International Investment Company L.L.C | Emirati | 80,648,000 | 806,480,000 | 13.44% | Egyptian Pound |
| 3 | Respond Investment L.L.C Sole Proprietorship L.L.C | Emirati | 31,167,205 | 311,672,050 | 5.20% | Egyptian Pound |
| 4 | Other Shareholders | Emirati | 168,959,761 | 1,689,597,610 | 28.16% | Egyptian Pound |
| | Total | Emirati | 600,000,000 | 6,000,000,000 | 100% | Egyptian Pound |

The Egyptian participation rate is 17.46% as of 31/12/2023. The entire issued capital before the increase has been paid, as recorded in the commercial register. The increase amounts to EGP 1 billion, distributed over 100 million shares, financed from the net profits of the year according to the financial statements as of 31/12/2023, at a rate of 0.2 shares for each original share of the bank before the increase, as per the report from the Economic Performance Sector of the General Authority for Investment and Free Zones. The total paid-up issued capital now amounts to EGP 6 billion.

Shareholders structure:

| Shareholders Structure | | |
|--|-----------------------|---------------|
| Shareholder of 5% and above | | |
| Name | Current position | |
| | Shares | % |
| Abu Dhabi Islamic Bank is a public joint stock company | 319,225,034.00 | 53.2% |
| Emirates International Investment Company L.L.C, | 80,648,000 | 13.44% |
| RESPOND INVESTMENT LLC SOLE PROPRIETORSHIP L.L.C | 30,007,205 | 5.00% |
| Total | 429,880,239.00 | 71.65% |

Board of Directors:

The Board of Directors of Abu Dhabi Islamic Bank consists of qualified members eligible for board membership, ensuring diversity in skills, experiences, and knowledge. They possess a comprehensive understanding of the responsibilities of the board and the committees they participate in. Consideration has been given to having a board member representing the minority shareholders, and the board composition includes female representation to comply with directives for gender diversity.

Balancing executive and non-executive members in the board composition has been considered, with the majority of board members being non-executive. This ensures the board's ability to oversee the executive management.

The Board of Directors performs various tasks to maximize the institution's value and achieve the interests of shareholders while considering the rights of customers and other stakeholders. Some of these tasks include:

- ### Board of Directors Composition:

Note:

- Chairman:**

Ensuring the board's commitment to accomplishing its tasks in a way that serves the bank's best interests, while avoiding conflicts of interest.

Formation of committees:

| Name | Name of the committee | | | | Executive/ Non-Executive/ Independent | Joining Date |
|------------------|-----------------------|-------------------|---------------------------|---|---|-----------------|
| | Audit Committee | Risk Committee | Remuneration Committee | Governance and Nominations Committee | | |
| Khalifa Almheiri | member | president | member | | Non-Executive | 20-3-2018 |
| Mohamed Aly | | member | | | Executive | 20-3-2018 |
| Joseph Iskander | member | | president | member | Non-Executive | 2-5-2020 |
| Bassam El Hage | president | member | member | member | Non-Executive | 7-7-2020 |
| Heidi Kamal | | | | | Executive | 22-3-2017 |
| Rania Al Mashaat | | | | | Independent | 31-7-2023 |
| Saa'd Dawood | member | | | president | Independent | 12-5-2023 |

Attendance during the Year for Board and Committees:

| Name | Board of Directors | Audit Committee | Risk Committee | Governance and Nominations Committee | Remuneration Committee |
|-----------------------------|--------------------|-----------------|----------------|--------------------------------------|------------------------|
| Khalifa Almheiri | 6/6 | 4/4 | 4/4 | 2/2 | 3/3 |
| Mohamed Aly | 6/6 | | 4/4 | | |
| Joseph Iskander | 6/6 | 4/4 | 4/4 | 2/2 | 3/3 |
| Bassam El Hage | 6/6 | 4/4 | 4/4 | 2/2 | 3/3 |
| Heidi Kamal | 6/6 | | 4/4 | | |
| Saa'd Ibrahim Dawood Ariqat | 6/3 | 4/2 | 4/1 | 2/1 | |
| Rania Al Mashaat | 6/6 | | | | |

Note:

- All meetings in 2024 were conducted through physical attendance, in accordance with the decisions of the Central Bank and the Financial Regulatory Authority.
- Mr. Saa'd Ibrahim Dawood Ariqat was added to the CBE records as an independent board member on May 12, 2024.

Audit Committee:

The Audit Committee has executed the assigned tasks in accordance with its approved charter. It fulfilled its supervisory responsibilities with a focus on financial reports, the internal control system unit within the bank, internal audit operations, the performance evaluation of auditors, and the bank's compliance with regulations, laws, and the professional code of conduct.

