

alBaraka Bank

2023 Sustainability Report

Baseline Year Edition

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Opening Remarks

About this Report

Al Baraka Bank is pleased to present its first Sustainability Report for the 2023 fiscal year. This Report demonstrates our compliance with Environmental, Social, and Governance (ESG) standards, highlighting our performance and initiatives. It also reflects our dedication to transparency with all our stakeholders. As we continue to strengthen and advance our commitment to sustainability, we reaffirm our pledge to share our progress and aspirations with stakeholders every year.

Scope and Reporting Period

This Report details Al Baraka Bank's ESG performance, focusing on its significant issues. Unless otherwise specified, all data included relate solely to Al Baraka Bank's operations in Egypt. The Report covers the period from January 1, 2023, to December 31, 2023. Any disclosures that fall outside these dates are included only if they are relevant to the Report's context.

Throughout this Report, the term "Al Baraka Bank" refers specifically to "Al Baraka Bank Egypt." When discussing the parent company, we will use "**Al Baraka Group**" or "**the Group**." This distinction is crucial for clarity and accuracy in the context of our analysis.

Reporting Standards and Frameworks

Al Baraka Bank has reported under the 2021 GRI Universal Standards. Additionally, the Report outlines alignment with the UN Sustainable Development Goals (UN SDGs), as well as the SASB Standards on Commercial Banks, the TCFD Recommendations, and the UN Global Compact (UNGC) Principles.

Forward-Looking Statements

This Report may include certain forward-looking statements related to the Bank's operations. These statements can be identified by terms like "will," "planned," "expected," and "forecasted." They reflect the Bank's current views about future events and are subject to various risks, uncertainties, and assumptions. Numerous factors could cause the Bank's actual results, performance, decisions, or achievements to differ materially from those suggested by these forward-looking statements.

Assurance

Masader Environmental and Energy Services S.A.E, a corporate sustainability consulting firm, has provided a limited assurance statement on the content of this Report.

Please refer to the Limited Assurance Statement.

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Arab Republic of Egypt



Message From the Chairman

Dear Stakeholders,

It is with great pleasure that we present Al Baraka Bank Egypt's Environmental, Social, and Governance (ESG) Report to you. This Report marks a significant milestone in our journey towards sustainable and responsible banking, reflecting our commitment to creating long-term value for all our stakeholders while contributing positively to the communities we serve and the environment we all share.

The year 2023 has been transformative for Al Baraka Bank. We have embarked on an ambitious three-year strategy (2023-2025) that places sustainability at the heart of our operations. This strategy is not just about financial growth; it's about reimagining our role as a financial institution in the context of global challenges and opportunities.

We are pleased to report that we have made substantial progress in embedding sustainability into our core business model. We have established an Environmental and Social Management System, aligning our practices with international sustainability standards. This system is complemented by the integration of sustainable finance policies into our credit and investment decision-making processes, ensuring that our growth supports environmentally and socially responsible initiatives.

Our commitment to sustainable finance has been recognized and supported by international financial institutions. We have secured significant ESG-linked funding, including a USD 30 million facility from the Islamic Corporation for the Development of the Private Sector (ICD), the private sector arm of the Islamic Development Bank Group (IsDBG) and are in the process of finalizing a USD 50 million sustainable finance fund from the International Finance Corporation. These partnerships strengthen our financial position and validate our sustainable banking approach.

We recognize that our people are key to driving this transformation. To this end, we have launched comprehensive sustainability and sustainable finance awareness training programs across all levels of our organization. Furthermore, our bank-wide cultural transformation program aligns our internal culture with our sustainability goals and growth strategy.

Digital innovation remains a cornerstone of our sustainability efforts. Increasing our digital services and user base enhances customer experience and reduces our environmental footprint. This digital push, coupled with our expansion of physical branches and SME business centers, underscores our commitment to financial inclusion and accessibility.

Governance is fundamental to our ESG strategy. Our independent and diverse Board of Directors provides the highest standards of oversight and accountability for our ESG practices. The Board maintains direct responsibility for reviewing and guiding our ESG policies and performance to ensure full alignment with our strategic priorities.

We remain committed to aligning our operations with Egypt's Vision 2030 and the UN Sustainable Development Goals as we move forward. Doing so will secure our Bank's long-term success and contribute to a more sustainable and prosperous future for all.

We would like to express our gratitude to our employees, customers, shareholders, and partners for their continued support and trust. Together, we are building a bank that delivers strong financial performance and positively impacts our society and planet.

Thank you for your interest in our ESG journey. We look forward to your continued engagement as we work towards a more sustainable future.



ENG. ABDEL AZIZ MOHAMED ABDO YAMANI

Board Chairman, Non-Executive

Message From the CEO

Dear Stakeholders,

I am honored to present Al Baraka Bank Egypt's first Environmental, Social, and Governance (ESG) Report for 2023. This report marks a significant milestone as we implement our 2023-2025 strategy, which emphasizes sustainability as a cornerstone of our growth. Our approach reflects a deep commitment to responsible business practices that benefit our stakeholders, the communities we serve, and the environment, while adhering to the core values of Transparency, Ownership, Commitment, Agility, and Trust.

At Al Baraka Bank Egypt, sustainability is woven into the fabric of our operations, guided by the Maqasid al Shariah, the objectives of Islamic law. Our mission goes beyond providing financial services—we aim to be a positive force for economic and social change. By addressing pressing environmental and social challenges, we not only deliver financial returns but also create lasting value for society. Our Environmental and Social Management System (ESMS) plays a crucial role in ensuring that our financing activities adhere to global standards, such as the IFC Performance Standards, while maintaining Sharia-compliant principles.

In 2023, we reached significant financial milestones, with our total assets surpassing EGP 100 billion for the first time in history, reflecting our balanced growth strategy. Deposits increased by 14%, reaching EGP 85 billion, while our financing portfolio expanded by 23%, totaling EGP 43.6 billion. Our unwavering commitment to aligning financial growth with environmental and social responsibilities is evident in our achievements. Notably, our SME finance portfolio grew to EGP 6.2 billion, marking a 35.5% increase, and our retail portfolio surged by 75% to EGP 7.6 billion. These developments highlight our dedication to financial inclusion and empowering communities by providing access to essential financial resources.

We are also proud to have secured USD 30 million in ESG-linked funding from the Islamic Corporation for the Development of the Private Sector (ICD) and finalized a USD 50 million sustainable finance facility with the International Finance Corporation (IFC). These partnerships reflect our dedication to sustainable finance that generates both societal benefits and long-term financial value.

As we progress, our 2023-2025 strategy is guided by five key strategic themes:

Maximizing Profitability through an Inclusive, Sustainable Approach

At Al Baraka Bank, profitability and sustainability go hand in hand. Our financial growth is linked to our responsibility to society and the environment. Our financing activities have supported key sectors like industry and services, contributing to job creation and economic development in Egypt.

Customer Centricity

Our customers remain at the heart of everything we do. In 2023, we expanded our customer base to over 290,000 clients, ensuring greater accessibility to our services. To enhance customer satisfaction, we increased the number of branches to 36 and ATMs to 142, providing diverse touch points for all customers. Our focus on underserved segments through tailored products aligns with the Central Bank of Egypt's objectives for financial inclusion.

Digitalization to Maximize Operational Efficiency

Embracing digital transformation has been critical in enhancing our operations. In 2023, we processed EGP 6.45 billion in online banking transactions via the Al Baraka Bank platform and the Instapay application, reflecting our position as one of the first banks to join the Instant Payment Network (IPN). These efforts have contributed to significant improvements in both customer experience and operational efficiency. Our digital advancements, including the Universal Teller model and I-MAL system upgrades, have streamlined operations, reduced costs, and minimized errors.

Solid Enterprise Control Framework

At Al Baraka Bank Egypt, our commitment to robust governance and sustainable practices is underpinned by a comprehensive suite of control frameworks. Our Compliance Framework ensures adherence to local and international standards, effectively managing compliance-related risks and safeguarding against financial crimes. The Three Lines of Defense model facilitates thorough risk management, while our Environmental and Social Management System (ESMS) integrates sustainability into our operations, addressing environmental and social risks associated with our financing activities. This solid framework not only supports the bank's strategic goals but also enhances our market position and profitability by fostering trust in our decision-making processes. Furthermore, all staff receive the necessary training to effectively implement these control frameworks, ensuring we meet the evolving needs of our stakeholders and contribute positively to the communities we serve.

Innovative Culture and Strong Human Capital

We view human capital as our most valuable asset. In 2023, we provided over 49,000 hours of training to our employees, fostering a culture of continuous learning and innovation. Nearly half of our new hires were under 30 years old, ensuring a pipeline of young talent to drive future growth. Additionally, our corporate social responsibility (CSR) initiatives reached over 130,000 beneficiaries, focusing on healthcare and financial literacy.

Our ongoing efforts are deeply rooted in the principles of financial inclusion, sustainability, and innovation. We believe that by adhering to these principles, we can continue to generate shared value for the communities we serve. Our achievements in 2023 reflect our commitment to driving both financial success and positive societal impact, and we remain steadfast in our dedication to delivering long-term value to all our stakeholders.

As we look ahead, our 2023-2025 strategy will continue to focus on building a sustainable future for our stakeholders and the communities we serve. We will maintain our leadership in responsible banking by adapting to the evolving needs of the market while upholding the highest standards of governance and ethical conduct. I extend my sincere gratitude to my colleagues, customers, and partners for their continued trust and support as we work together toward a more inclusive, innovative, and sustainable future.



MR. HAZEM HEGAZY

CEO & Vice Chairman
Al Baraka Bank Egypt

Message From CSO

Fellow Stakeholders,

It is my honor and privilege that I present to you Al Baraka Bank's Egypt first Sustainability Report 2023, showcasing our dedication to sustainable development, responsible banking, and ethical governance.

Our 2023-2025 strategy aims to drive profitability through customer-centric, inclusive practices, and digital transformation, while aligning with Egypt's Vision 2030. Our core values—Transparency, Ownership, Agility, Commitment, and Trust—guide us in addressing environmental and social challenges while delivering value.

As part of our comprehensive strategy, sustainability is not merely a goal; it is embedded in the very fabric of our operations, shaping how we interact with our stakeholders, manage risks, and create long-term value.

In 2023, we implemented a robust Environmental and Social Management System (ESMS) in alignment with International Finance Corporation (IFC) performance standards, ensuring alignment with international standards and enhancing our ability to manage risks responsibly.

Our Strategic Themes further reinforce this commitment. By focusing on -Customer centricity, Digitalization, solid governance, and human capital development-, we are ensuring that our operations are not only profitable but also sustainable and inclusive. These strategic priorities enable us to address societal challenges such as poverty, inequality, and environmental degradation, while driving economic growth and ensuring the well-being of our customers, employees, and communities.

We are particularly proud of the progress made in expanding our sustainable finance portfolio, which grew to EGP 8.55 billion, representing 20% of our total finance portfolio. This includes significant strides in both environmental and social finance, a testament to our commitment to driving inclusive and sustainable economic growth. Moreover, our efforts to integrate digital innovation into our operations have not only improved service delivery but have also reduced our environmental footprint, enhanced operational efficiency while promoting financial inclusion.

Our journey is guided by the principles of Maqasid al-Sharia and the Sustainable Development Goals (SDGs), reinforcing our role as a responsible financial institution that contributes positively to society and the environment. The achievements highlighted in this report reflect the collective efforts of our dedicated team, and we remain committed to advancing our sustainability goals in line with Egypt's Vision 2030.

On the pages of this report, you will be able to read about all of our initiatives in great detail. It is our sincere hope that we can help lead and inspire others to do the same. As we look to the future, our focus will remain on deepening our engagement with stakeholders, enhancing our ESG performance, and continuing to deliver meaningful value to the communities we serve. I am confident that, together, we will build a more sustainable, inclusive, and resilient future for all.



Mr. Wassim Hosny Elmetwally

Chief Strategy and Sustainability Officer Al Baraka Bank Egypt

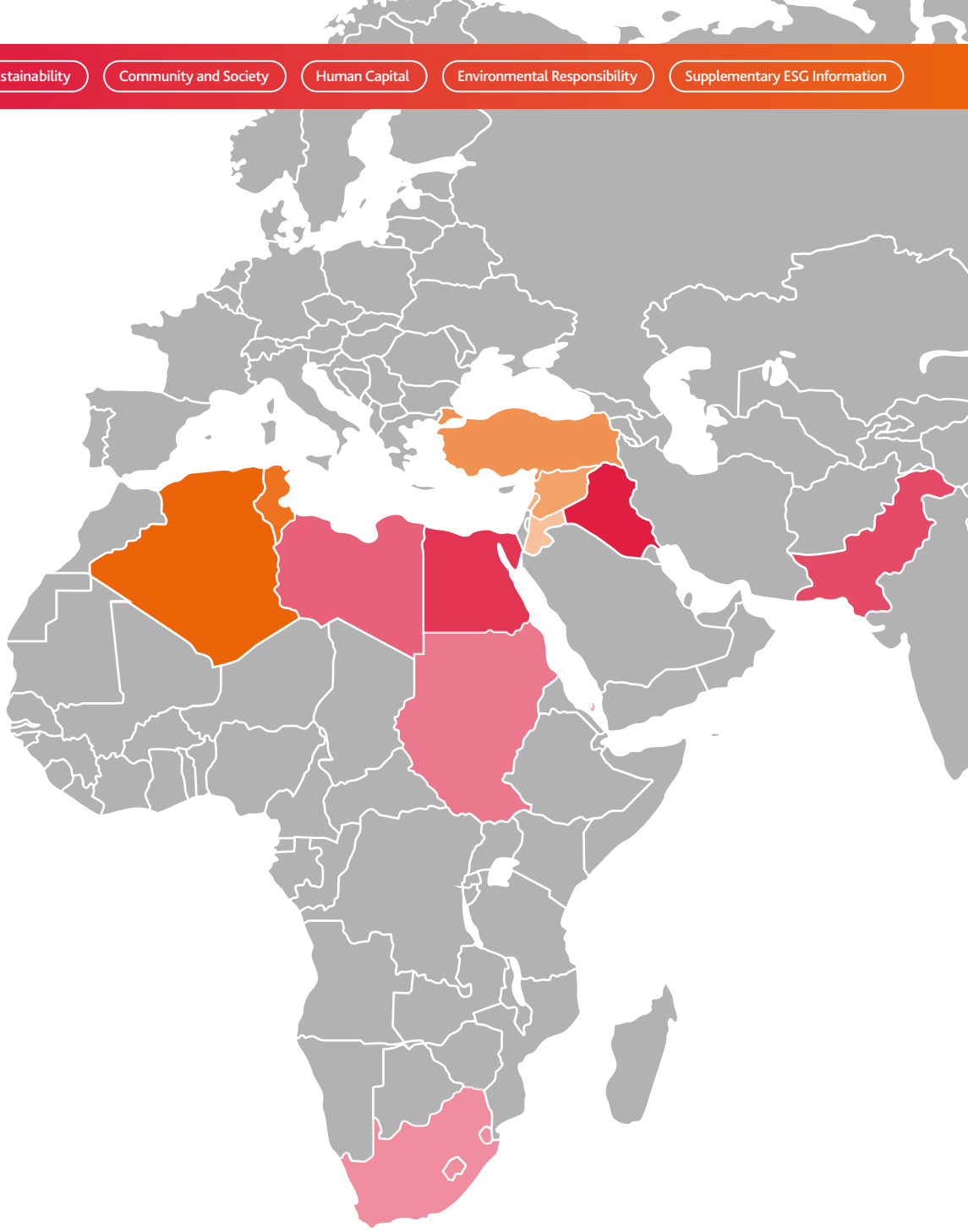
Al Baraka Group

An Overview

Al Baraka Group B.S.C. is a prominent international Islamic financial group headquartered in Bahrain. In 2023, the Group continued to expand its global reach, providing financial services through its banking subsidiaries in 13 countries, including Jordan, Egypt, Tunisia, Bahrain, Sudan, Turkey, South Africa, Algeria, Pakistan, Lebanon, Syria, Iraq, and Libya.

The Group's mission is to fulfill the financial needs of communities worldwide through an ethical, customer-centric approach tailored for the digital age. It focuses on building strong partnerships with its customers, employees, shareholders, and communities.

- Iraq
- Egypt
- Pakistan
- Libya
- Sudan
- South Africa
- Bahrain
- Algeria
- Tunisia
- Turkey
- Syria
- Lebanon
- Jordon



Al Baraka Bank at a Glance

Al Baraka Bank is an Islamic bank that has operated in Egypt for almost 40 years as part of Al Baraka Group. As a subsidiary of the Bahrain-based Group, the Bank operates under the independent supervision of its Sharia Board, offering retail, corporate, treasury, and investment banking services that are structured in accordance with the principles of Islamic Sharia. The Bank supports development across Egypt's economy with specialized offerings for individuals, SMEs, and large corporations in the health, education, energy efficiency, infrastructure, manufacturing, and agriculture sectors. It provides direct financing to companies and institutions that enjoy high creditworthiness as well as participating in syndicated finance for large, economically viable projects that generate significant employment opportunities.