The committee consists of non-executive members, with the permanent attendance of the heads of Compliance and Internal Audit departments in the bank as invited members, in addition to the presence of the auditors. The latest formation of the committee is as follows:

| Name | Title in Audit committee |
|--|--|
| Mr. Bassam Hagge | Non-executive board member and Chairman committee |
| Mr. Joseph Iskandar | Non-executive board member and committee member |
| Mr. Saa'd Ibrahim Dawood Ariqat | Non-executive board member and committee member |

The Audit Committee held four meetings during the year 2024. The following are the key decisions and recommendations:

1. Recommendation to approve the annual report on the bank's activities in the field of anti-money laundering and counter-terrorism financing, and the annual report on customer rights protection for the year ending December 2023, and submit them to the Board of Directors.
2. Approval of the Compliance Department's plan for reviewing branches, departments, and subsidiaries, and the training plan for 2024.
3. Recommendation to approve the annual report of the Audit Committee's activities for 2023 and present it to the Board of Directors for approval at the next meeting.
4. Recommendation to approve the ICOFR report and present it to the Board of Directors for approval at the next meeting.
5. Recommendation to approve the renewal of the appointment of PricewaterhouseCoopers (PwC) and Mazars as the bank's auditors for 2024 and submit it to the Board of Directors for approval.
6. Commitment of the Internal Audit Department to comply with the internal auditing standards issued by the Institute of Internal Auditors before the end of 2024.
7. Approval of the Internal Shariah Audit Charter.
8. Approval of the Internal Audit Department's review plan for 2025.
9. Approval of the Internal Audit Management Charter.

Risk Committee:

The Risk Committee consists of executive and non-executive members of the board, with the Head of Risk Management attending its meetings as the committee secretary. Members of the Board who are not part of the committee may be invited to attend some of its meetings due to the importance of the matters presented and discussed in the meetings. The latest approved composition includes the following members:

| Name | Title in Risk Committee |
|-----------------------|--|
| Mr. Khalifa Almeheiri | Non-executive board member and Chairman of the Committee |
| Mr Mohamed Aly | CEO, Managing Director and Committee Member |
| Mr. Bassam Hagge | Non-executive board member and committee member |

The Risk Committee carries out its tasks in accordance with the Egyptian Central Bank Law, the governance rules issued by the Egyptian Central Bank, and its charter. The committee's main tasks include:

Monitoring the functions of the bank's risk management, ensuring compliance with the strategies and policies through reports from the risk management department. The committee regularly submits reports to the board.

- Providing opinions on reports regarding the classification of the bank's financing and credit facilities for customers, proposing allocations, and evaluating contributions to the capital of companies, presenting them to the board.

Proposing strategies and policies for the bank's risk management, including capital, liquidity, credit, market, operational, compliance, reputation risks, and any other risks. The board approves and endorses them after making necessary modifications.

The committee met four times in 2024, discussing detailed reports on credit, market, and operational risks.

The key recommendations were:

■ The committee was informed of the current position of Abu Dhabi Islamic Bank regarding these risks and classified them according to the potential risk level. The bank's view on most of the risks is that they are medium risks, with some ranging between medium to high risks, due to the current global and local economic challenges. The credit risk for large and medium-sized companies, as well as the retail banking sector, was maintained at a medium/high-risk level, while market risks and sovereign country risks were changed from medium/high risks to medium risks only.

■ The portfolio of non-performing assets (Non-Performing Assets) was presented, as well as the facilities for debt write-offs (Proposed Write-Off). The committee approved the above, and it will be ratified by the Board of Directors.

■ The Head of the Shariah Department presented an overview of the Shariah governance framework, and it was agreed and approved to appoint Shariah risk officers within the risk sector to perform the tasks outlined by the Central Bank of the UAE under the supervision of the Shariah sector.

■ The "ALCO Charter" for 2024 , along with the work framework and structure, was presented and approved by the Board of Directors.

■ The update on the Market Risk, ALM & Trading Policies for 2024 was presented and approved by the Board of Directors.

■ To meet the Central Bank of the UAE's standards for Model Management ("MMS") and Model Management Guidelines ("MMG") that ensure the bank's models meet quality standards to appropriately support decision-making processes, Advanced Financial Solutions (AFS), an external consultancy firm dealing with the ADIB UAE headquarters, was commissioned to assist the bank in completing the gap analysis work plan to align with the ADIB UAE headquarters' requirements.

Governance and Nominations Committee:

This committee comprises three members, with the Head of Compliance and Governance Sector serving as the committee secretary. The latest approved composition includes:

| Name | Title in The Governance and Nominations Committee |
|--|---|
| Mr. Saa'd Ibrahim Dawood Ariqat | Non-executive board member and Chairman of the Committee |
| Mr. Bassam Hagge | Non-executive board member and committee member |
| Mr. Joseph Iskandar | Non-executive board member and committee member |

The Governance and Nominations Committee met twice during 2024, and the committee executes the following responsibilities and duties as outlined in its charter. Some of the key functions of the committee include:

Periodic assessment of the bank's governance system.

- Proposing suitable changes to governance policies approved by the board.
- Compiling a periodic report on the bank's governance as a whole.
- Reviewing the bank's annual report, particularly with regard to disclosure and other governance-related items.
- Studying observations from the Central Bank of Egypt inspection regarding the governance system and taking them into account.
- Recording, documenting, and monitoring performance evaluation reports of the board.
- Providing recommendations regarding the nomination of independent members and suggesting appointments, renewals, or removals of any board members.

Key decisions and recommendations of the Governance and Nominations Committee for the year 2024 include:

- Recommending approval of the annual governance report for 2023.
- Committee was acknowledged of the key changes in the governance and internal control instructions issued by the CBE in September 2024.
- Along with other items discussed in accordance with the committee meeting minutes.

Salaries and Remuneration Committee:

The Compensation and Rewards Committee consists of three non-executive members, with one individual from the Human Resources sector being assigned as the committee secretary. The latest approved composition includes the following members:

| Name | Title in The Salaries and Remuneration Committee |
|-----------------------|--|
| Mr. Joseph Iskandar | Non-executive board member and Chairman of the Committee |
| Mr. Khalifa Almeheiri | Non-executive board member and committee member |
| Mr. Bassam Hagge | Non-executive board member and committee member |

The Committee met three times during 2024 and is responsible for executing various tasks, including:

- Recommending to the Board allowances for attending board and committee meetings for the bank and its subsidiaries, as needed.
- Recommending to the Board the annual bonus pool when it exceeds the approved budget. If within the approved budget, the committee has the authority to approve the annual bonus pool and inform the Board.
- Analyzing the salary levels granted by the bank, comparing them with other banks, to ensure the bank's ability to attract the best talent.
- The committee ensures that no member of the executive or related management participates in determining their own allowances.

Key decisions made by the committee during the year include:

- Approval of the proposal from the Human Resources sector regarding the new salary structure, which was prepared in collaboration with Mercer.
- Approval of the proposal from the Human Resources sector regarding the distribution of profits for the year 2023.
- Approval of a portion of the profits as the share for the board members, to be distributed according to the number of meetings attended by each member during the year. This arrangement has been approved as a fixed and continuous practice until further notice.
- Approval of the Human Resources proposal regarding the annual salary increases for the year 2024.
- Approval of the change in the implementation for annual salary increases to March instead of April every year date.
- Approval of the proposal to provide an exceptional bonus for employees in August 2024 and December 2024.

The Shariah committee held four meetings during 2024, and the key decisions and recommendations made during these meetings include:

- Approval of the imposition of a fee for providing the withdrawal and deposit service within the branches .
- Approval of the committee member's amendments to the contracts of Abu Dhabi Islamic Microfinance Company (ADIMF).
- Shariah review of the financial statements for the year 2023 of Abu Dhabi Islamic Bank – Egypt.
Issuance of the Shariah certificate from the Shariah Supervisory Committee in Egypt for the fiscal year 2023.
- Approval of the internal Shariah governance framework for Abu Dhabi Islamic Bank – Egypt.
- Shariah review of a new financing idea involving offering customers profit-free financing.
Approval of the internal Shariah audit department's operational charter in Egypt, and the committee's acknowledgment of the status of Shariah auditing and the implementation of the committee's decision to separate it from internal auditing, in compliance with Shariah governance standards.
- Approval of the Shariah audit plan for 2024.
Review and presentation of the Shariah audit report No. 22/2023 issued by the internal Shariah audit group in the UAE as per the directive from the Shariah Supervisory Committee in decision No. 1/4/2023-1.
- Review and presentation of the Shariah audit report on the last quarter of 2023 in Egypt.
The Shariah report for reviewing the Khairat (charitable funds) accounts as part of the 2024 plan.
The Shariah audit report for the (Takka) product operations at Abu Dhabi Islamic Consumer Finance Company.
- Presentation of the (LME) Tawarruq product by Abu Dhabi Islamic Consumer Finance Company (Takka) via the application.
Presentation of the Ijarah services product by Abu Dhabi Islamic Consumer Finance Company (Takka) "in paper form."
Re-presentation of the contracts for Abu Dhabi Islamic Microfinance (ADI Micro Finance) as requested by Dr. Asid – the external advisor to the committee.
- Approval of the executive committee's decision to amend the profit on covered cards, along with the administration's response to the comments from a committee member.
Shariah approval of the Zakat calculator for customers on the bank's official website.
- Review and Shariah approval of the principle of offering cash gifts to customers when obtaining personal financing without collateral.
Re-presentation of the Tawarruq contracts for Takka, along with the committee member's comments.
Re-presentation of the Ijarah services product for Takka, along with the comments from Dr. Mohammed Abd El Hakim.
- Re-presentation of the contracts related to the request for profit-free financing for customers, with the committee member's comments.