Market Presence

Al Baraka Bank is headquartered in the 5th Settlement, New Cairo, and operates a network of 36 branches and 142 ATMs covering Cairo, Alexandria, Delta and Upper Egypt. The Bank aims to expand its geographical presence by increasing the number of branches in most governorates of the Republic by the end of 2025. Remarkably, the Bank has achieved 144% of its branch expansion goals and an impressive 512% of its ATM target. With a workforce of over 1,200 Islamic banking experts, Al Baraka Bank serves a total of 291,415 customers and 170,900 active customers.

1,257 Employees

36 Branches

291,415 Customers

142 ATMs

33,124 Retail Digital Banking Subscribers

3,131 Corporate Digital Banking Subscribers

Delta & Alexandria

11 branches *(31% of total)*

60 ATMs *(42% of total)*
22 PwD ATMs *(37% of region's total)*

Cairo

16 branches *(44 % of total)*

44 ATMs *(31% of total)*
18 PwD ATMs *(41% of region's total)*

Giza

8 branches *(22% of total)*

25 ATMs *(18% of total)*
12 PwD ATMs *(48% of region's total)*

Upper Egypt

1 Branches *(3 % of Total)*

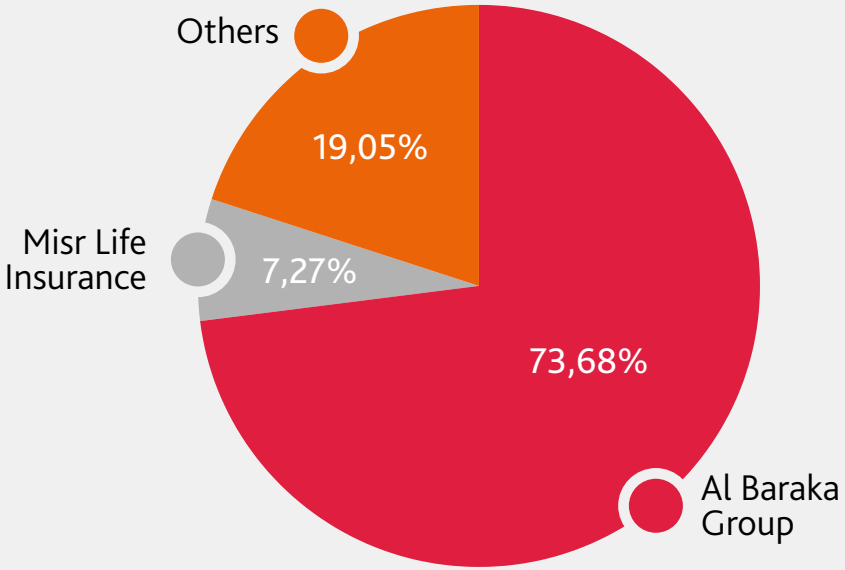
13 ATMs *(9% of total)*
4 PwD ATMs *(31% of region's total)*

Total number of Branches 36

Total number of ATMs 142
Total number of PWDs ATMs 56

Ownership Structure

As of December 31st, 2023.



AL Baraka Bank Subsidiary

Al Baraka Islamic Co. for Financial Investments

Participate in the establishment of companies that issue securities or increase their capital, manage securities portfolios, manage investment funds, and promote and cover subscriptions in securities and venture capital.

% Ownership: 98 %

Capital Contribution (EGP): EGP 147 million

Awards and Recognition

In 2023, Al Baraka Bank has been honored with several prestigious awards. Among these, the bank was recognized as the Fastest-Growing Islamic Bank at the 11th Annual International Finance Awards. Additionally, the bank received the title of Best Islamic Bank in Egypt for 2023 from the World Union of Arab Bankers and was awarded the Best Structured Finance Deal in Egypt for 2023 by International Business Magazine. Furthermore, Al Baraka Bank was listed among Forbes' Top 50 Companies in Egypt for both 2022 and 2023, ranking 23rd this year.

Forbes	Top 50 Companies in 2022 and 2023 (ranking 23rd)
	"Fastest Growing Islamic Bank" award for 2023
World Union of Arab Bankers	Best Islamic Bank in Egypt for 2023
gbm Awards 2023	Best Structured Finance Deal in Egypt for 2023
emeafinance Europe • Middle East • Africa	Best Structure Syndicate in 2023
emeafinance Europe • Middle East • Africa	Best Project Finance Deal in Africa for Evergrow in 2023

Al Baraka Bank's Values

Al Baraka Bank's Sustainable Finance Policy is interwoven with our core values, shaping a responsible banking approach as follows:

1	Transparency: This value underlines the importance of honesty and integrity in all our interactions, which is vital for building strong, sustainable banking relationships.
2	Ownership: Al Baraka Bank embraces environmental and social stewardship, ensuring our activities benefit all stakeholders and reflect our responsibility and commitment to sustainable practices.
3	Agility: Our adaptability to digital advancements and growing customer needs showcases our commitment to providing efficient and innovative banking solutions that align with the dynamics of the digital age.
4	Commitment: Demonstrating our obligation to community and employee development, this value highlights our dedication to serving customer needs and upholding their rights, underpinning sustainable growth and development.
5	Trust: Central to our operations, this value ensures our adherence to the highest ethical standards and Sharia principles, fostering a trusted environment for our customers and employees.

AL Baraka Bank Strategic Directions

Al Baraka Bank's strategic themes are rooted in sustainability, ensuring that our financial activities generate economic growth and long-term positive impact. Our strategic themes are:

Maximizing Profitability Through Inclusive Sustainable Approach

Al Baraka Bank believes that profitability and sustainability go hand-in-hand. The Bank's inclusive approach ensures that its financial products and services contribute to social and environmental well-being. This strategy involves integrating sustainability into all business operations and fostering economic growth while addressing societal challenges such as poverty reduction, environmental protection, and social equity. The Bank's commitment to sustainable finance aims to generate long-term value for both the Bank and its stakeholders.

Customer Centricity

Customer centricity is at the heart of Al Baraka Bank's strategic framework. The Bank prioritizes understanding and meeting the unique needs of its clients, ensuring that customer satisfaction and loyalty are upheld. By developing personalized financial solutions and maintaining high service quality standards, Al Baraka seeks to build lasting relationships with its customers. This customer-focused approach enhances client experiences and drives sustainable growth through trust and advocacy.

Digitalization to Maximize Operational Efficiency

In an era of rapid technological advancement, Al Baraka Bank is committed to leveraging digital technologies to enhance operational efficiency. The Bank's digitalization strategy focuses on streamlining processes, improving service delivery, and reducing operational costs. By adopting innovative digital tools and platforms, Al Baraka aims to offer seamless and convenient banking experiences while ensuring security and compliance. This technological transformation supports the Bank's sustainability goals by minimizing resource use and environmental impact.

Solid Enterprise Control Framework

Al Baraka Bank strongly emphasizes maintaining a solid enterprise control framework to ensure robust governance and risk management. This strategic direction involves implementing comprehensive policies and practices that uphold the highest transparency, accountability, and integrity standards. By fostering a culture of compliance and ethical conduct, the Bank aims to mitigate risks and safeguard stakeholders interests. A solid control framework is essential for sustaining long-term business success and maintaining Stakeholders trust.

Innovative Culture with Strong Human Capital

Innovation and human capital are fundamental to Al Baraka Bank's sustainable growth. The Bank fosters a culture of innovation by encouraging creativity, agility, and continuous improvement among its employees. Investing in human capital development through training, skill enhancement, and leadership programs ensures the Bank's workforce is equipped to meet growing market demands. By nurturing a dynamic and capable team, Al Baraka Bank aims to drive innovation, enhance service delivery, and achieve its sustainability objectives.

02
Key ESG Achievements in 2023



Key ESG Achievements in 2023

Environmental Management

3,832 MWh
Total energy consumed in 2023

5%
Share of renewable energy from total energy consumption

1,187 $mtCO_2e$
Total absolute scope 3 emissions

1,456 $mtCO_2e$
Total absolute scope 1+2 emissions

22,698 m^3
Total water withdrawals in 2023

Social Impact

EGP 8.8 Mn
Total community contributions and investments

EGP 6.3 Mn
Total contributions to healthcare

EGP 2.5 Mn
Total contributions to society empowerment

9
Financial literacy sessions conducted

90.3%
Of complaints were closed within the agreed TAT

Human Capital

30%
Representation of female employees in our workforce

48%
Of our total new hires are under 30 years old

49,767
Hours of training delivered to our employees

38%
Female representation in new hires

Digital and Inclusive Banking

44,180
No. of online banking transactions

EGP 3.55 Bn
Volume of online banking transactions

33,124
Retail digital banking subscribers

3,131
Corporate digital banking subscribers

Governance

86%
Of our employees received ethics & compliance-related training

30%
Independent member's representation in the board

10%
Female representation in the board

Sustainable Finance

EGP 8.55 Bn
Total environmental and social finance portfolio (20% of total finance portfolio)

EGP 1.57 Bn
Total environmental finance portfolio

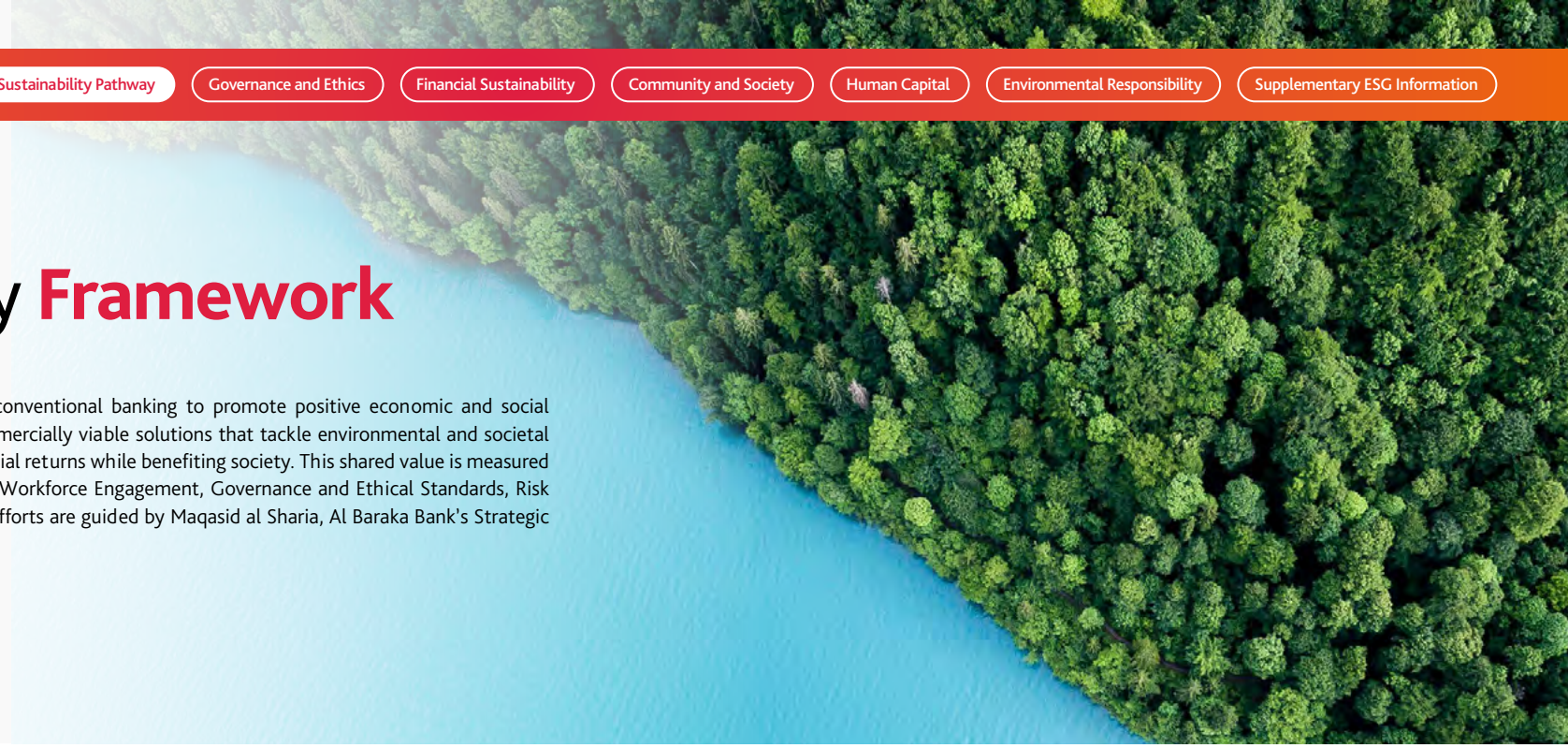
EGP 6.98 Bn
Total social finance portfolio



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Sustainability Pathway

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Sustainability Framework

At Al Baraka Bank, our dedication extends beyond conventional banking to promote positive economic and social transformation. Our primary objective is to craft commercially viable solutions that tackle environmental and societal challenges, generating shared value by achieving financial returns while benefiting society. This shared value is measured through five strategic value drivers: Client-Centricity, Workforce Engagement, Governance and Ethical Standards, Risk Management, and Triple-Bottom-Line Impact. These efforts are guided by Maqasid al Sharia, Al Baraka Bank's Strategic Themes, and Institutional Values.

Maqasid al Sharia Alignment to SDGs

The principles of Maqasid al Sharia, which include preserving wealth, intellect, life, religion, and lineage, guide Al Baraka Bank's operations. These principles align with the UN's Sustainable Development Goals (SDGs). Through responsible financial practices and ethical standards, we contribute to global efforts to eradicate poverty, advance education, ensure health and well-being, and protect the environment.

Core Pillars and Commitments

Our core pillars emphasize mitigating risks, exploring innovative and sustainable business opportunities, and refining our brand's distinction. We approach sustainability holistically, aiming for inclusive growth that benefits our customers, the environment, and society—always grounded in Islamic principles. These pillars guide our operations to deliver long-term, sustainable value for all stakeholders.

Sustainable Finance and Economic Empowerment

This pillar embodies our commitment to driving inclusive and sustainable growth through our core business operations. We implement a dynamic Environmental and Social (E&S) risk management framework that aligns with global standards while integrating Social and Environmental Credit Risk Management across our operations. We focus on expanding our green and social finance portfolios to support sustainable development goals and assessing E&S risks and opportunities in all investment decisions. Additionally, we empower SMEs and women-owned businesses with specialized financial products, drawing on our corporate banking expertise to grow our SME banking sector.

We work to advance financial inclusion by providing banking services to underserved communities in alignment with the Central Bank of Egypt's mandate and international sustainable development goals. Upholding the highest data protection and privacy standards, we regularly conduct audits and compliance reviews to ensure data integrity and confidentiality. Our customer-centric digital innovation leverages financial technologies to enhance service accessibility and efficiency, continuously innovating to meet growing customer needs and promote financial inclusion.

Sustainable Business Practices

This pillar emphasizes the highest standards of ethical conduct across our operations, paired with a deep commitment to environmental stewardship, social responsibility, and exemplary corporate governance. We address environmental challenges through resource management and emission control, continuously assessing and improving our environmental footprint. We uphold high fairness, integrity, and responsibility standards, adhering to Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) policies and implementing a whistleblowing policy for reporting and addressing misconduct. Our collaborative work environment prioritizes mutual respect, trust, and human rights, enhancing human capital development through gender equity, equitable working conditions, talent development, and diversity. Moreover, we integrate environmental and social considerations into our procurement practices, ensuring our suppliers meet labor and environmental standards.

Community Engagement and Development

This pillar is centered on initiatives that support key areas of community development like healthcare and women's empowerment, aligned with broader societal progress and sustainable development goals. Our approach emphasizes empowering women to drive economic growth, particularly in rural regions. We also support hospitals that provide high-quality, free services and organize medical convoys to bring healthcare to remote villages with limited access to medical services. Through these efforts, we aim to create a lasting positive impact on the communities we serve.

We uphold these pillars to ensure our operations create long-term, sustainable value for all stakeholders.

Stakeholders Engagement

Our approach to Stakeholders engagement is dynamic and inclusive. We build meaningful partnerships with customers, investors, NGOs, ABG, and the broader community to support shared societal objectives. Addressing ESG issues through varied interactions is a cornerstone of our sustainable, long-term value-creation strategy.

At the heart of our framework is the integration of our entire ecosystem — employees, clients, shareholders, regulators and suppliers. We prioritize transparent and continuous communication with key stakeholders to stay responsive to their needs and perspectives. This proactive engagement is essential for driving sustainable growth and achieving operational excellence.

Stakeholders Group	
Customers & Clients	The Bank is dedicated to delivering exceptional customer experiences through personalized communication and proactive feedback collection across multiple channels. We aim to deepen customer relationships and enhance satisfaction by offering educational resources and introducing loyalty programs. This proactive approach ensures we meet and exceed customer expectations, building trust and long-term loyalty.
Employees	The Bank synchronizes organizational progress with the professional and personal development of all employees, recognizing that rewarding our team goes beyond monetary compensation. We promote continuous learning, open communication, and work-life balance to create a supportive and stimulating work environment. This approach cultivates greater commitment and motivation among our staff, encouraging them to be more innovative and productive.
Investors and Business Partners	The Bank emphasizes transparency and regular communication to build strong relationships with investors and business partners. We ensure stakeholders are well-informed about our financial performance and strategic initiatives through detailed reports, consistent updates, and an investor relations portal, fostering confidence and supporting long-term partnerships.
Governmental Entities	The Bank maintains strong compliance management practices to align with regulatory requirements and proactively engages in policy advocacy. Through involvement in government-led initiatives and public-private partnerships, we tackle societal challenges and ensure our operations are in harmony with public expectations. Regular and accurate reporting further strengthens our relationship with regulatory bodies.
Shareholders	The Bank engages with shareholders through informative AGMs, newsletters, and digital platforms to ensure they are well informed and actively involved in the Bank's progress. A dedicated investor relations team provides responsive communication, addressing inquiries promptly and transparently. This approach builds trust and confidence among shareholders, reinforcing their commitment to the Bank's success.
Communities	The Bank is committed to supporting the communities we serve through targeted programs that address specific local needs, including education, healthcare, and environmental sustainability. We enhance our influence and cultivate strong community connections by encouraging employee volunteerism and collaborating with NGOs. Continuous community feedback guarantees our efforts remain relevant and beneficial.