Entity level Control:

Internal Control System

This system encompasses the mechanisms through which the continuous monitoring and review of all activities and operations of the bank are carried out by the Board of Directors, senior management, and all committees established within the bank, including all employees at various levels, considering them as integral parts of the bank's internal control system.

The Audit Committee discusses any specific events related to the risks of internal control raised by the Internal Audit and Risk Review Management. Moreover, it addresses significant events related to internal control management, operational risks, and important customer complaints.

The committee provides multiple recommendations and decisions to enhance internal control. The implementation of these recommendations is periodically monitored in coordination with the head of the audit department.

Internal Audit Management:

The purpose of the Internal Audit sector at Abu Dhabi Islamic Bank - Egypt is to provide independent, objective confirmations and advisory services designed to add value and improve the bank's operations. The mission of the Internal Audit and Risk Review Management is to enhance and safeguard the bank's value by providing objective, risk-based confirmations and new insights. The Internal Audit and Risk Review Management assist the bank in achieving its objectives by offering a practical and organized approach to evaluating and improving the effectiveness of governance, risk management, and control processes.

The head of the Internal Audit sector supervises internal auditing, with the sector reporting directly to the Audit Committee to ensure independence and neutrality. Below are the key tasks of the Internal Audit sector:

| Role | Scope | Permanent Internal audit or external audit. | Internal Or External Auditor | Reports Frequency |
|-------------------------|--|---|------------------------------|---|
| Internal Control | It works to provide the management with independent means to monitor and evaluate the internal control environment in the bank, with a particular focus on significant risks, including fraud risks. | Permanent Dept. | Internal Audit Department | <ul style="list-style-type: none"> Continuously through branch and department review reports Quarterly reports submitted to the audit committee |
| Financial safety | Providing the Board of Directors through the Audit Committee with means that provide reasonable assurances about the accuracy and credibility of the bank's financial data. Reviewing a sample of the financial data as well as the reports submitted to the central bank quarterly before the issuance of financial statements. | Permanent Dept. | Internal Audit Department | <ul style="list-style-type: none"> Quarterly reports submitted to the audit committee. |
| Special audits | Providing the management with independent means to study and review specific activities and conduct investigations as a result of violations or wrongful acts, whether internal or external. | Permanent Dept. | Internal Audit Department | <ul style="list-style-type: none"> Continuously through branch and department review reports. Quarterly reports submitted to the audit committee. |
| Cost Control | Identifying opportunities to reduce costs and presenting recommendations to the management for necessary actions. | Permanent Dept. | Internal Audit Department | <ul style="list-style-type: none"> Continuously through branch and department review reports. Quarterly reports submitted to the audit committee. |

Risk Management:

Risk management is an independent function that reports to the Risk Committee. The Risk Management is responsible for adopting policies and systems that define various factors directly or indirectly affecting the credit facilities provided to customers of Abu Dhabi Islamic Bank - Egypt. This includes determining the maximum acceptable risks and methods for dealing with them, with the approval of authorized parties for these risks. Policies and procedures for credit granting and monitoring are directed by the Credit Policies Committee (CPC).

Therefore, the management studies bank customers based on traditional credit criteria, which are an integral part of the credit policy in place. In this regard, the first step in this process is to identify and study the sectors operating in the Egyptian market to determine the targeted sectors and then select sectors with potential growth opportunities in the coming years. The second step involves studying non-targeted business sectors, and finally, identifying sectors that should not be dealt with.

The acceptable criteria at the individual customer level are determined by studying the number of companies operating in these sectors. This helps establish the basic criteria that must be met by customers and debtors.

The bank's Risk Management is responsible for identifying, measuring, monitoring, and controlling the bank's exposure to risks. Additionally, it evaluates the portfolio's strategy and prepares reports covering all types of risks at the bank level, whether at the group level or at the level of each portfolio or activity. This includes considering the degree/probability of interaction between different risks, such as the interaction between credit and market risks or between credit and operational risks, in line with the overall acceptable level of risks set by the Board of Directors.

Compliance and Governance Management:

The bank's compliance management is knowledgeable about the risks of compliance, which involve the potential exposure to financial losses or anything that may affect the bank's reputation. The purpose of compliance and governance management is to assist in strengthening and establishing governance principles, monitoring their implementation, and increasing their effectiveness.

Compliance and governance management reports to the Audit Committee to ensure its neutrality and provide it with more independence. The key tasks of compliance and governance management include:

- Ensuring the necessity of having a permanent and effective compliance function.
- Monitoring the availability of principles and essential elements that help develop and improve the bank's performance in line with the strategic objectives set by the Board of Directors.
- Monitoring the application of the principles of disclosure and transparency and the governance culture in all bank activities.
- Improving and developing the general framework and working principles of the bank through a code of professional conduct, defining its social responsibility towards employees and the community.
- Monitoring the implementation of the conflict of interest policy for all bank employees.
- Working on applying the principles of transparency, clarity, and fairness in dealing with all stakeholders.

External Auditors:

The bank appoints External auditors who meet the conditions stipulated in the law of practicing the profession of accounting and auditing, including competence, reputation, and sufficient experience. The General Assembly, based on the nomination of the Board of Directors and after the recommendation of the Audit Committee, appoints auditors. The decision to appoint them and determine their fees falls within the competence of the Ordinary General Assembly of the bank.

The bank follows the following procedure when appointing its auditors, ensuring their independence in performing their duties:

1. The Audit Committee discusses the curriculum vitae of independent auditors who meet the conditions stipulated in the law of practicing the profession of accounting and auditing. Two auditors are then nominated, and a proposal is submitted to the Board of Directors for approval.
2. The Board of Directors discusses the decision, and if approved, it is submitted to the Ordinary General Assembly for ratification.
3. The Ordinary General Assembly approves the appointment of auditors and determines their fees.

The Audit Committee discusses the auditors' findings, if any, as well as the management's response to these findings, and monitors the implementation of corrective actions if required. The Audit Committee also meets with the auditors or their representatives in the absence of the bank's management to discuss their report and the extent of their independence in performing their duties.

Transactions with Related Parties and Netting Contracts.

According to the latest Ordinary General Assembly of our bank, it did not include prior authorization to enter into netting contracts with subsidiaries and Associate companies during the fiscal year 2024.

Violations and judgments issued against the company during the year are detailed in the following table:

| Sr. | judgments, violations, and fines imposed on the company during the year 2024 | Disclosure |
|-----|---|---|
| 1 | There were no fines related to violations of the Capital Market Law, its executive regulations, or the listing rules during the year. | There are none. |
| 2 | There is a total of 66 lawsuits filed against the bank, including claims from customers and labor-related lawsuits, seeking a total amount of approximately 150.0 million Egyptian pounds. These claims cover various aspects such as compensation, leave balances, notice periods, and salary differentials. | There are 15 judgments against our bank with a total amount of approximately 1.850 million Egyptian Pounds (one million Eight hundred and fifty thousand pounds), including labor lawsuits and compensations. |
| 3 | No violations or fines related to the Egyptian Central Bank law and its executive regulations, or to governance rules, have been imposed during the year. | There are none. |

Investor Relations:

Investor Relations Management is an independent strategic management aimed at activating and strengthening relationships with current and prospective investors, providing the necessary disclosure and transparency to positively impact the trust of those dealing with the bank.

Key responsibilities of Investor Relations Management include:

- 1. Communication with Investors:**
 - Utilizing various communication tools such as the website.
 - Compiling a report from the Board of Directors presented to shareholders in the General Assembly.
- 2. Disclosure Report Preparation:**
 - Preparing the disclosure report and continuously updating and maintaining Investor Relations pages on the bank's website.
- 3. Introducing New Leadership:**
 - Introducing new members of the Board of Directors or senior management to the market.
- 4. Information Organization:**
 - Organizing information released by the bank in accordance with disclosure rules and regulations.
- 5. Engaging with Financial Analysts and Investors:**
 - Communicating with financial analysts and investors, providing necessary information.