Suppliers	The Bank nurtures strong supplier relationships through ethical sourcing policies and supplier development programs. Regular audits and open communication channels ensure compliance with contractual terms and ethical standards. This collaborative approach promotes sustainable supply chain practices and enhances the quality of our partnerships.
Non-Governmental Organizations (NGOs)	The Bank collaborates closely with NGOs to advance shared societal goals, particularly in addressing ESG issues. Through partnerships on community projects and sustainability initiatives, we leverage their expertise to create positive change. Open and ongoing dialogue with NGOs helps us remain responsive to societal needs and enhances the impact of our programs.
ABG (Al Baraka Group)	As part of the broader ABG, the Bank aligns its strategies with the Group's overarching goals to create long-term value. Regular consultations and collaborative efforts within the Group ensure a unified approach to sustainable growth and operational excellence. This synergy enhances our capacity to achieve shared objectives and drive societal progress.

Materiality Assessment

In 2023, Al Baraka Bank conducted its first materiality assessment to identify and prioritize key issues relevant to its operations and the national context. The assessment followed a four-step methodology, detailed below:

Strategic Alignment Analysis

Al Baraka Bank initiated the process by reviewing its strategic objectives in conjunction with Egypt's national strategies and development goals. This analysis included a thorough examination of industry trends and the regulatory framework established by the CBE, ensuring that the Bank's efforts align with the objectives of Egypt's Vision 2030 and the Bank's principal shareholder, Al Baraka Group (ABG).

Identification and Refinement of Key Topics

Building on the strategic alignment, Al Baraka Bank developed a comprehensive list of industry-specific topics, guided by international standards such as GRI and SASB and informed by ESG rating platforms, aligning with the Bank's core sustainability pillars and commitments. This list was then refined to focus on the topics most pertinent to Egypt's national context and Al Baraka Bank's strategic goals.

Engaging Stakeholders

Al Baraka Bank has undertaken stakeholders consultations to gain diverse perspectives, taking a dynamic and inclusive approach to engagement and aiming for meaningful partnerships that support shared societal objectives and ensure long-term value creation. This stage involved establishing active engagement channels with various stakeholders, including customers, investors, NGOs, Al Baraka Group (ABG), and the wider community. The Bank integrates its entire ecosystem—employees, clients, suppliers, and regulators—into this process. Al Baraka Bank ensures it remains responsive to stakeholders needs and insights, which are crucial for driving sustainable growth and operational excellence by maintaining open, ongoing dialogues and consultation channels.

Prioritization and Confirmation

Leveraging stakeholders feedback, Al Baraka Bank assessed and prioritized the identified material topics. This step involved evaluating each topic's alignment with national priorities, CBE regulations, and the Bank's operational framework, with topics being validated and ranked based on their significance and potential impact.

Our Material Topics

Environmental Responsibility

- Environmental Management
- Carbon Emissions Reduction

Social Responsibility

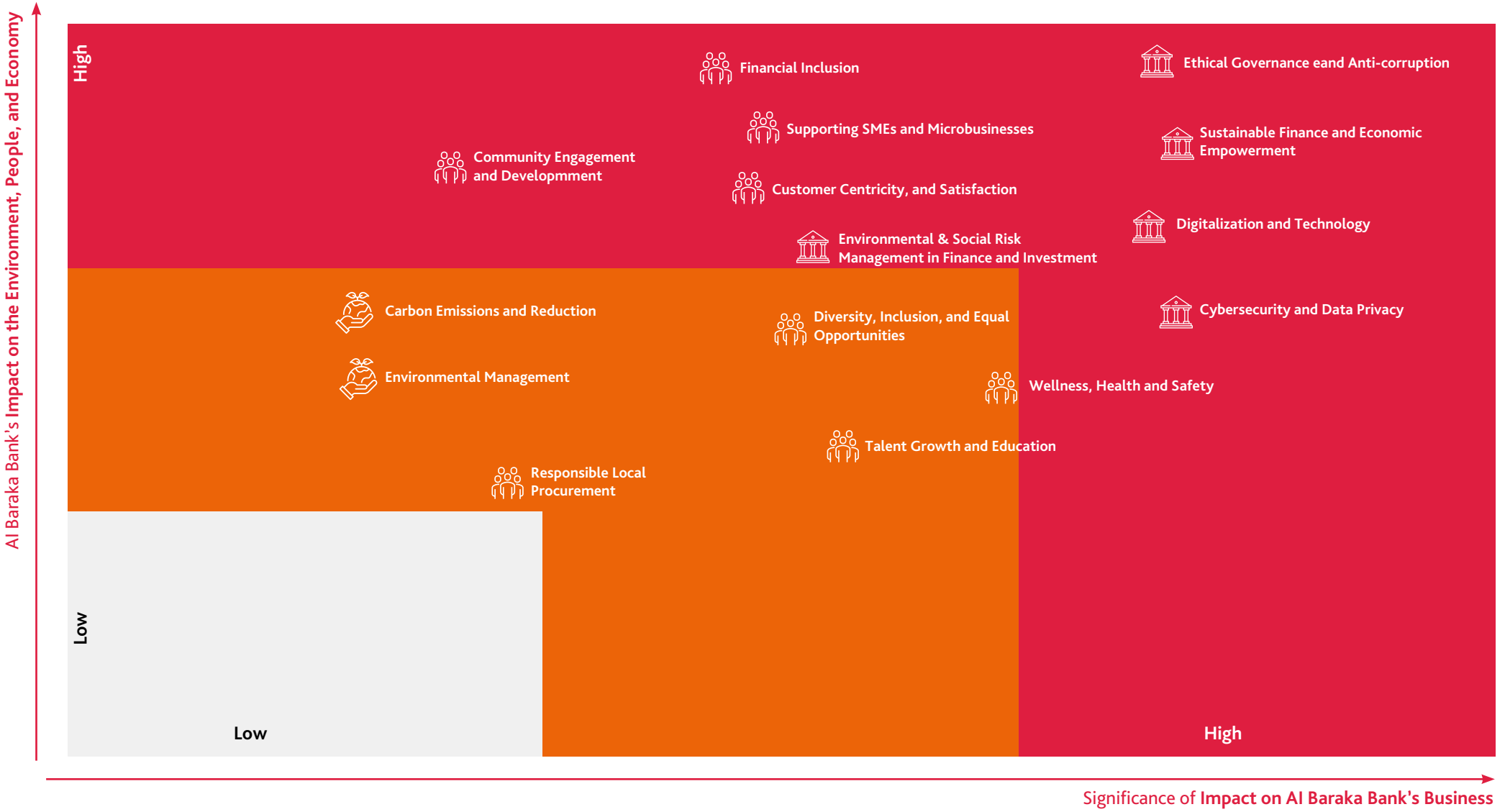
- Supporting SMEs and Microbusinesses
- Customer Centricity and Satisfaction
- Community Engagement and Development
- Financial Inclusion
- Responsible Local Procurement
- Diversity, Inclusion, and Equal Opportunities
- Training and Professional Development
- Wellness, Health and Safety

Governance and Economic Sustainability

- Ethical Governance and Anti-Corruption
- Sustainable Finance and Economic Empowerment
- Digitization and Technology
- Cybersecurity and Data Privacy
- E&S Risk Management in Finance and Investment



Materiality Matrix



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Governance and Ethics

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Governance and Ethics

Al Baraka Bank stands at the forefront of governance excellence and cybersecurity resilience in an era of rapid digital transformation and evolving cyber threats. Our commitment to robust governance structures, transparent practices, and cutting-edge cyber defenses forms the bedrock of our operations, safeguarding not just our assets but the trust of our stakeholders. This chapter delves into our comprehensive approach to governance, detailing our Board's composition and oversight mechanisms, our stringent anti-corruption measures, and our advanced cybersecurity protocols. As we navigate the complexities of the digital banking landscape, we remain steadfast in our dedication to maintaining the highest standards of corporate integrity, data protection, and operational resilience. Through these efforts, we mitigate risks and create a secure foundation for sustainable growth and innovation in the service of our customers, shareholders, and the broader community.

Governance, Transparency, and Anti-Corruption

Safeguards stakeholders' interests and ensure ESG integration across all banking operations.

Al Baraka Bank is committed to embedding sustainability into its core operations. Under the Strategic Planning Sector, the Bank has developed a comprehensive strategy and policy framework for sustainability and sustainable finance. This effort includes establishing an Environmental and Social Management System (ESMS) to guide the Bank's transformation into a sustainable institution.

The Bank has established a Network of Sustainability Champions and Ambassadors. This network includes representatives from all Bank divisions who serve as points of contact and are responsible for:

1	Analyzing the sustainability standards of current initiatives.
2	Providing necessary disclosures for sustainability reports.
3	Setting and achieving sustainability goals.
4	Offering informed recommendations and suggestions, following appropriate training.

Key Policies and Procedures:

- Governance procedures and framework.
- Regulations organizing the work of the Board of Directors and committees.
- Disclosure and publication policy
- Code of conduct.
- Procedures for organizing supervision of subsidiaries.
- Conflicts of interest and related party dealings.



Board of Directors

The BoD at Al Baraka Bank is instrumental in balancing the Bank's financial interests with its social and environmental responsibilities, playing a key role in impact management. They oversee the organization's due diligence and processes for identifying and managing its impacts on the economy, environment, and people by reviewing and approving ESG reports from relevant departments. These reports are disclosed to regulatory authorities and other communication channels. The Board is responsible for reviewing and approving sustainability reports, ensuring they meet recognized standards, verifying the accuracy and comprehensiveness of the data, and developing policies to uphold sustainable practices. They are accountable for evaluating sustainability performance, taking corrective measures as needed, and communicating with external stakeholders, including investors, customers, and regulatory authorities. Additionally, the Board manages conflicts of interest by adhering to a clear policy that promotes transparency and protects stakeholders interests, including disclosing any personal or financial interests that may conflict with the Bank's interests and maintaining a robust internal control system. Their knowledge of sustainable development is enhanced through quarterly reports and compliance with the CBE's regulations.

10	10%	90%	30%	3
Members Board of Directors	Female Representation	Non-Executive Board Members	Independent Board Members	Average Tenure (in years)



Engineer AbdulAziz Abdo Abdullah Yamani

Chairman Non-Executive

Attended Meetings: 5 **Tenure:** 3 Years



Mr. Mohamed Abd El-Salam Al-Bashir Elshokary

Non-Executive

Attended Meetings: 6 **Tenure:** 3 Years

Mr. Ismail Saleh Abdel Fattah[1]

Non-Executive

Attended Meetings: 3 **Tenure:** 3 Years



Mr. Ahmed Mustafa Abdel Hamid

Non-Executive

Representing Misr Insurance Company

Attended Meetings: 6 **Tenure:** 3 Years



Mr. Hazem Hussein Rashad Hegazy

CEO & Vice Chairman Executive

Attended Meetings: 6 **Tenure:** 3 Years



Mr. Hatem Abd El-Moneim Mohamed Montaser

Non-Executive

Attended Meetings: 6 **Tenure:** 3 Years



Mr. Karim Mohamed Fouad Al-Fateh Ibrahim

Non-Executive Independent

Attended Meetings: 6 **Tenure:** 3 Years



Mr. Houssem Ben Haj Amor

Non-Executive

Attended Meetings: 6 **Tenure:** 3 Years



Dr. Ramy Ahmed Hasan El-Borai

Non-Executive Independent

Attended Meetings: 6 **Tenure:** 3 Years



Mrs. Ghada Mustafa Labib

Non-Executive Independent

Attended Meetings: 3 **Tenure:** 3 Years

[1] Mr. Ismail Saleh Abdel Fattah had passed away in Nov 2023.



Performance Evaluation and Election:

The performance of the Board of Directors is assessed through self-evaluation forms completed by all members, including the Chairman. General Assembly meetings are held periodically to elect new members or replace current ones, with candidates typically nominated by a Nominations Committee comprised of existing Board members. Nominations are presented to shareholders for voting, which may be conducted through simple or absolute majority voting. Board members are selected based on their experience and competence in banking and finance, with criteria including academic qualifications and practical experience.

Board of Directors Independence

The independence of a member of the Board of Directors at Al Baraka Bank is determined by several key factors related to their position and actions. Firstly, the member must have no financial ties or conflicting interests that could affect their ability to make independent decisions in the Bank's best interest. They must maintain independence from the Bank's executive management, enabling them to evaluate management performance and make decisions without external influence. Additionally, the member should possess the necessary experience and competence in banking and business administration to understand the Bank's challenges and opportunities. Finally, the members must exhibit personal independence, free from affiliations with external parties, ensuring their decisions are made solely in the interest of the Bank, its shareholders, and customers.

The main goal of independent board members at Al Baraka Bank is to protect the interests of the Bank and all shareholders. They achieve this by fulfilling several key responsibilities, including making decisions that serve the company's interests, evaluating the CEO's performance, and ensuring effective and sustainable management practices. They also participate in making the company's main strategic decisions and oversee their implementation. Furthermore, independent members monitor compliance and risks, ensuring the company adheres to applicable laws and regulations. They provide unbiased guidance and counsel to the CEO and senior management and work to enhance transparency and accountability, thereby protecting the rights of shareholders and the public interest.

Sharia Board



Shaikh Dr. Abdel Latif Mahmoud Al Mahmoud

Chairman

Sheikh Dr. Abdul Latif Mahmoud Al Mahmoud has been Chairman of Al Baraka Bank Egypt's Sharia Supervisory Board since 2020. He is a member of multiple Sharia supervisory boards for prominent Islamic financial institutions, including Bahrain Islamic Bank, Takaful Company, and the Arab Islamic Banking Association in Bahrain and London. He holds a PhD in Islamic Jurisprudence and Sharia from Al Zaytouna University and a master's in comparative jurisprudence from Al Azhar University.

Meeting Attended: 6 **Tenure (in years):** 3



Dr. El Ayashy Fedad

Vice Chairman

Sheikh Dr. Ayashi Faddad assumed the role of Vice Chairman of Al Baraka Bank Egypt's Sharia Supervisory Board in 2020. He also serves as a member of the Sharia Board of the Accounting and Audition Organization for Islamic Financial Institutions in Bahrain and the Sharia Board of the International Islamic Rating Agency. He holds a master's degree and PhD in Islamic economics from Um Al Qura University in Makkah.

Meeting Attended: 6 **Tenure (in years):** 3



Dr. Mohamed Nagib Awaden Elmaghrab

Board Member

Dr. Mohamed Naguib Awadin is a professor of Sharia at the Faculty of Law, Cairo University, and has been a member of Al Baraka Bank Egypt's Sharia Supervisory Board since 2016. He is a published researcher in Islamic transactions, Sharia, and comparative jurisprudence. Dr. Awadin serves as a board member at several Islamic financial institutions in Egypt. He holds a PhD in comparative jurisprudence with a specialization in jurisprudence of transactions from Al Azhar University.

Meeting Attended: 6 **Tenure (in years):** 8



Dr. Hasanean Abdel Monem Hasanea

Board Member

Dr. Hassanein Abdel Moneim Hassanein has been a member of the Sharia Supervisory Board at Al Baraka Bank Egypt since 2015. He is a member of several Sharia Supervisory Boards at other Islamic financial institutions in Egypt. Dr. Hassanein holds a PhD in Sharia with a specialization in jurisprudence of transactions and a PhD in language with a specialization in grammar and morphology, both from the Faculty of Dar Al Uloom, Cairo University.