Relationship with Shareholders:

The bank's Board of Directors establishes communication channels with shareholders to ensure effective dialogue and understand the perspectives of the bank's shareholders regarding the bank's strategies. The Board conducts meetings with both major and minor shareholders, including non-executive members, through the General Assembly. These meetings encourage active participation, allowing the Board to comprehend the opinions of shareholders on the bank's strategies.

Disclosure Tools:

- 1. Annual Report:**
 - The bank publishes excerpts from the Annual Report and financial statements for shareholders well before the General Assembly to provide ample time for study and discussion. This enables shareholders to discuss the bank's performance with

the Board during the meeting. Shareholders have the right to vote at the General Assembly either in person or by delegating another shareholder to vote on their behalf. A bilingual report is issued annually in Arabic and English, summarizing the Board's report, financial statements, and other relevant information for current and prospective shareholders and other stakeholders.

2. Board Report:

- The Board Report, accompanied by financial statements, is prepared and presented to the General Assembly and sent to regulatory authorities within the specified timelines in accordance with laws and regulatory instructions.

3. Disclosure Report:

- A quarterly disclosure report is prepared and submitted to the Egyptian Exchange and the Financial Regulatory Authority in accordance with listing and disclosure rules.

4. Website:

- The bank regularly updates its website in both Arabic and English, providing detailed information for shareholders on governance, financial data, and other essential disclosures. This includes information on the bank's licensed and issued capital as per the latest financial report. Decisions made during the Ordinary General Assembly are also published.
- The bank issues periodic internal newsletters, such as "ADINews," and press releases covering significant economic, environmental, and social achievements.

Effective communication and transparency through these disclosure tools aim to maintain a positive relationship with shareholders, ensuring their understanding and confidence in the bank's strategies and performance.

Year-End Achievements (2024):

The efforts exerted throughout the year 2024 have been recognized with several awards from international institutions. The following is a list of 38 awards received by Abu Dhabi Islamic Bank - Egypt during 2024:

1. **Most Sustainable Islamic Bank in Egypt 2024 - Egypt 2024**
 - *International Business Magazine*
2. **Best Islamic Bank in Egypt 2024 - Egypt 2024**
 - *International Business Magazine*
3. **Best Islamic Wealth Management Company in the Middle East and North Africa 2024**
 - *MEED*
4. **Best International Islamic Bank - Egypt 2024**
 - *Euromoney*
5. **Best Islamic Financial Institution - Egypt 2024**
 - *Global Finance*
6. **Islamic Bank of the Year Award – Egypt 2024**
 - *Global World Business Outlook*
7. **Best Shariah - Compliant Banking Solutions in Egypt 2024**
 - *Brands Review Magazine award*
8. **Best Treasury Services Bank - Egypt 2024**
 - *Brands Review Magazine award*
9. **Best Online Banking Services - Egypt 2024**
 - *Brands Review Magazine award*
10. **Best Treasury Services Bank – Egypt 2024**
 - *Global Business Magazine*
11. **Best Islamic Bank - Egypt 2024**
 - *Global Business Magazine*
12. **Best Social Responsibility Bank - Egypt 2024**
 - *Business Review International Magazine*
13. **Best Innovative Islamic Digital Bank - Egypt 2024**
 - *Business Review International Magazine*
14. **Best Islamic Bank for Sustainable - Egypt 2024**
 - *The Digital Banker*
15. **Best Multi-Use Developer - Egypt 2024**

- *Brands and Business Magazine*
- 16. **Most Islamic Digital Bank – Egypt 2024**
 - *Cosmopolitan The Daily Business Award*
- 17. **Best Islamic Bank for Sustainable Finance - Egypt 2024**
 - *Cosmopolitan The Daily Business Award*
- 18. **Best Islamic Bank - Egypt 2024**
 - *Global Business Review Magazine*
- 19. **Best CEO of the Islamic Bank in Egypt 2024 – Mr. Mohamed Aly**
- 20. **Among the Top 50 Listed Companies**
 - *Forbes Middle East*
- 21. **Best Islamic Bank in Egypt 2024**
 - *World Business Star Magazine*
- 22. **Most Retail Bank in Egypt 2024**
 - *World Business Star Magazine*
- 23. **Best Islamic Bank for Corporates in Egypt 2024**
 - *World Business Magazine*
- 24. **Most Innovative Islamic Bank for Corporates – Egypt 2024 (for ADIB)**
 - *Global Business Outlook*
- 25. **Fastest Growing Investment Bank – Egypt 2024 (for ADI Capital)**
 - *Global Business Outlook*
- 26. **Best Islamic Bank**
 - *The Business Pinnacle*
- 27. **Most Sustainable Islamic Bank – Egypt 2024**
 - *The Business Pinnacle*
- 28. **Best Islamic Bank in Egypt 2024**
 - *Global Business & Finance Magazine*
- 29. **Most Innovative Online Banking Services in Egypt**
 - *Global Business & Finance Magazine*
- 30. **Best CEO in the Banking Sector for 2024 - Egypt – Mr. Mohamed Aly**
 - *World Business Achievers Awards*
- 31. **Best Islamic Bank for Car Financing - Egypt 2024**
 - *World Business Achievers Awards*
- 32. **Best Islamic Bank for Environmental, Social, and Governance (ESG) Sustainability – Egypt 2024**
 - *World Business Achievers Awards*
- 33. **Best Bank for Sustainable Development in Egypt 2024**
 - *Global Banking and Finance Review Awards*
- 34. **Best Private Islamic Bank**
 - *Wealth Briefing Mena Awards 2024*
- 35. **Best CEO – Mr. Mohamed Aly**
 - *Enigma Magazine*
- 36. **Best Marketing and Public Relations Campaign for Islamic Banking in Summer – Egypt 2024**
 - *Global Brand Frontier Awards 2024*
- 37. **Best Islamic Bank in Egypt 2024**
 - *World Economic Magazine*
- 38. **Best Online Banking Services in Egypt 2024**
 - *World Economic Magazine*

These awards reflect the bank's outstanding performance, innovation, and commitment to excellence in various financial and banking sectors.

Receiving these prestigious awards is considered a testament to the deserving recognition of Abu Dhabi Islamic Bank - Egypt, gaining the trust of reputable international financial entities. It is the result of dedicated work to achieve strong results in the field of financial services and products, providing an array of innovative solutions that have been warmly welcomed and widely embraced by the bank's clients. These solutions meet their banking aspirations and align with their needs, reflecting our continuous commitment to our

customers. This commitment drives us to strive and continue delivering new services and products, especially in the realm of electronic and digital payments, contributing to providing a comprehensive banking experience filled with distinctive advantages for our clients.

Codes of Ethics and Policies:

Code of Ethics and Professional Conduct

The Code of Ethics and Professional Conduct encompasses a set of values that regulate and organize the rules of professional behavior. It includes values such as integrity, equality, conflict of interest, and others. This professional code at the bank serves as a general framework for dealing with various situations, such as gifts, favoritism, disclosure of insider information, private and sideline businesses, dealings with external suppliers, financing operations for employees' relatives, social and partisan activities, as well as transactions involving senior management and board members. Clear guidelines have been established in accordance with relevant laws such as the Egyptian Central Bank Law, Capital Market Law, Companies Law, and the bank's bylaws.

Conflict of Interest Policy

Abu Dhabi Islamic Bank - Egypt has a set of principles and guidelines that constitute the overall framework for the Conflict of Interest Policy. This falls under the concept of governance and rules for streamlining administrative work and corporate governance, which must be adhered to in order to strengthen the foundations of professional integrity and transparency. This policy aims to establish strict controls for conflicts of interest in the dealings of employees, senior management, and the bank's board of directors.

Whistleblowing Policy

The bank has a dedicated Whistleblowing Policy endorsed by the board of directors. The Whistleblowing Policy aims to enhance the transparency system within the bank and among its employees. It fights corruption, violations, unethical practices, and intentional dereliction of duties and related violations. This policy encourages reporting of any unethical behavior or misconduct.

Business Continuity Plan (BCP)

The bank has implemented a policy to ensure business continuity in emergency situations (BCP). This plan is activated in case of any obstacles preventing normal operations. The bank has conducted necessary tests by simulating emergency conditions, confirming the effectiveness of the established policy. Alternative equipped locations have been provided to ensure the continuity of essential functions without interruption, and a contingency plan has been devised for support functions. Additionally, the bank has adhered to the directives of the Central Bank of Egypt, addressing potential fallout from events and implementing continuous security instructions to counter any unforeseen and unexpected events during the current period, within the framework of precautionary measures.

Sustainability

Abu Dhabi Islamic Bank - Egypt focuses on protecting the environment and the surrounding community. The bank recognizes that sustainability is integral to its growth, and financial growth should be coupled with sustainability practices for a better future. The bank engages in various local and global initiatives to achieve the collective goal of meeting global standards and building a long-term culture.

At Abu Dhabi Islamic Bank - Egypt, we believe that we play a role in ensuring a better future for the next generations. The greatest challenge facing the current generation is addressing climate change, and finance plays a crucial role in facilitating the transition to a low-carbon economy. This involves reducing carbon emissions from our own operations and offering products and services that help our customers reduce their carbon footprint.