Meeting Attended: 6 **Tenure (in years):** 3

Board Committees

Board Committee	Responsibilities	Head	Members	Meeting frequency
Audit Committee	Responsible for proposing the appointment, determining the fees of auditors, and addressing any issues related to their resignation or dismissal in accordance with legal provisions. It discusses pertinent matters with the head of the inspection and internal audit sector, the compliance officer, auditors, and relevant officials. The committee reviews the annual financial statements before submitting them to the Board of Directors for approval and ensures their consistency with the Central Bank of Egypt's publication rules. It coordinates internal and external audit tasks, ensuring seamless communication between key audit personnel and the Board. Additionally, the committee reviews and approves the annual internal audit plan, assesses the effectiveness of the Bank's internal control system, and submits recommendations to the Board. It also ensures the periodic review of customer guarantees for financing and credit facilities, addresses any value decrease, and informs the Board for resolution. Lastly, the committee studies the CBE's inspection reports and observations on the Bank's financial statements, providing the Board with its recommendations.	Mrs. Ghada Mustafa Labib	Mr. Hatem Abd El-Moneim Mohamed Montasser Mr. Ahmed Mustafa Abd El-Hamid	4
Remuneration, Governance and Nominations Committee	Evaluating the Bank's governance system and proposing changes to governance policies approved by the Board of Directors. The committee prepares periodic governance reports for the entire Bank and reviews the annual report, focusing on disclosure and governance-related items. It considers and addresses the CBE's inspection observations on the governance system. Additionally, the committee is responsible for saving, documenting, and following up on reports evaluating the Board's performance. It also submits proposals for the nomination of independent members and makes recommendations regarding the appointment, renewal, or exclusion of Board members.	Mr. Houssem Ben Haj Amor	Dr. Ramy Ahmed Hasan El-Borai Mr. Hatem Abd El-monem Mohamed Montasser	3
Risk Committee	Responsible for reviewing the Bank's general risk framework, monitoring business performance in light of acceptable risks, risk trends, concentration of risks, provisions for expected credit losses, and other key risk indicators. It analyzes risk measurement reports, assesses the effectiveness of risk management systems, policies, and procedures, and monitors the escalation of risk concentrations. The committee ensures compliance with the Bank's risk management strategies and policies and periodically reviews key risks and performance indicators to support decision-making. It ensures the impartiality and independence of the risk management functions and proposes strategies and policies for managing various risks for Board approval. Additionally, the committee reviews debt cancellation studies, makes necessary amendments, and submits them to the Board for a decision. It provides the Board with comprehensive risk reports to inform sound decision-making and performs other tasks as requested by the Board.	Mr. Ismail Saleh Abdel Fattah	Mr. Houssem Ben Haj Amor Mr. Mohamed Abd El-Salam Elbasheer Elshokary	4
Technology Committee	Responsible for overseeing and ensuring the Bank's effectiveness in keeping pace with technological developments and digital transformation in the banking sector. It monitors compliance with approved strategies and policies through regular reports and submits periodic reports to the Board of Directors. The committee reviews and approves technology operations and digital transformation policies, aligning them with the Bank's activities, and seeks Board approval. Additionally, it proposes strategies and policies for technology and digital transformation, making necessary amendments before presenting them for Board ratification.	Mr. Houssem Ben Haj Amor	Mrs. Ghada Mustafa Labib Mr. Karim Mohamed Fouad Elfateh	3

Management Committees

Al Baraka Bank Egypt is dedicated to establishing a comprehensive governance framework that not only emphasizes transparency and accountability but also champions sustainable growth in an increasingly complex financial landscape. In this context, effective management committees are essential for navigating a multitude of challenges and capitalizing on emerging opportunities. While the bank has instituted various committees across multiple functions to address specific operational needs and enhance overall efficiency, this discussion will center on two pivotal committees that embody our commitment to responsible banking: the Executive Committee and the Sustainability and Sustainable Finance Committee.

Strategic Sustainability and Sustainable Finance Committee

As part of Al Baraka Bank's commitment to sustainability, the Strategic Sustainability and Sustainable Finance Committee plays a key role in driving the Bank's sustainability agenda. The committee supports the BoD in integrating sustainability principles into the Bank's operations, aligning them with broader sustainable finance goals. It defines and updates the sustainability framework, prioritizes key issues, reviews related strategies and policies, and oversees employee development in this area. Additionally, the committee ensures compliance with regulatory requirements, sets and monitors sustainability goals, allocates budgets, and reports progress and outcomes to the BoD.



Mr. Hazem Hussein Rashad Hegazy
Head of Committee
Vice Chairman & Chief Executive



Mr. Wassim Hosny Elmetwally
Deputy Chairperson of the Committee
Chief Strategic Planning & Sustainability Officer



Mr. Moustafa Al-Aroussy
Member
Deputy CEO

Mr. Ahmad Mohamed Maher Mohamed
Member
Chief Risk Officer

Executive Committee

Executive Committee is focal in the Bank's governance and strategic direction. The committee is responsible for making key decisions on the Bank's financing transactions and facilities, providing input on internal credit classifications, and advising on the organizational structure, as outlined in Article 29 of the Executive Regulations. The committee meets once per month to ensure continuous alignment with the Bank's objectives. The committee's expanded mandate covers high-level strategy and policies, as well as daily activities and corporate culture.



Mr. Hazem Hussein Rashad Hegazy
Head of Committee
Vice Chairman & Chief Executive



Mr. Abdelaziz Samir
Member
Deputy CEO for Consumer Banking, Retail Sector

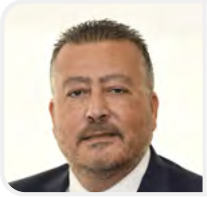
Mr. Ahmad Mohamed Maher Mohamed
Member
Chief Risk Officer



Mr. Moustafa Al-Aroussy
Member
Deputy CEO



Mr. Karim Namek
Member
Head of Treasury and Financial Institutions



Mr. Hesham Ghoneim
Member
Chief Financial Officer

Code of Ethics

At Al Baraka Bank, our reputation is built on the ethical conduct and impartial behavior of our employees. We are committed to maintaining the highest standards of integrity, professionalism, and compliance with both the letter and spirit of applicable laws. Our Code of Ethics is a cornerstone for building trust among our stakeholders - customers, shareholders, and the wider community.

Our Code of Ethics is founded on a set of core principles that guide the behavior and decision-making processes of all employees across every level:

Confidentiality and Information Security

We prioritize the protection of sensitive business information. Our employees are trained to safeguard confidential data, including financial information, customer details, and strategic plans. This commitment to data protection is fundamental to maintaining trust and complying with regulatory requirements.

Professional Conduct

We maintain a culture of professionalism that extends to personal appearance and interactions. Our employees represent the Bank's values in every aspect of their work, contributing to a positive and respectful work environment.

Ethical Business Practices

To ensure impartiality and avoid conflicts of interest, we have strict policies regarding the acceptance of gifts or incentives from business partners. Any such instances are transparently reported and reviewed.

Responsible Resource Use

We promote the responsible use of Bank resources, including digital assets. Our policies ensure that Bank property and systems are used efficiently and exclusively for business purposes, aligning with our sustainability and resource management commitment.

Fair and Transparent Disciplinary Procedures

Our approach to managing conduct issues is structured, fair, and focused on corrective action. We emphasize transparency and impartiality in all our internal processes.

Adhering to these ethical principles safeguards our reputation and contributes to the financial sector's stability and integrity. Our Code of Ethics reflects our commitment to sustainable and responsible banking practices, which is integral to our overall ESG strategy.

Anti-Bribery and Corruption Training

1,036 Hours
1,036 Employees

Conflict of Interest

At Al Baraka Bank, we recognize that maintaining objectivity and fairness in our operations is crucial for upholding our reputation and preserving stakeholders trust. Our robust Conflict of Interest policy is designed to safeguard the integrity of our business decisions and protect the interests of our customers, shareholders, and the Bank itself.

Our comprehensive approach to managing conflicts of interest is built upon several fundamental principles that guide our actions and decisions across all the Bank's management levels:

Ethical Boundaries: We expect our employees to operate within clearly defined ethical boundaries that prevent actual and potential conflicts of interest. This approach ensures that all business decisions are made objectively and in the best interest of the Bank and its stakeholders.

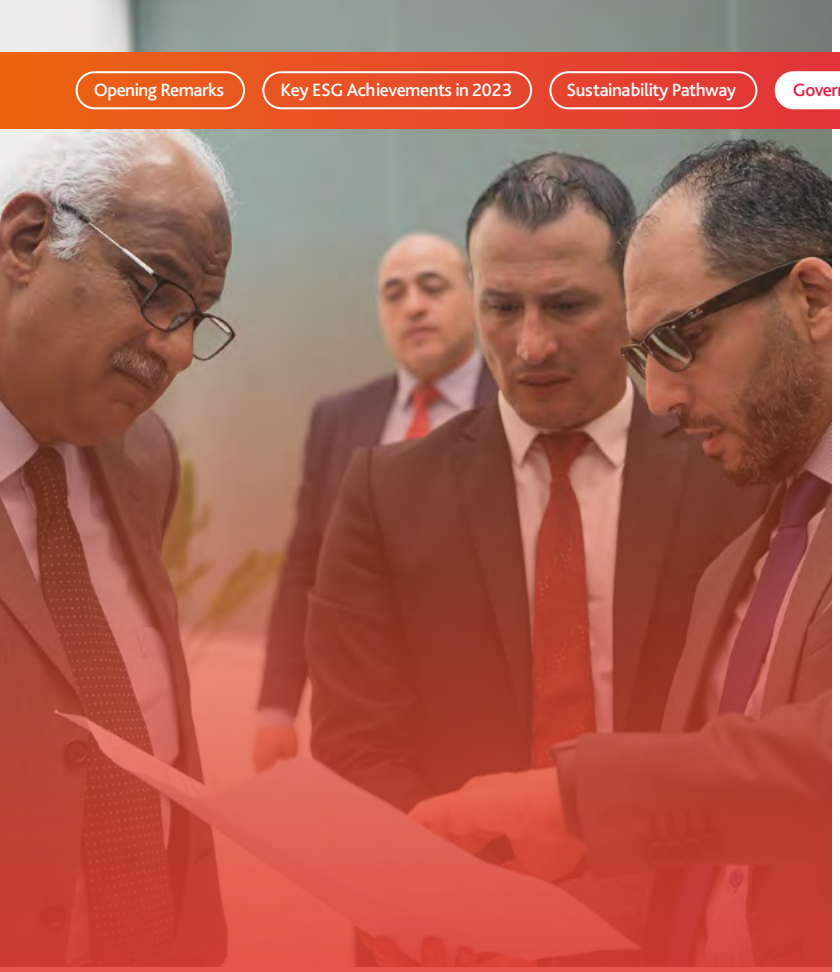
Transparent External Transactions: Any external transactions involving our employees must be conducted within the Bank's established framework. We have stringent measures to prevent unjustified personal gain for employees or their relatives, reinforcing our commitment to fairness and ethical business practices.

Executive Oversight: To maintain the highest standards of integrity, we require executive-level approval for any marketing programs or initiatives that could potentially be interpreted as creating an unfair advantage. This extra layer of scrutiny helps us ensure compliance with legal and ethical standards.

Continuous Education and Disclosure: We provide ongoing training to our employees on identifying and managing potential conflicts of interest. We also maintain an open disclosure policy, encouraging employees to report any situations that may give rise to conflicts.

Regular Review and Adaptation: Our Conflict-of-Interest policy is subject to regular review and updating to address emerging challenges in the rapidly evolving financial landscape. This proactive approach helps us stay ahead of potential issues and maintain the highest ethical standards.

By rigorously implementing these principles, we aim to create a transparent and fair business environment that aligns with our ESG goals. Our commitment to managing conflicts of interest effectively protects our reputation and contributes to the financial sector's overall integrity.



Whistle Blowing Mechanism

Al Baraka Bank has implemented a Whistleblowing Policy, approved by the Bod, designed to foster a workplace environment rooted in honesty, ethics, and transparency. The policy highlights the importance of integrity as a core value within the Bank's culture. It is a key component of our governance framework, aimed at creating a safe and supportive environment where employees feel empowered to report any illegal or unethical behavior without fear of retaliation. By providing clear and secure channels for communication, the policy ensures that all reports are treated with the utmost confidentiality and that whistleblowers are protected from any form of reprisal.

Email:
whistleblowing@albaraka-bank.com.eg

Telephone
Ext (113 , 129) Head of Compliance
Ext (125) Chief Internal Auditor

Compliance Framework

Al Baraka Bank's strict compliance structures are built to ensure the efficiency of its operations and adherence to local and global best practice standards. The Compliance Sector operates under structured and comprehensive policies to identify, evaluate, and report compliance-related risks, including operational and financial losses, system failures, and reputational damage due to non-compliance with laws and regulations. It continuously updates its framework in line with international best practices. A key focus is on Anti-Money Laundering (AML) and Terrorism Financing, with a rigorous framework to identify and report violations. The sector also ensures compliance with the Foreign Account Tax Compliance Act (FATCA) regulations set by the US IRS.

The compliance framework outlines the Bank's policies and procedures, ensuring regular implementation and monitoring. The compliance sector prepares periodic reports to maintain awareness of potential risks and ensure compliance. Operating as one of the Bank's three lines of defense, the Compliance Sector adheres to governance principles and provides independent oversight of transactions. The compliance officer communicates directly with the Board of Directors and the Audit Committee through the CEO to address issues requiring corrective action. In collaboration with the risk and internal audit sectors, the compliance team ensures adherence to controls, procedures, and regulations mandated by the Central Bank of Egypt (CBE). All policies introduced undergo approval by the Board of Directors after thorough review and endorsement by Al Baraka Group's Compliance Sector.

Achievements:

Implementation of Advanced Systems: The Compliance Sector has successfully implemented new system to stay aligned with international best practices , The KYC, EMBARGO, and ACH Siron Sanctions screening systems are go live on Jan 2023 , while AML, GOAML are Go live on May 2024 , and FATCA systems will be rolled out throughout the year making another milestone in enhancing compliance with international tax reporting requirements , these efforts have significantly strengthened the bank ability to detect and prevent financial crimes and ensure adherence to global regulatory standards.

Support for Transformation Strategy: As Al Baraka Bank advances its transformation strategy and introduces new products and services, the Compliance Sector will uphold the highest standards of compliance and regulatory frameworks. The sector will regularly evaluate its internal structures to ensure they align with the Bank's strategy and risk appetite.

Investment in Staff Education: The sector will invest in staff education to foster a robust corporate governance and compliance culture, protecting the Bank from potential risks and liabilities.

Continuous Framework Updates: The frameworks guiding the Bank will be continuously updated to meet regulatory requirements, especially those related to digitalization and financial inclusion.

Governance & Compliance Training
2,250 Hours
1,832 Employees

Anti-Financial Crimes

Al Baraka Bank has implemented a fraud risk policy to address one of the most critical challenges facing financial institutions today. Fraud has the potential to significantly impact the performance, financial stability, and reputation of banks and could undermine their competitiveness, credibility, and customer trust. To mitigate these risks, the Bank adopts a proactive and comprehensive approach, recognizing that fraud prevention and detection measures are essential for safeguarding against increased vulnerability. This policy is designed to raise awareness of internal and external fraud risks and establish effective controls for preventing, detecting, and investigating fraudulent activities.

Anti-Money Laundering and Combating the Financing of Terrorism

At Al Baraka Bank, we are committed to maintaining strong measures against money laundering and terrorist financing, ensuring compliance with national and international standards. Our Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) Policy is a cornerstone of this commitment, reflecting the Bank's dedication to safeguarding the financial system's integrity. The policy is regularly updated to align with the latest laws, regulations, and guidelines issued by relevant authorities. It has been meticulously crafted and periodically revised in accordance with the Banking Regulatory Controls issued on December 19, 2023, Egypt's Anti-Money Laundering and Counter-Terrorism Financing Law No. 80 of 2002 and its amendments, as well as the Forty Recommendations of the Financial Action Task Force (FATF). Furthermore, the Policy adheres to international mandates such as United Nations Security Council Resolutions 1373 (2001) and 2178 (2014), alongside the Technical Guide for the Implementation of Resolution 1373 issued in December 2019.

Integrated Risk Management

Al Baraka Bank maintains a comprehensive risk management framework that covers operational, market, liquidity, credit, SME, and retail risks. Utilizing a range of tools and methodologies, the Bank ensures effective risk management through a three-lines-of-defense model that provides thorough oversight, backed by Board-approved policies and procedures. A risk appetite dashboard ensures adherence to established risk limits, safeguarding financial stability, mitigating potential risks, and aligning with the Bank's strategic objectives. The framework's nature allows for integrated risk management across all business areas, promoting a risk-aware culture throughout the Bank.

Risk Management Framework

Three Lines of Defense

Al Baraka Bank implements a strong Three Lines of Defense model to guarantee thorough risk management and efficient oversight:



First Line of Defense:
Business Lines and Internal Control: The first line of defense comprises the business units and front-line management responsible for identifying, assessing, and managing risks directly within their operational areas. They conduct regular monitoring of risk thresholds and triggers through a comprehensive dashboard, which is reviewed quarterly and presented to the Board Risk Committee (BRC) and the Board of Directors. This line implements day-to-day risk management practices and internal controls, ensuring compliance with relevant policies, procedures, and regulations.

Second Line of Defense:
Operational Risk and Compliance: Independent from the first line, the second line of defense provides oversight and challenge to the first line's risk activities. This line develops and implements Board-approved policies and procedures crucial for managing and mitigating risk. It monitors the overall risk profile of the Bank and ensures alignment with risk appetite. The second line provides risk reporting to senior management and the Board, offers guidance and training on risk management practices to the first line, and ensures regulatory compliance and adherence to internal policies.

Third Line of Defense:
Internal Audit: The third line of defense, internal audit, provides independent assurance to the Board and senior management. It conducts risk-based audits to evaluate the effectiveness of the first two lines of defense and assesses the overall efficacy of the risk management framework. This line supports the risk mitigation process through established roles and responsibilities, as well as implementing maker, checker, and authorization processes to ensure proper controls. The internal audit function reports directly to the Audit Committee of the Board, maintaining its independence and objectivity.

Risk Appetite

Al Baraka Bank's risk appetite is guided by an approved Risk Appetite Dashboard, which includes maximum tolerance levels and thresholds for various risk categories. This dashboard encompasses credit risk, liquidity risk, market risk, financial risk, regulatory risk, operational risks, and cybersecurity risks. It is reviewed quarterly to ensure compliance with established limits and includes concentration limits for both assets and liabilities. This comprehensive overview of the Bank's risk exposure ensures effective management and adherence to risk tolerance levels. The dashboard is regularly presented to the Board Risk Committee (BRC) and the Board of Directors for review and oversight.

Types of Risks

Credit Risk

Al Baraka Bank manages credit risk through a well-defined risk management framework supported by comprehensive policies and procedures. The framework is designed to address various types of credit risk, which are identified and assessed on a case-by-case basis. This tailored approach ensures that each credit exposure is evaluated in the context of its specific circumstances, allowing for effective risk mitigation and management.

Market and Liquidity Risk

Al Baraka Bank rigorously manages market and liquidity risk through a structured framework designed to ensure financial stability and resilience. The Bank addresses liquidity risk by monitoring several key metrics, including funding risk, maturity ladder, Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and liquidity ratio, and conducting liquidity stress tests and assessing liquidity survival days. Market risk is managed through vigilance over foreign exchange (FX) risk, fixed income, money markets, and interest rate risk, including measures such as Economic Value of Equity (EVE), Earnings at Risk (EAR), and repricing gaps.

Operational Risk

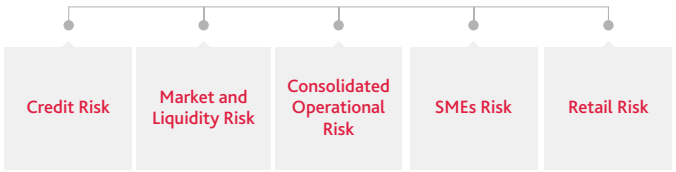
Al Baraka Bank is committed to effectively managing consolidated operational risk, which encompasses a broad spectrum of potential threats.
These include managing operation risk, business continuity, fraud risk & technology risk, covering business disruption and system failures, risks associated with clients, products, and business practices, damage to physical assets, employment practices and workplace safety, execution, delivery, and process management issues, as well as internal and external fraud, including credit card fraud. The Bank is currently managing its Operational Risk Appetite Statement to further define its risk tolerance and management strategies. To measure and manage these risks, the Bank employs a variety of tools and methodologies, including but not limited to Key Risk Indicators (KRIs), Risk Control Self-Assessments (RCSA), internal loss data analysis, Corrective Action Plans (CAP) and scenario analysis..

SMEs Risk

Risk management for Small and Medium Enterprises (SMEs) at Al Baraka Bank Egypt is governed by established policies and procedures. The framework for managing SME risk involves identifying and assessing risks on a case-by-case basis. This individualized approach allows the Bank to address the unique risk profiles of SME clients, ensuring that appropriate risk management strategies are applied to each situation.

Retail Risk

Retail risk at Al Baraka Bank is managed through a robust framework that includes the Master Credit Policy, Program Finance Guides, and related policies and procedures. This framework addresses the credit risks inherent in the Retail Banking Line of Business (LOB). The comprehensive set of policies and guidelines ensures that retail credit exposures are effectively managed and aligned with the Bank's risk tolerance and strategic objectives.



Environmental and Social Risk Management

In alignment with the 2023-2025 strategy, Al Baraka Bank's Environmental and Social Management System (ESMS) embodies our dedication to responsible and sustainable banking practices. We are committed to operating in a socially responsible and environmentally sustainable manner.

Our ESMS is designed to address the environmental and social risks associated with our finance and investment activities by providing a comprehensive framework for identifying, assessing, and managing these risks. This system highlights our ongoing commitment to integrating environmental and social factors into our overall risk management strategy.

Supported by senior management, the ESMS underscores our commitment to sustainability and ethical banking. We are focused on implementing effective practices and continuously refining our policies to align with global standards, ensuring we remain at the forefront of responsible finance.

The ESMS adheres to internationally recognized standards, including the International Finance Corporation's (IFC) Performance Standards, while complying with relevant national regulations. Key objectives of the ESMS include:

- Identifying and analyzing potential environmental and social risks and impacts of our financing and investment activities.
- Developing and implementing policies and procedures to manage these risks effectively.
- Enhancing our environmental and social risk management performance through continuous improvement.
- Integrating environmental and social considerations into our business strategy and decision-making processes to support sustainable development.
- Facilitating financial access for underserved groups and Micro, Small, and Medium Enterprises (MSMEs).
- Engaging with local communities, NGOs, and other stakeholders to address ESG concerns.
- Improving our policies and practices through staff training and adopting evolving ESG best practices.
- Reporting publicly on our ESG strategies, initiatives, and performance to demonstrate accountability.

Our ESMS undergoes regular audits and reviews to ensure it remains relevant and effective in managing environmental and social risks. The system is in a state of continuous improvement, adapting to new challenges and opportunities in the evolving landscape of sustainable finance.

A key focus of our ESMS is capacity building to embed Environmental and Social (E&S) risk considerations into our day-to-day business operations. We provide comprehensive training programs and resources to our staff, ensuring they have the knowledge and skills to effectively integrate E&S risk assessment into their daily activities and decision-making processes.

Initially covering MSMEs as defined by the IFC, we aim to gradually extend the scope to include all our finance and investment operations, ensuring comprehensive adherence to sustainability commitments.

We comply with applicable requirements, including the IFC Exclusion List, national laws, IFC Performance Standards, and emerging global sustainability standards. Our procedures for managing environmental and social risks include screening, due diligence, mitigation planning, monitoring, auditing, and reporting. We also incorporate environmental and social clauses in our client legal agreements, ensuring compliance and periodic reporting on E&S performance.

Al Baraka Bank remains committed to addressing environmental and social concerns through its ESMS, which reflects its responsible banking approach and dedication to sustainable practices and societal well-being.



Digitalization and Cybersecurity

Operational Enhancements and Process Optimization

Introduction of Universal Teller Model

Al Baraka Bank has achieved significant advancements in operational efficiency, most notably through the strategic restructuring of our branch network with the implementation of the Universal Teller model. This innovative approach required the development of sophisticated processes, the creation of advanced system templates, and the delivery of comprehensive training programs to our staff.

I-MAL System Upgrades

We have substantially improved our I-MAL system, enhancing its capability to handle a broader range of transactions. The upgraded system now efficiently manages streamlined FX buy and sell operations, automates check rejection processes, improves customer limit monitoring, and enhances checkbook request tracking. These enhancements have significantly reduced processing times and minimized errors, leading to improved customer satisfaction.

Simplified Branch Operations

In our efforts to **simplify** branch operations, we have successfully reduced the number of branch stamps from 92 to 46. This simplification accelerates transaction processing and contributes to our sustainability goals by reducing paper waste. Furthermore, we have implemented a new, efficient process for managing transactions on dormant accounts, enhancing our ability to serve all customer segments effectively.



60 Cash Deposits ATMs

56 Visually impaired ATMs

Staff Empowerment and Training

Staff empowerment has been crucial to the success of these initiatives. We have conducted extensive training sessions to ensure the smooth adoption of new systems and processes. Additionally, we have implemented a feedback loop for continuous improvement, leveraging insights from our frontline staff to refine our processes further.

These enhancements reflect our unwavering commitment to digital transformation and operational excellence. By optimizing our processes and leveraging technology, we aim to provide a more efficient, reliable, and seamless banking experience for our customers while improving our internal operational efficiency.

Key Policies and Procedures:

Data Privacy and Cybersecurity Policy





Digitalization Initiatives

Digital Transformation Overview

Al Baraka Bank has made significant strides in its digital transformation journey, placing digitalization initiatives at the forefront of our operational improvements. These efforts have revolutionized our processes, enhanced decision-making capabilities, and improved overall organizational efficiency.

Advanced Digital Reporting Tools

We have implemented sophisticated digital reporting tools that provide real-time monitoring of key operational metrics. These tools empower our management team with actionable insights, enabling swift decision-making and proactive problem-solving.

Automated Workflows

Integrating automated workflows has reduced manual interventions, minimized errors, and improved efficiency. This automation has accelerated our processes and allowed our staff to focus on more value-added tasks.

Intranet Portal Launch

Al Baraka Bank has launched a new intranet portal, marking a significant enhancement of internal communication and collaboration. This comprehensive initiative, involving key departments such as IT, Marketing, Human Resources, and Operations, has established a centralized hub for organizational knowledge and communication. Prior to implementation, all intranet components underwent rigorous security assessments to ensure adherence to the highest cybersecurity standards. The portal has yielded substantial benefits, including improved information flow, enhanced employee engagement, streamlined access to resources, reduced email overload, and facilitated cross-departmental knowledge sharing, ultimately fostering a more connected and efficient workplace environment.

Internet Banking: Empowering Digital Financial Management

At Al Baraka Bank, we are dedicated to providing our customers with state-of-the-art, secure banking solutions through our cutting-edge internet banking platform. Our services are meticulously designed to offer a seamless and intuitive experience, empowering customers to effortlessly manage their accounts, execute transactions, and access a wide array of financial services at their convenience, 24/7.

Our platform features a user-friendly interface for easy navigation, comprehensive account management tools, diverse transaction capabilities, and real-time financial information access. We incorporate robust security measures, including multi-factor authentication and end-to-end encryption, ensuring the utmost protection of our customers' information and transactions. We continuously enhance our services to cater to the evolving needs of our diverse customer base, from individual retail clients to corporate entities.

The transaction volume through our internet banking platform reached an impressive total of EGP 3.5 billion in 2023. This volume was distributed across various transaction types, including credit card payments, retail transfers, corporate transfers, and open deposit certificate transactions. The significant figure demonstrates the strong adoption and trust our customers place in our digital banking services.

In terms of transaction frequency, our platform processed a total of 44,200 transactions throughout the year. This substantial number of transactions spans across different categories, reflecting the diverse ways in which our customers utilize our internet banking services for their financial needs.

Digital Innovation Roadmap

Al Baraka Bank is committed to staying at the forefront of digital innovation in the banking sector. Our comprehensive strategy encompasses several key initiatives designed to enhance our digital capabilities, improve customer experiences, and strengthen our internal processes.

Mobile Banking Platform Development

The Bank is actively developing a state-of-the-art mobile banking platform, leveraging the expertise of its digital team. This strategic initiative aims to revolutionize digital banking services, offering customers a more intuitive, efficient, and feature-rich banking experience on mobile devices. The new platform will incorporate cutting-edge technologies to ensure seamless transactions, real-time account management, and enhanced security features. By prioritizing user experience and technological innovation, the Bank is positioning itself to meet the evolving needs of its customers in an increasingly mobile-centric financial landscape. This development represents a significant step forward in the Bank's digital transformation journey, reinforcing its commitment to providing advanced, secure, and convenient banking solutions.

Cybersecurity and Employee Development

By the end of 2023, the Bank implemented advanced email security measures, a comprehensive security awareness program, and a sophisticated learning management system. These critical components are scheduled for full integration by the second quarter of 2024. This strategic move will significantly bolster our cybersecurity infrastructure while enhancing overall employee awareness and skills in digital security practices.

Intranet Enhancement and Digital Workplace Strategy

Our intranet portal, a cornerstone of our digital workplace strategy, is set for substantial enhancements. We plan to integrate advanced features such as streamlined workflow management, sophisticated analytics dashboards, and AI-powered search capabilities. These improvements will optimize internal communications, foster a more connected workforce, and drive operational excellence across the organization.

Expanding Digital Services and Emerging Technologies

Looking ahead, Al Baraka Bank is poised to expand its digital services further to reduce branch dependency and enhance customer convenience. We are exploring the implementation of AI-driven predictive analytics to provide proactive customer service and personalized banking experiences. Additionally, we are investigating the potential of blockchain technology to enhance security and transparency in our transactions.

Through these progressive initiatives, Al Baraka Bank is making significant contributions to the Islamic banking sector in Egypt. Our ongoing commitment to digital innovation ensures that we continue to meet and exceed the evolving needs of our customers in an increasingly digital world while maintaining high standards of security and service excellence. These efforts position us as a forward-thinking institution within Egypt's Islamic banking landscape, aiming to enhance our services and customer experience through modern, efficient banking practices.

05
Financial Sustainability

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Financial Sustainability



At Al Baraka Bank, we recognize that financial institutions play a pivotal role in shaping a sustainable future. Our sustainable finance initiatives are designed to create long-term value for our stakeholders while addressing pressing environmental and social challenges. This section of our ESG report highlights our commitment to leveraging financial expertise and resources to foster positive change.

Our approach to sustainable finance is multifaceted, encompassing a range of products, services, and strategies that support sustainable development goals. From empowering small and medium-sized enterprises (SMEs) to promoting financial inclusion through microfinance, we strive to create economic opportunities that benefit individuals and communities.

In 2023, Al Baraka Bank demonstrated robust financial performance, with significant growth across key metrics. This strong foundation allows us to expand our sustainable finance offerings and increase our positive impact. Our initiatives span various sectors, including support for female entrepreneurs, healthcare financing, and investments in critical financial services and business support projects.

As we present our sustainable finance achievements and initiatives, we invite you to explore how Al Baraka Bank works to create a more inclusive, resilient, and sustainable financial ecosystem. Our commitment to sustainable finance is not just about responsible banking but actively contributing to a better future for all.

Al Baraka Bank's Economic Performance

Al Baraka Financial Highlights

EGP 100.4 Bn
Total assets
15.2% YoY growth

EGP 85 Bn
Total Deposits
14.2% YoY growth

EGP 43.6 Bn
Total Finance
23% YoY growth

EGP 41.7 Bn
Total Retail Deposits

EGP 7.6 Bn
Retail Finance
75.2% YoY growth

EGP 24.7 Bn
Corporate Finance
15.5% YoY growth

EGP 6.2 Bn
SMEs Finance
35.5% YoY growth

EGP 5.2 Bn
Syndicated Finance

EGP 4.37 Bn
Net Interest Income

EGP 9.7 Bn
Total Equity

EGP 2.22 Bn
Net Profit
27% YoY growth

Micro-Finance: Fostering Inclusion

In 2023, Al Baraka Bank's Microfinance finance Portfolio showcased the Bank's commitment to sustainability and financial inclusion. The portfolio disbursed **EGP 755 million** to seven key microfinance institutions, reaching **over 590,000 diverse beneficiaries**. Notably, **68% of these beneficiaries were female** entrepreneurs, underscoring the Bank's dedication to women's economic empowerment.

By targeting microfinance, Al Baraka Bank supports underserved segments of society, enabling them to improve their economic standing and contribute to community development. The strategic allocation of funds ensures benefits reach a wide array of individuals and enterprises, fostering entrepreneurship and enhancing livelihoods.

This initiative aligns with Al Baraka Bank's broader strategy of integrating sustainability into its core operations. By providing crucial financial resources to marginalized groups, the Bank contributes to sustainable development goals, fosters economic resilience, and promotes social equity.

The focus on microfinance empowers individuals and drives community growth, aligning with global objectives of financial inclusion and gender equality while building a more inclusive and resilient economy.

EGP 755 Mn
MFI Finance Portfolio

68%
of Beneficiaries are Females

592,774
Prospect Beneficiaries

Empowering Small and Medium-Sized Enterprises (SMEs)

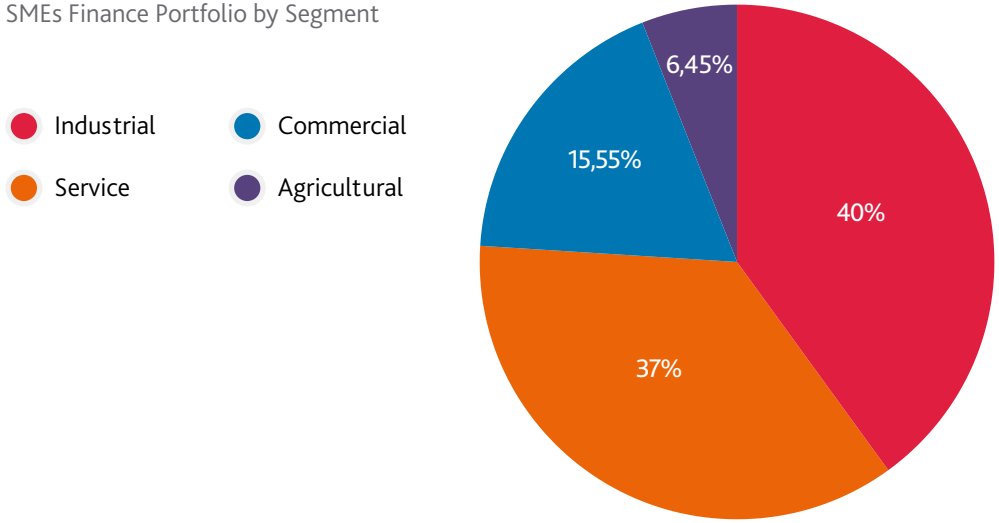
Al Baraka Bank offers innovative financing solutions for SMEs with high growth potential but limited access to capital. Our approach combines essential funding with expert guidance, enabling businesses to overcome financial barriers and achieve their development goals. We provide flexible financing for new and existing projects, tailoring solutions to each enterprise's unique needs. Our dedicated team assesses individual business requirements, proposing customized strategies to expand operations, enhance productivity, and boost income.

In 2023, Al Baraka Bank significantly expanded its support for SMEs. Our total SME customer base grew to 855, with a diverse portfolio of financing options. Among these, 393 customers received direct financing, 402 customers benefited from indirect financing, and 60 customers utilized both direct and indirect financing.