As a responsible member of the Egyptian community, we believe that "our community is our future." Therefore, we strive to be a supportive pillar in its development, taking pride in actively contributing to building bridges toward a brighter and healthier future. Abu Dhabi Islamic Bank - Egypt invests in community development projects to create sustainable communities through the activities and efforts of the Abu Dhabi Islamic Bank - Egypt Foundation and other social initiatives aimed at enhancing society.

Main shareholders Transactions on shares during the year

| No. | Name | Beginning Year 2024 Share Balance | Bonus - Capital increase during the year (from 5 Bn to 6 Bn) | Shares Purchased During the Year | Shares Sold During the Year | Shares Year 2024 Ending Balance |
|-----|--|-----------------------------------|--|----------------------------------|-----------------------------|---------------------------------|
| 1 | Abu Dhabi Islamic Bank | 266,020,862 | 53,204,172.00 | - | - | 319,225,034 |
| 2 | Emirates International Investment Company L.L.C | 67,206,667 | 13,441,333.00 | - | - | 80,648,000 |
| 3 | Respond Investment L.L.C | 25,972,671 | 5,194,534.00 | - | (1,160,000) | 30,007,205 |

Social and Environmental Responsibility Policy

In line with the bank's commitment to serving its community and as part of its efforts to maintain a leading role in the field of social responsibility, the bank provides essential services in the areas of education, health, and social and humanitarian affairs. Opportunities are also provided for bank employees to contribute to various community activities, such as implementing "Injaz Egypt" programs in government schools and universities, collaborating with charitable institutions for Ramadan box preparation and distribution, in addition to numerous volunteer activities that benefit our society.

During the year 2024, the bank made donations and signed the following protocols through Abu Dhabi Islamic Bank - Egypt - Charity Foundation:

| Donation Amount in EGP | Beneficiary | | Project Details |
|------------------------|---|--|---|
| | Name | No. | |
| 1,000,000 | Sonaa Elkhair Foundation | 4000 family | Distribution of 15-kilogram Ramadan cartons to the low-income and most needed families in Upper Egypt. |
| 2,583,854 | Ahl Masr Hospital to treat burn victims for free | 500 Cases / yearly | Establishing and equipping an intensive care room with all its medical and non-medical equipment |
| 204,600 | BAHEYA Zayed new hospital for Breast cancer treatment | 500,000 lady / yearly | Completing the single accommodation room that was sponsored by our foundation in 2023 by sponsoring the purchase of an electric bed with a solution holder. |
| 4,680,000 | Sohag University Hospital (two diabetic foot treatment units) | About 4320 annual examinations and 1152 infected case | Ensuring the operation of two rooms inside Sohag University Hospital to receive cases of screening for diabetic foot patients, treating infected cases and following up with them until they are fully recovered. |
| 117,850 | Sponsoring a surgical case. Paying off a debt for a deceased person | The cases Requested help | In accordance with the study of the social and material conditions of each case and the approval of the Sharia and the Foundation's Board of Trustees. |
| 11,230,000 | Sohag Oncology institute | Receiving 6000 cases and treating nearly 1000 cases per year | Two units, one for cryopreserving marrow and the other for isolating patients with blood tumors after performing marrow transplant surgeries, who used to be transferred annually to Cairo, which makes there a physical and financial burden on patients, after equipping and establishing these units, these surgeries will be performed within the institute in Sohag. |
| 848,000 | EL Swedy Technical Academy | 32 student | Sponsoring 50% of the cost of study for 32 students after studying their social and material conditions through a case study, and helping them complete their technical education so that they can graduate quickly and help their families financially |
| 20,664,304 | Total | | |

Governance Practices Disclosure Report:

This report has been prepared to illustrate the actual implementation of governance rules. Abu Dhabi Islamic Bank - Egypt is committed to applying disclosure and transparency regarding essential information that may concern shareholders and other relevant parties. It adheres to the values and principles of the bank in enhancing the foundations of sound governance derived from the provisions of Islamic Sharia. This commitment is in line with the requirements of the Egyptian Financial Regulatory Authority, as the bank is one of the listed companies on the Egyptian Stock Exchange. Additionally, it aligns with the guidelines for bank governance issued by the Central Bank of Egypt and complies with the bank's articles of association.

Mohamed Aly

Chief Executive Officer and Managing Director

Abu Dhabi Islamic Bank – Egypt

Cairo : 5-2-2025