Our direct SME finance portfolio reached EGP 6.2 billion, serving a wide range of sectors. Notably, we reinforced our commitment to promoting gender equality in business by extending substantial financial support to 98 female-owned medium enterprises through direct financing, which represents 25% of our directly financed SME clients. This targeted approach not only strengthened our SME portfolio but also contributed to fostering entrepreneurship and economic empowerment among women in the business sector..

Our strategic investments span sectors crucial to Egypt's economic growth, driving innovation, creating jobs, and fostering economic resilience. Al Baraka plays a vital role in building a more inclusive and dynamic economy by empowering SMEs, particularly female-owned businesses. In line with our commitment to supporting SMEs, our SME finance portfolio is diversified across various segments, with allocations as follows: Industrial (40%), Service (37%), Commercial (15.55%), and Agricultural (6.45%). These allocations reflect our dedication to fostering growth and sustainability in key sectors.

SMEs Finance Portfolio by Segment



Al Baraka recognizes that SMEs and female-owned enterprises are key contributors to job creation, innovation, and the broader economic narrative. These businesses play a pivotal role in shaping the economy's future, bringing new ideas to the market, and providing employment opportunities vital for social stability and growth.

Understanding the importance of these enterprises, Al Baraka is dedicated to creating an environment where they can thrive. This involves providing financial support and offering a comprehensive suite of services and products tailored to the unique needs of SMEs and female entrepreneurs.

EGP 6.2 Bn
SME Direct Finance Portfolio

25%
Percentage of Female-owned SMEs Direct Finance

Empowering SMEs Through Strategic Financing and Global Partnerships

IFC Partnership with Al Baraka Bank, Supporting Small and Medium Enterprises in Egypt

The International Finance Corporation (IFC) **has funded USD 50 million** in Murabaha finance to Al Baraka Bank. This funding will enable the Bank to finance thousands of small and medium enterprises (SMEs) across various sectors, including tech, transport, communications, and health.

Notably, at least **25% of this financing is dedicated to women-owned SMEs**, which often face significant challenges in accessing finance. By supporting women-owned small businesses, this program empowers entrepreneurs and their families and invests in the future of Egypt's economy.

This initiative aligns with Al Baraka Bank's commitment to developing and implementing environmental and social management systems (ESMS) through Sharia-compliant financing solutions.

25%
of financing directed to Female-owned SMEs



Green Environment Projects & Small and Medium-sized Enterprises (SMEs)

In 2023, Al Baraka Bank entered into a groundbreaking Line of Financing Agreement with The Islamic Corporation for the Development of the Private Sector (ICD), a subsidiary of the Islamic Development Bank Group. This agreement provided a USD 30 million syndicated commodity Murabaha financing facility, with potential for a USD 20 million increase. Al Baraka Bank planned to use this Shariah-compliant financing to support green environment projects and Small and Medium-sized Enterprises (SMEs) in Egypt, aligning with its commitment to sustainable development and economic growth.

By allocating funds to these sectors, the bank aimed to promote eco-friendly initiatives and sustainable practices while supporting key drivers of economic growth and innovation. This financing mechanism showcased Al Baraka Bank's role in harnessing Islamic finance to foster sustainable development and address environmental concerns.



Financial Programs: Advancing SME Growth in Social Finance

Al Baraka Bank launches Izdehar program for SME finance

Al Baraka Bank has introduced "Izdehar" an innovative financing program designed to support and accelerate the growth of small and medium enterprises (SMEs). This program is a key component of the Bank's strategy to revitalize the SME sector and diversify its product offerings across various customer segments. Izdehar program offers financing up to EGP 10 million with competitive interest rates, featuring a streamlined processing system that can complete approvals in 14 days once all conditions and documentation are met. Since its inception, the program has demonstrated significant success, financing **67 projects** with a total investment of **EGP 254.8 million**. The program's impressive reach and financial impact highlight its effectiveness in providing timely and substantial support to SMEs, contributing to their development and, by extension, to the broader economic landscape.

Furthermore, it provides comprehensive banking and financing solutions tailored specifically for local SME activities and entrepreneurs' diverse needs. By addressing SMEs' unique challenges, Izdehar aims to fuel business expansion, foster innovation, and contribute to broader economic development. This program underscores Al Baraka Bank's commitment to being a catalyst for SME growth and demonstrates its agility in meeting evolving market demands.



Number of financed projects
67

Total amounts financed
EGP 254.8 Mn

Al Baraka Medical Program

Al Baraka Bank has introduced a pioneering Medical Financing Program to bolster healthcare providers across Egypt. This initiative is designed to support the establishment, growth, and modernization of healthcare businesses, focusing on enabling the acquisition of cutting-edge medical equipment. The program offers financing up to 100% of medical equipment costs, with a maximum funding limit of EGP 25 million per entity. It caters to various healthcare providers, including hospitals, medical centers, radiology centers, laboratories, and clinics, offering tailored solutions to meet their specific needs.

Al Baraka Bank provides substantial financial support to empower healthcare providers to invest in critical infrastructure and state-of-the-art technology. This strategic approach facilitates the growth of individual healthcare businesses and contributes to enhancing the overall quality and accessibility of healthcare services in Egypt. The Medical Financing Program reflects Al Baraka Bank's commitment to fostering development in crucial sectors of the economy.

Through this initiative, Al Baraka Bank is playing a vital role in improving public health outcomes and driving innovation in the medical field. The program underscores the Bank's vision of financial services as a catalyst for societal progress, aligning economic growth with improved quality of life for Egyptian citizens. By supporting healthcare providers, Al Baraka Bank is contributing to a stronger, more resilient healthcare system that can better serve the needs of the Egyptian population.

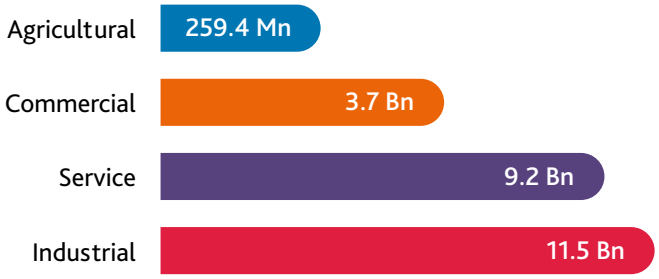


Al Baraka Bank's Corporate Portfolio

In 2023, Al Baraka Bank Egypt demonstrated effective growth and risk management in its corporate portfolio despite challenging economic conditions characterized by increased debit interest rates and foreign currency shortages.

The Bank's corporate finance portfolio showed strong results in 2023, with total reaching EGP 24.7 billion. The portfolio was spread across key economic sectors, highlighting the Bank's commitment to supporting various industries. The Industrial Sector received the largest share, accounting for 46.6% of the total portfolio with EGP 11.5 billion. The Service Sector followed, comprising 37.2% of the portfolio with EGP 9.2 billion. The Commercial Sector represented 15% of the total finance, amounting to EGP 3.7 billion. The Agricultural Sector, received EGP 259.4 million, making up around 1% of the portfolio. This distribution shows Al Baraka Bank's focus on supporting growth across different sectors of the Egyptian economy, with particular emphasis on industrial and service-oriented businesses.

Corporate Portfolio (EGP)



Corporate Portfolio Client Base Expansion

Al Baraka Bank Egypt successfully expanded its client base, attracting 47 new clients - a 19% increase. This growth was achieved while maintaining a focus on diversifying activities in the client acquisition strategy.

19% increase in Corporate Client base in 2023

Corporate Risk Management and Compliance

The bank also made significant strides in risk management. It reduced the default rate to 2.8% from 3.3% in the previous year, indicating improved portfolio quality. The concentration ratio for the top 50 clients decreased from 54% to 49.6%, aligning with Central Bank of Egypt directives. Additionally, the bank lowered its exposure to the financial intermediation sector from 17.7% to 14.9% of the total portfolio, demonstrating a commitment to balanced risk distribution.

Al Baraka Bank's Investment Portfolio

Al Baraka Bank has strategically aligned its investment portfolio with a focus on financial services companies and business support services all of which are sharia-compliant, demonstrating its commitment to fostering economic growth and stability. The Bank has allocated EGP 254.4 million to these crucial sectors, with a significant emphasis on financial services companies.

Al Baraka Bank has allocated a significant portion of its investment towards six Non Banking Financial institutions (NBFIs), amounting to EGP 200 million. This substantial backing aims to enhance the capabilities and reach of these firms, enabling them to develop and deliver innovative, client-focused solutions. By strengthening these key players in the financial ecosystem, Al Baraka Bank contributes to the overall advancement and sophistication of the financial services sector.

Complementing this, Al Baraka Bank has invested in business support services, recognizing their vital role in developing essential infrastructure and resources. This investment facilitates improved operational efficiency and growth potential across various enterprises. Through this dual-focused approach, Al Baraka Bank reinforces the financial landscape and cultivates a robust business environment that promotes sustainable development and economic resilience. This strategic allocation of resources underscores the Bank's vision of being a catalyst for comprehensive economic progress.

Total Investment Portfolio
EGP 254.4 Mn

79% Of Total Investment Portfolio
Financial Services Projects Investments

Al Baraka Islamic Co. for Financial Investments

Al Baraka Islamic Co. for Financial Investments, a 98% owned subsidiary of Al Baraka Bank, is a key player in Egypt's financial landscape. This strategic arm enhances our ability to deliver comprehensive, Sharia-compliant financial solutions while contributing to the country's economic development. Al Baraka Bank Egypt's capital contribution to this subsidiary amounts to 147 million EGP.

The company engages in various financial services, including facilitating new security issuances, supporting capital expansions, managing securities portfolios, overseeing investment funds, underwriting subscriptions, and participating in venture capital initiatives. These activities foster innovation and entrepreneurship while adhering to Islamic financial principles.

By leveraging this subsidiary, Al Baraka Bank strengthens its market position, offering clients broader investment opportunities and financial services. This integration allows us to respond to market needs effectively, promote financial inclusion, and contribute to a diverse financial ecosystem in Egypt.

The synergy between Al Baraka Bank and its subsidiary exemplifies our commitment to innovative, ethical financial solutions that drive sustainable economic growth while adhering to regulatory and Sharia principles.

Treasury's Responsible Management

As part of its commitment to sustainable finance, Al Baraka Bank has strategically managed its treasury operations to ensure financial stability, liquidity, and responsible investment. In 2023, Al Baraka Bank demonstrated its strong position in the financial markets by holding **EGP 19.1 billion** in Treasury bills. This substantial investment reflects the Bank's prudent liquidity management and support for national economic development. Additionally, the Bank diversified its portfolio with **EGP 20.8 billion** in Treasury Bonds and **EGP 333 million in Islamic Sukuk**, showcasing its commitment to conventional and Islamic financial instruments.

The Bank's treasury operations are guided by a comprehensive Treasury Policy, implemented in May 2023, and an updated Treasury Manual & Procedures, effective January 2024. These policies ensure efficient liquidity management, effective monitoring of foreign exchange positions, and prudent management of asset-liability repricing gaps. They also enable the Bank to maximize profitability through judicious utilization of excess liquidity in financial markets.

In line with its 2023-2025 strategy, Al Baraka Bank is focusing on innovation within its treasury operations. The Bank is developing Islamic derivatives for hedging purposes, aligning with Central Bank of Egypt regulations and Sharia principles. New specialized desks, including an Asset-Liability Management (ALM) desk and a Fixed Income desk, have been established to enhance the Bank's market operations and risk management capabilities.

These strategic initiatives in treasury operations underscore Al Baraka Bank's commitment to sustainable finance. By maintaining a strong liquidity position, supporting government securities, and innovating in Islamic finance, the Bank contributes to economic stability while adhering to ethical banking principles. This approach ensures the Bank's financial health and supports broader economic development goals, aligning financial operations with positive societal impact.

Treasury bills
EGP 19.1 Bn

Treasury Bonds
EGP 20.8 Bn

Islamic Sukuk
EGP 333 Mn

Sustainable Finance

Al Baraka Bank adheres to the sustainable finance framework set by the CBE, using environmental and social project classifications to identify and prioritize sustainable transactions within its credit portfolio. The Bank's comprehensive approach balances financial prosperity with environmental stewardship, social responsibility, and strong governance practices. This includes dynamic expanding environmental and social finance portfolios, sustainable investment assessments, and empowering SMEs and women-owned businesses. Al Baraka Bank's efforts align with national and international sustainable development goals, focusing on generating long-term positive impacts.

2023 Total Al Baraka Bank Finance Portfolio		EGP 43.6 Bn
Environmental and Social Finance Portfolio	**Environmental Finance**	**Social Finance**
EGP 8.55 Bn (20.2% of the Total)	**EGP 1.57 Bn**	**EGP 6.98 Bn**



Environmental Finance Portfolio

In 2023, Al Baraka Bank demonstrated its strong commitment to environmental sustainability by financing various projects across various sectors. The Bank's environmental initiatives focused on energy efficiency and included efforts to improve the efficiency of electrical networks, reduce losses, and develop the infrastructure for electricity transmission and distribution to enable rural populations to connect to the grid. Additionally, Al Baraka Bank supported the generation of energy from sustainable sources to help mitigate the effects of climate change. The Bank financed projects to generate electricity from hydraulic, solar, and tidal sources. Furthermore, Al Baraka Bank promoted the production of foam concrete, which helps reduce energy consumption in buildings, requires less energy to produce, emits fewer greenhouse gases than traditional building materials like concrete, and is fire-resistant.

Environmental Finance

EGP 1.57 Bn

2023 Environmental Finance Portfolio	6 Projects	EGP 1.57 Bn In Funding
Energy Efficiency	Other Environment-Related Projects	
6 Projects **EGP 1.53 Bn**	1 Project **EGP 40 Mn**	

Social Finance Portfolio

Al Baraka Bank's social finance portfolio demonstrates a strong alignment with the principles of Maqasid al Shariah. Our strategic investments in health, education, women's empowerment, and sustainable agriculture directly support the preservation of life, intellect, and wealth - core objectives of Islamic law. By focusing on community development and improving quality of life, our initiatives further contribute to preserving family and societal well-being. This approach reflects our commitment to a holistic, ethically-driven model of banking that creates value for all stakeholders while adhering to Islamic principles.

2023 Social Finance Portfolio	104 Projects	EGP 6.98 Bn In Funding

Health	Infrastructure	Education	Digital Services and Communications	Other Social-Related Projects
79 Projects	7 Projects	8 Projects	2 Projects	8 Projects
EGP 4.5 Bn	EGP 1.1 Bn	EGP 451 Mn	EGP 65.4 Mn	EGP 878 Mn

Commitment to Comprehensive Environmental Impact Assessments

At Al Baraka Bank, we are committed to integrating comprehensive Environmental Impact Assessments (EIAs) into every project within our finance portfolio as part of our pursuit of a sustainable financial future. Recognizing the critical role that financial institutions play in promoting environmental stewardship, we have aligned our operations with the Central Bank's guidelines and partnered with environmental consultants to ensure that our financial support backs projects that are both economically viable and environmentally responsible. Despite challenges in finding the right expertise, we have engaged with esteemed environmental consultants specialized in EIA to rigorously assess and validate the environmental impact of each project. This diligent process not only ensures that our contributions are sustainable but also sets new standards for environmentally responsible financing in the banking industry. Our commitment to EIAs reflects our dedication to evolving with the changing environmental landscape, reinforcing our role in sustainable finance

Integrating Environmental and Social Goals in Al Baraka Bank's Infrastructure Financing

Al Baraka Bank actively finances projects that address environmental and social dimensions as part of its sustainable finance efforts. These projects often fall under infrastructure development and include initiatives such as establishing sewage networks, constructing and repairing bridges and tunnels, creating sewage treatment plants, building construction, and constructing ships and floating structures. Although most of the financial support for these large-scale projects is directed towards big companies, medium enterprises have also received substantial support. The impact of these projects aims to achieve sustainable water and wastewater management, secure access to essential sustainable services, develop facilities and infrastructure necessary to meet sustainable development goals, and build the infrastructure required for electricity delivery. Al Baraka Bank is committed to fostering environmental sustainability and social well-being through these initiatives.

06
Community and Society

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Community and Society

Al Baraka Bank is dedicated to responsible banking and committed to creating a significant positive social impact while addressing the diverse needs of its customers. The Bank's extensive efforts to uplift communities, foster sustainable development, and ensure financial inclusivity are central to its mission. By embedding its core principle of sustainable development into every aspect of its operations, Al Baraka Bank not only aligns with national and global objectives—such as the Central Bank of Egypt's financial inclusion goals, Egypt's Vision 2030, and the United Nations Sustainable Development Goals—but also actively contributes to the well-being of its stakeholders.

Through a series of meticulously designed corporate social responsibility (CSR) initiatives, the Bank has made significant strides in socioeconomic development, healthcare, and women's empowerment. These initiatives reflect Al Baraka Bank's unwavering dedication to enhancing the quality of life for individuals in underserved communities, particularly in rural regions. The Bank's focus on community engagement and development is evident in its support for hospitals providing free, high-quality healthcare services and its organization of medical convoys to reach remote villages.

Moreover, Al Baraka Bank's customer-centric approach ensures that its financial products and services are accessible, inclusive, and tailored to meet the varied needs of its clientele. By fostering financial literacy, providing innovative financing solutions, and prioritizing the empowerment of marginalized groups, Al Baraka Bank supports economic growth and builds a foundation for a more equitable and sustainable future. At the heart of the Bank's mission lies a commitment to making a meaningful difference in the lives of individuals and communities across Egypt.

Customer Experience

Customer Centricity

Customer centricity was the cornerstone of Al Baraka Bank's transformative initiatives in 2023 and remains a fundamental pillar of its strategy moving forward. The Bank implemented comprehensive measures to elevate customer satisfaction and enhance service accessibility, with significant digitalization efforts focused on expanding online banking and other digital services.

In preparation for its three-year strategy, the Bank undertook physical enhancements, including branch renovations and ATM network expansion. These improvements will continue during the strategy's implementation phase, ensuring a robust physical presence to complement digital offerings.

The Bank strengthened its sales functions and developed innovative growth models to facilitate customer acquisition across all segments. Post-sales service teams were established to ensure service continuity and foster long-term relationships. Ongoing product innovations and service enhancements include segment-specific offerings, providing unique and competitive Sharia-compliant banking services.

In 2023, Al Baraka Bank launched several financial inclusion products targeting underbanked segments. Additionally, the Bank is intensifying staff training in product knowledge, sales techniques, customer concern resolution, and service procedures for customers with disabilities. These customer-centric measures aim to reinforce and elevate Al Baraka Bank's solid market reputation, positioning it to meet evolving client needs and drive sustainable growth.

Call Center and Customer Support

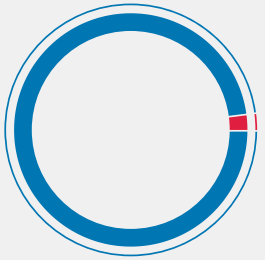
Al Baraka Bank significantly focused on enhancing its call center team's quality of service throughout 2023. The Bank expanded its call center to a total of 39 stations and completed the necessary team expansion to effectively manage the volume of inbound and outbound calls. To handle requests and complaints efficiently, a dedicated complaints team was established, providing analysis to inform future actions.

The Bank launched outbound call activities to support collection, card activation, and internet banking activation, resulting in the team completing over 213,598 calls. Furthermore, a digital squad team was formed to handle internet banking technical support, InstaPay customer support, digital complaints, social media inquiries, and website leads. Social media lead handling is managed in-house, with all requests addressed within 24 hours.

Call center teams received extensive knowledge, systems, and soft skills training. Daily emails are sent to call center agents to ensure continuous information sharing and skill enhancement. The combined efforts of management and the Call Center teams led to achieving several key targets in 2023, demonstrating Al Baraka Bank's commitment to excellence in customer support and service delivery.

In 2023, a total of 4,782 complaints were received, of which 4,779 have been successfully resolved. However, three complaints remain open as they are currently under investigation by the prosecutor in relation to a fraud case.





Complaints
4,779 of 4,782 solved

- Solved Complaints - 99,90%
- Open - 0,10%

Financial Inclusion

Al Baraka Bank's Financial Inclusion Strategy Framework, in alignment with the CBE's financial inclusion initiative, presents a comprehensive approach to expanding access to financial services across all societal segments. The strategy encompasses five key focus areas: developing customer-centric products and services, enhancing financial literacy, advancing digital services for improved accessibility, supporting SMEs and startups, and optimizing the geographic distribution of financial services. Through these efforts, the Bank aims to democratize access to financial services, reduce costs associated with inclusive financial products, and tailor services to meet diverse customer needs. This multifaceted approach not only supports the national financial inclusion agenda and demonstrates the bank's commitment to fostering economic empowerment and sustainable growth within the communities it serves.

Al Baraka Bank recently conducted a series of financial literacy sessions, successfully reaching 288 attendees through nine comprehensive sessions, of which 56% were female. These sessions enhanced participants' understanding of key financial concepts, empowering attendees to make informed financial decisions. This initiative reflects the Bank's commitment to fostering financial literacy within the community, ensuring that individuals are better equipped to manage their finances effectively. The significant female participation underscores the Bank's efforts to promote gender inclusivity in financial education and empowerment.

Efforts include increasing physical access points, strengthening financial literacy, and building consumer trust. Al Baraka Bank is also advancing financial technology and digital infrastructure to facilitate seamless digital transactions and reduce reliance on traditional branches. Additionally, the Bank supports entrepreneurship by improving financial literacy for Micro, Small, and Medium Enterprises (MSMEs) and integrating them into the formal sector. The Bank is actively increasing financial access points, such as branches, mobile units, and electronic terminals, to reach underserved areas.

Financial literacy sessions conducted

9 Sessions for **288** Attendees **56%** Percentage of Female Participation

National Financial Inclusion Events

Celebrating International Women's Month

In 2023, Al Baraka Bank organized numerous events and activities to celebrate International Women's Month, aligning with the Bank's strategy and priorities that recognize women as key partners in community development.

On March 8, International Women's Day, the Bank launched the "Al Baraka Feeki" initiative to honor the essential, effective, and vital role of Egyptian women in society and across various fields. The Bank also held internal events and distributed gifts to female employees in appreciation of their contributions.

Additionally, the Bank participated in the "Koni" event on March 10 and 11 at Arkan Mall in Sheikh Zayed, which supported 50 Egyptian women who are creative designers in various disciplines.

On March 13, Al Baraka Bank organized an educational seminar for women at the Al-Badrashein Sustainability Center, affiliated with the Sonaa El Kheir Foundation. The seminar highlighted the importance of financial inclusion and the availability of financial and non-financial services, as well as banking products for all segments of society.

Throughout the month, the Bank invited NGOs to host multiple exhibitions, including the Baheya Foundation, Sonaa El Kheir Foundation, Jozoor Foundation, and Sultan Foundation. These organizations specialize in supporting small and micro projects for women artisans. The exhibitions aimed to showcase products made by Egyptian women, promote them, and encourage employees to shop and support these associations, thereby creating direct sales opportunities and opening new markets for them.





Farmers Day initiatives

In September 2023, Al Baraka Bank partnered with several NGOs and organized a financial inclusion event for Farmer's Day in Damietta Governorate at Kafr Al-Ghab. The initiative targeted women, youth, and older people and reached 65 participants (40 men and 25 women). The seminar highlighted the role and importance of financial inclusion and the benefits of opening bank accounts, supported by informational brochures to aid educational efforts.

As part of our efforts and participation in the Farmer's Day activities under the Central Bank of Egypt's financial inclusion initiative, through this initiative, the Bank offered the opening of financial inclusion accounts with waived account opening fees and first-year debit card issuance fees.



International Youth Day Participation

As part of the financial inclusion activities to celebrate International Youth Day and under the auspices of the Central Bank of Egypt, the Bank collaborated with Helwan University by organizing a summer activities course for the commerce faculties of most Egyptian universities. Al Baraka Bank's retail banking team provided training courses and educational seminars on financial inclusion in Egypt, held a competition for attending students, and distributed prizes to the winners.

The Bank also gave away gifts by engaging students in recreational activities at its university booth. Helwan University honored our Bank for its participation and collaboration in raising student awareness through educational seminars and competitions on the importance of financial inclusion. Additionally, the Bank was present at Al Salam University in Tanta during the university's orientation days, as well as At the Sharkia Sporting Club in Zagazig, organizing recreational competitions for students and parents to spread awareness about financial inclusion, its importance for youth, and the types of banking products and services the Bank offers to cater to the target groups of financial inclusion.



International Savings day

Celebrating World Savings Day and as part of our financial inclusion activities, Al Baraka Bank offered a waiver of account opening fees for financial inclusion products, allowing accounts to be opened with no minimum balance. Additionally, the Bank waived the first-year direct debit card issuance fees for these products. The Ministry of Youth and Sports also organized another event in new Damietta City at Wadi Degla Club. This initiative targeted women, youth, and older people, reaching 38 participants.



International Day for Persons with Disabilities

On the occasion of celebrating International Day for Persons with Disabilities and financial inclusion activities, and as part of the "For Baraka to Prevail" initiative, Al Baraka Bank, alongside NGOs, held a financial inclusion event in Alexandria Governorate at the Donitna Association for the visually impaired, targeting women and youth. This seminar, attended by 30 participants, focused on the benefits of opening a bank account and highlighted the special advantages offered by the Central Bank to visually impaired customers.

Furthermore, in December 2023, a separate event took place in Cairo Governorate aimed at women breadwinners and people with disabilities. This initiative included an exhibition of products made by individuals with disabilities, organized by the Miss Basket Organization. The event, which engaged 15 participants, showcased the benefits of opening a bank account through various booths and informational brochures.







Driving Financial Inclusion: Al Baraka Bank's Commitment to Accessibility

Financial Inclusion Bank Accounts

"Kol El Nas" (Simplified Saving Account)

This account is designed specifically for individuals who lack formal income proof. By providing access to savings accounts without the need for income documentation, the initiative ensures that a broader spectrum of people can participate in the financial system, thus fostering economic empowerment.



"Sanaa" Account (Individual Economic Activity)

Tailored for craft owners who lack official business documentation, this account offers banking solutions to artisans and informal sector workers. By accommodating those without formal records, the "Sanaa" Account encourages economic engagement for a traditionally underserved group.



Accessibility for People with Disabilities (PWD)

Al Baraka Bank has introduced several initiatives to ensure that people with disabilities can easily access its financial services, enhancing inclusion and convenience across its branches.



Sign Language Training

To support hearing-impaired customers, branch employees undergo sign language training. This initiative ensures clear and effective communication, while educational programs further equip staff with the knowledge and skills needed to assist customers with various disabilities, creating a more inclusive environment.



Physical Accessibility

Al Baraka Bank is committed to ensuring that all customers, including those with mobility challenges, can access its services with ease. To support this, ten of the bank's branches have been equipped with ramps at their entrances, designed to accommodate wheelchairs, walkers, and other mobility aids. These ramps provide a smooth and convenient entryway, making it easier for customers with physical disabilities to enter and navigate the branches independently. In addition, the bank regularly reviews its branch infrastructure to ensure it remains accessible, continuously working to expand these features to more locations.

Enhanced In-Branch Accessibility Features

- **Queue Management:**
  To improve the in-branch experience, most locations are equipped with Quematic Machines that prioritize and expedite service for people with disabilities (PWD) and elderly customers, reducing wait times and ensuring smoother transactions.
- **Branch Expansion:**
  In 2023, Al Baraka Bank expanded its accessibility efforts by opening two fully accessible branches in Zagazig and Damietta. This brings the total number of branches designed to cater to the needs of PWD and elderly customers to ten.
- **Sign Language Videos:**
  To facilitate communication with hearing-impaired customers, branches display instructional videos in sign language. These videos provide clear guidance on available banking services and products, enhancing service accessibility.
- **Braille Printed Forms for Retail Services::**
  A selection of retail banking products and services now offer forms printed in Braille, further supporting visually impaired customers by providing accessible documentation for transactions and account management.





ATMs Designed for Accessibility

Al Baraka Bank's ATMs are designed to be user-friendly for visually impaired customers. ATMs, both in branches and at select external locations, are equipped with headphones and keyboards with Braille markings. These features enable independent use of ATMs by visually impaired individuals.

Community Investments

Total Contributions
EGP 8.8 Mn

Al Baraka Bank Contributions to Healthcare

Healthcare Contributions
EGP 6.3 Mn

Al Baraka Bank Partnership with Baheya Hospital

Al Baraka Bank has demonstrated its commitment to healthcare and community support through partnerships and contributions to Baheya Hospitals at the new Zayed branch. The Bank donated the cost of vital medical equipment, including Vessel Sealing equipment, which is expected to **aid 4,800 Beneficiaries** annually. This equipment is crucial for performing precise surgeries, thereby improving patient outcomes.

Furthermore, the Bank funded the purchase of DC Shock equipment, a critical device for emergency cardiac care **that will benefit approximately 6,000 Beneficiaries each year**. This donation ensures the hospital is well-equipped to handle cardiac emergencies promptly, thereby saving lives.

In addition to these contributions, Al Baraka Bank, as part of its yearly "Al Baraka Feeki" campaign and participating in Breast Cancer Awareness Month activities, conducted early detection screenings for female employees over the age of 40 and organized an awareness session for them. Al Baraka Bank also **sponsored 100 chemotherapy sessions** for breast cancer patients. This contribution provides essential support for women undergoing treatment, alleviating some of the financial burdens associated with cancer care and allowing Beneficiaries to focus on their recovery.

It is worth noting that on International Breast Cancer Awareness Day, the Bank illuminated its headquarters in pink, the official color of the awareness campaign.



10,800
Total Beneficiaries

100
Chemotherapy Sessions Sponsored for Breast Cancer Beneficiaries

Al Baraka Bank partnership with New National Cancer Institute 500500

500500 Hospital is the latest expansion of the National Cancer Institute, renowned as the oldest and largest oncology research and treatment institution in Egypt, Africa, and the Middle East. Scheduled to be the world's largest cancer hospital, it will be located in Sheikh Zayed City, Giza. The facility will include a comprehensive hospital with 1,000 beds, an academic building, an advanced cancer research center, a training and conference center, and a training institute for oncology nursing.

Al Baraka Bank has contributed to this initiative **by donating 65 external oxygen units and five chairs for chemotherapy sessions**. These donations are set to support approximately 120,000 Beneficiaries annually, highlighting the Bank's commitment to enhancing cancer care and treatment at this groundbreaking new facility.



120,000
Beneficiaries Served Annually

Al Baraka Bank's partnership with Mervat Sultan NGO

Al Baraka Bank has partnered with the Mervat Sultan Charity Foundation to support a medical convoy in Tanda Village, Minya Governorate. This initiative aimed to provide diagnostic and treatment services, including eyeglasses and surgeries, to approximately 5,000 underprivileged individuals. The Bank also covered the costs for surgeries for Beneficiaries on the foundation's waiting list. Additionally, early eye screening campaigns were conducted for students at two schools in Minya Governorate.

Mervat Soltan Charitable Foundation

5,000
Underprivileged Patients Served





Al Baraka Bank collaboration with Al Joud NGO & Al Nas Hospital

Al Baraka Bank, along with Al Joud NGO, made a significant contribution by funding essential medical equipment for the laboratory at Al Nas Hospital, which **conducts 14,000 tests annually**. This donation is part of the Bank's commitment to enhancing healthcare services and supporting vital medical institutions.

The Bank also participated in **Al Baraka Day**, an annual community service and volunteerism event held every November. This initiative encourages employees to engage in meaningful activities that benefit the community. On Thursday, November 16, Bank staff visited Al Nas Hospital. During their visit, the employees brought joy to young Beneficiaries by distributing toys, creating a positive and uplifting experience for the children and their families. This effort highlights Al Baraka Bank's dedication to combining charitable contributions with direct community support.



Al Baraka Bank's collaboration with Sonaa El Kheir

Al Baraka Bank's collaboration with Sonaa El Kheir has made impactful contributions to healthcare facilities and communities. The Bank has donated funds for two essential pieces of medical equipment to hospitals at Zakazik and Suez Canal Universities, which **will aid approximately 120,000 Beneficiaries annually**. This support enhances the hospitals' capacity to provide critical care and treatment.

Al Baraka Bank and Sonaa El Kheir organized a medical convoy in Damietta, **serving 700 patients**. This convoy provided comprehensive services, including free eye examinations and treatment for Beneficiaries in the governorate. The services encompassed diagnostic and treatment care, provision of eyeglasses, and necessary surgeries for the governorate's residents.

This initiative aimed to reach underserved areas and provide essential medical services to those in need, further demonstrating the Bank's commitment to improving healthcare access and supporting community well-being.

120,000
Beneficiaries Served Annually

700
Served through the Medical Convoy





Al Baraka Bank Contributions to Society Empowerment

Society Empowerment
Total contributions
EGP 2.5 Mn

Al Baraka Bank's Partnership with El Sewedy University of Technology

Al Baraka Bank has partnered with El Sewedy University of Technology to sponsor the university's ICT lab. Through this significant contribution, the bank is funding the creation of a state-of-the-art IT laboratory that will provide students with advanced technological education tailored to the needs of the job market. This initiative reflects Al Baraka Bank's commitment to supporting education and investing in the future workforce of Egypt, ensuring that students are well-equipped with the skills required in a rapidly evolving digital landscape.



3,750 Number of Beneficiaries

Women Empowerment – Partnership with Sonaa El Kheir

Al Baraka Bank, along with Sonaa El Kheir, is committed to empowering women through sustainability centers, focusing on providing comprehensive handicraft training. This initiative supports **women**, allowing them to acquire the skills and knowledge needed to start their own entrepreneurial ventures or join the center as employees.

The training program is designed to be thorough and practical. It enables participants to master various handicraft techniques and gain expertise that can be directly applied to their work. The women in this program enhance their craft skills and improve their economic prospects.

In addition to the training, each participant receives a monthly salary while working at the center. This financial support helps them focus on their development without the added pressure of financial instability. The combined effect of training and salary support aims to foster self-sufficiency, boost confidence, and create sustainable livelihoods.

Empowering Persons with Disabilities

100 Number of Beneficiaries

Partnership with Donitna NGO

Donitna NGO is dedicated to supporting visually impaired individuals through its handicraft workshops. Al Baraka Bank has contributed by covering one-month operational costs of the workshop, which focuses on teaching skills in crafting bamboo and carpets. This support enables participants to engage in meaningful, skill-building activities, enhancing their abilities and fostering greater independence.



Ramadan Food Boxes – Collaboration with Misr El kheir



In support of the community, Al Baraka Bank contributed to covering the cost of **4,300 food boxes** through Misr El Kheir. These food boxes have been distributed to families in need across Upper Egypt during Ramadan. Each box is carefully assembled to provide essential food items, ensuring recipients have access to nutritious and balanced meals throughout the holy month. This initiative is part of the Bank's ongoing commitment to social responsibility and its efforts to alleviate hunger and support disadvantaged communities during a time of increased need.

4,300 Ramadan Food Boxes Distributed

Other Partnerships



In celebration of International Day for Persons with Disabilities and financial inclusion events, and as part of the "For Baraka to Prevail" initiative, we showcased Egyptian-made products from institutions supporting individuals with disabilities who specialize in handmade crafts. These included pottery, kilim rugs, handcrafts, and printed textiles. The **products were featured at the "Miss Basket" bazaar**, highlighting the skills and creativity of these individuals and providing a platform to promote and support their work.

In celebration of Women's Month, Al Baraka Bank hosted a bazaar at its headquarters for talented Egyptian women who are breadwinners for their families. This event featured cancer survivors from **Baheya Hospital, Jozoor Foundation, and Mishkat Foundation.**

07
Human Capital

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Human Capital

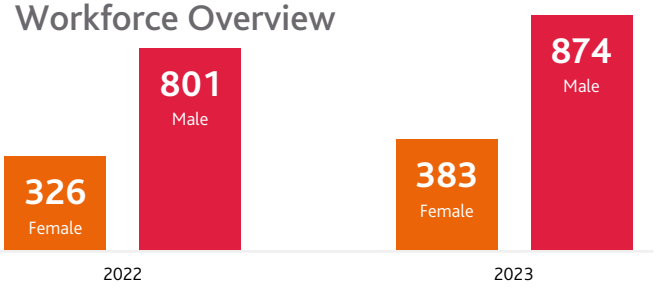
Human capital is crucial to Al Baraka Bank's success. Our employees' skills, diversity, knowledge, and dedication drive our innovation and growth. We invest in our workforce through continuous training and development, fostering an environment where talent thrives. By prioritizing our human capital, we ensure exceptional service, strong leadership, and a resilient, forward-thinking organization.

Workforce Breakdown

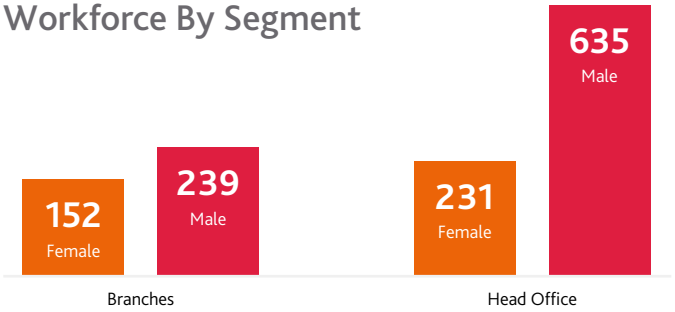
In 2023, our workforce grew to 1,257 employees from 1,127 in 2022.

11.5 %
growth in the workforce

Workforce Overview



Workforce By Segment

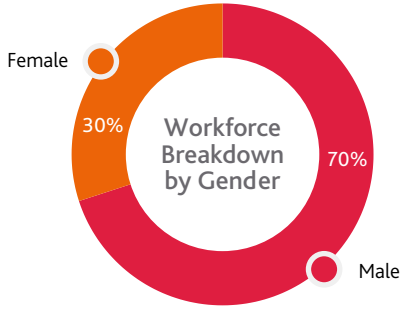


Employee Diversity and Inclusion

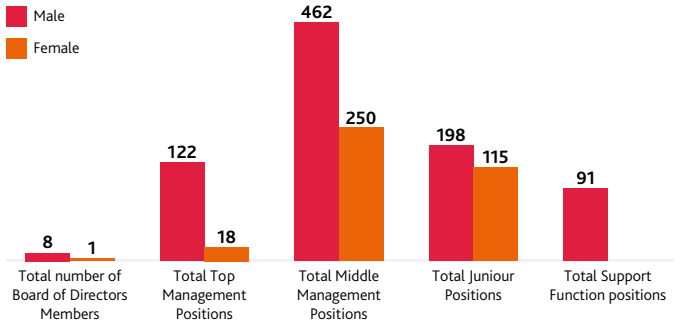
Fostering Fairness and Inclusivity

Gender

Al Baraka Bank recognizes that a diverse workforce, inclusive of all genders, fosters creativity, innovation, and deeper insights. In 2023, we saw female representation increase to 30%, up from 28.9% in 2022. Committed to promoting diversity across all roles, we ensure fair employment opportunities throughout the organization. This commitment is reflected in our management structure, where women currently hold 33% of positions, with the highest representation in middle management.



Gender Diversity by Positions



Maternity Leave

In alignment with its commitment to a balanced and inclusive workplace, the Bank offers generous maternity leave benefits. This support ensures that new mothers can focus on their families during a crucial time while reinforcing the Bank's dedication to creating an equitable environment where all employees are valued and supported.

Age

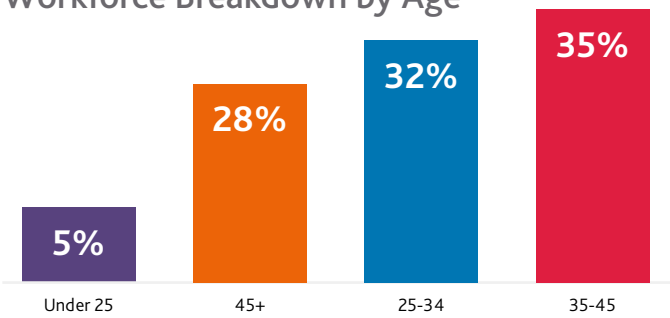
Al Baraka Bank appreciates the diversity of age and experience within our workforce. We recognize that a multi-generational team brings rich knowledge, skills, and perspectives, enhancing our overall success. We are committed to fostering an inclusive culture that respects and values individuals of all ages, promoting collaboration and knowledge-sharing across generations as our workforce grows. This is exemplified by the diversity in age representation in the workforce.

Inclusive Workplace for People with Disabilities (PwDs)

We are devoted to fostering an accessible and inclusive workplace for individuals with disabilities. Our commitment surpasses mere legal compliance, aiming to create an environment where every employee can excel and reach their full potential, regardless of their abilities.

In 2023, Al Baraka Bank had a total of 9 PwD representatives in the workforce. (1% of the total workforce)

Workforce Breakdown by Age



Attracting & Retaining Talents

New Hires

In 2023, Al Baraka Bank hired 221 new employees, of whom 38% were women. This is an increase from 2022, when the Bank hired 263 employees, with 31% female representation. The Bank is committed to empowering youth in the workforce, which is evident by the fact that the largest percentage of new hires (48%) were under the age of 30.

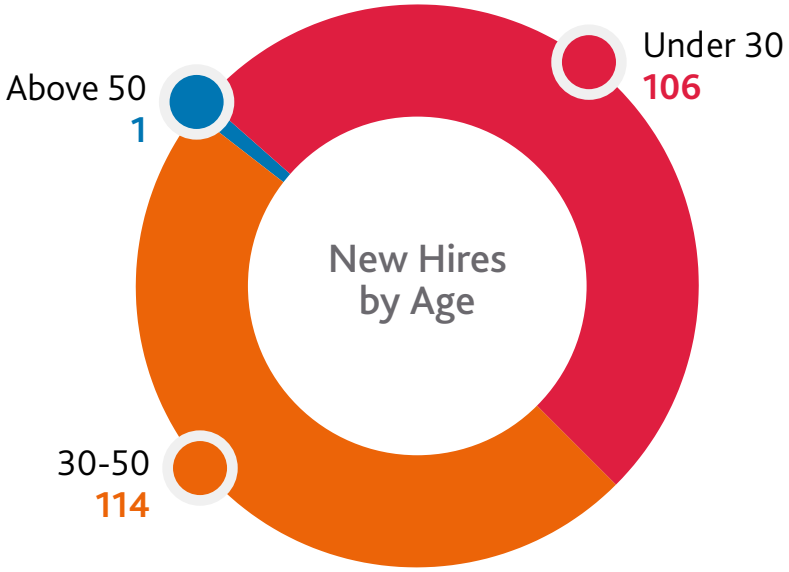
In 2023, Al Baraka Bank instituted an induction program that provided new hires with smooth transitions into the workforce. The program included clear introductions to company policies and procedures, structured learning through 13 programs, and support across four tracks.

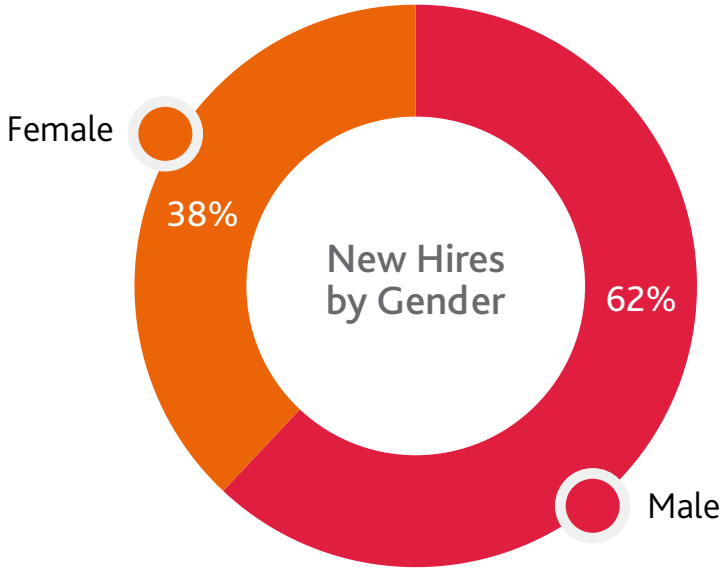
Employee Turnover

In the reporting period, the total turnover rate was 7.58%, with 91 employees leaving the organization. Of these departures, 75 % were voluntary, and 25% were due to cause (such as retirement, end of contract, etc.). Through continuous analysis and targeted initiatives, we aim to reduce turnover and improve the overall employee experience within the organization.

1.85%
Female Turnover Rate

5.76%
Male Turnover Rate





Training and Career Development

Employee Development Programs

Learning and Development

During the reporting period, Al Baraka Bank dedicated 49,676 learning hours to its employees, demonstrating its strong commitment to fostering a continuous learning and development culture. Al Baraka Bank has implemented a variety of initiatives to support this commitment and empower its workforce. These initiatives include in-person and online training modules, ensuring a blended learning experience, and utilizing international, national, and in-house trainers to provide a holistic experience. This approach ensures that employees have access to targeted learning opportunities that meaningfully enhance their skills and knowledge.

Training Hours
49,676

Average Training Hours per Employee
39.7

Al Baraka Bank offers a comprehensive suite of training programs designed to provide employees with diverse growth opportunities. These programs encompass various topics, including foundational banking skills, advanced financial analysis, and specialized certifications in SME financing and international trade finance. With a strong emphasis on enhancing banking skills and knowledge of Al Baraka Bank's products and services, the Bank has dedicated most of its training sessions to this field, covering a wide range of topics. This commitment aims to ensure the delivery of exceptional services to the community.

Additionally, the Bank strongly emphasizes leadership development, offering a variety of courses in advanced leadership skills, strategic thinking, and crisis management, making it the second-largest category of training offered. Employees can also enhance their customer service and communication skills through targeted training, ensuring a rounded approach to professional development and growth for our people.

Furthermore, Al Baraka Bank's training initiatives are continually updated to align with national guidelines, ensuring that employees are equipped with the most current knowledge and skills. The Bank also incorporates sustainability training into its curriculum, aiming to continuously improve its ESG performance. This commitment ensures that employees are well-versed in the latest industry standards and prepared to contribute to sustainable and responsible banking practices.

Types of Training Opportunities

- Banking and Finance
- IT and Software
- Sustainability and Sustainable Finance
- Conference and Seminars
- Leadership and Management
- Compliance and Risk Management
- Human Resources and Training
- Product and Service Development
- Professional Development and Skills

The Bank actively empowered its operations teams through regular awareness and development sessions, incentivizing growth. The Bank rolled out a new appraisal system across all branches to ensure continuous education and excellence. While challenges were encountered in developing a specialized training program for Wealth Management Relationship Managers, these hurdles present opportunities for further innovation and enhancement in the future.

YoY Percentage Increase in Number of Trainees	YoY Percentage Increase in Number of Training Programs	YoY Percentage Increase in Training Hours	YoY Percentage Increase in Training Opportunities
21%	190%	86%	105%

Al Baraka Bank achieved significant growth in training participation and opportunities in 2023, driven by its commitment to development: a 21% increase in trainees, 190% more training programs, 86% more training hours, and 105% more opportunities compared to 2022.

Performance Reviews and Career Development

Initiated in 2023, Al Baraka Bank's job evaluation system assesses over 600 jobs using a point system and allocates them within a grading structure, benefiting both employees and the Bank. Employees receive constructive feedback, fostering professional growth and enhancing their contributions to client experiences and overall service quality.

Performance reviews at Al Baraka Bank are crucial for employee development, providing insights into strengths and areas for improvement. These reviews identify development needs, set clear goals, and support ongoing learning, skill enhancement, and career advancement, ultimately driving individual success and organizational excellence. They also advise the Bank on additional pathways to develop the Bank and possible training programs to consider providing.

Promoting Staff Welfare and Engagement

Al Baraka Bank's focus on empowering employees and prioritizing their well-being yields numerous benefits. Empowered employees are more motivated and productive, enhancing performance and retention. Employee well-being and development ensure individual growth, long-term success for Al Baraka Bank, and maximum client satisfaction.

Al Baraka Bank demonstrates its commitment to fair employment practices, employee development, and ethical conduct through a comprehensive set of policies outlined in the Employee Handbook. The Bank offers various employment contracts, a probationary period, and policies to prevent conflicts of interest, which are published for all to maintain transparency. It maintains competitive compensation, including bonuses, profit-sharing, and medical insurance, while providing transportation services. The Bank supports employee growth with annual performance evaluations, following a clear promotion policy, and training opportunities. Ethical standards and work-life balance are prioritized, with specific provisions for holidays, leave, and support for female employees. Additionally, financial support is available through Islamic financing options. These practices highlight the Bank's focus on employee welfare and create a supportive work environment.

Improving the Workplace

Al Baraka Bank embarked on a transformative cultural journey, which aims to enable the Bank to enact its new strategy. This transformation places emphasis on enhancing employee well-being through a series of initiatives that address various aspects of work culture and employee engagement.

These initiatives include:

Cultural Transformation Journey

Core Values

- Transparency
- Ownership
- Agility
- Commitment
- Trust

Al Baraka Bank is undergoing a cultural transformation to align its organizational culture with its new strategy, business model, and vision/mission. This initiative focuses on how strategic priorities are executed, aiming to engage and empower employees, create synergies, and build leadership capabilities.

1	2	3	4
Define: Assessing current culture, articulating the change story, and forming supporting coalitions	**Design:** Developing change tools, identifying quick wins, and constructing communication plans.	**Deploy:** Implementing change strategies, tracking milestones, and delivering training plans.	**Detect:** Monitoring key success indicators and reviewing lessons learned.

Key components of the initiative include			
	Culture Transformation Office: 8 Experts to Lead the Project	Communication Activities: Culture Hub, 'ASK Culture' Email, Executive Speeches, and Culture Pulse Survey	Employee Culture Induction: Values Based Leadership Program for managers.
Values & Behaviors Deployment: Emphasizing Development, Performance, Communication, and Rewards.	Quick Wins and Initiatives: Projects Aligned with Core Values (e.g., Value-Based Business Review, ORM Reporting).	Value Cards Recognition Program: Encouraging recognition of employees exemplifying Al Baraka values.	Culture Ambassadors: Promoting active participation and two-way communication.

Al Baraka Bank's Self-Service Workflow program empowers employees by allowing them to easily manage vacation requests, time permissions, approval delegations, and access payroll payslips, enhancing convenience and efficiency.

Al Baraka Bank updated its medical services with new MetLife and Cleopatra packages, renewed its contract with a top medical provider, improved the system, and increased coverage, hence developing additional benefits for the Bank's employees.

Al Baraka Bank created an employee handbook to enhance employee awareness by providing clear information on company policies, expectations, and resources. Thus, the handbook fosters a supportive and transparent work environment.

Al Baraka Bank began initiating exit interviews to identify areas for improvement within the Bank, enhance employee well-being, and explore ways to increase retention rates.

The initiation of the HR Help Desk enhanced employee well-being by providing a single point of contact for all HR-related queries, allowing for more efficient management of requests and inquiries and proactive issue addressing.

Al Baraka Bank rewards high performers through salary adjustments, increases, and profit sharing. This approach acknowledges exceptional contributions and motivates continued excellence, aligning individual achievements with the Bank's overall success.

Quick Wins and Departmental Initiatives

As part of Al Baraka bank's cultural transformation journey, several key programs have been implemented.

Ownership

Value-Based Business Review: This initiative integrates core values into branch operations, ensuring these principles guide every pillar and emphasize **ownership**.

Ownership

Operational Risk Management (ORM) Regulatory Reporting Process: This initiative strengthens governance by ensuring reporting is comprehensive, accurate, and compliant with regulatory standards, emphasizing **ownership**.

Transparency

Operational Risk Storytelling: This initiative provides a platform for employees to share experiences, lessons learned, and best practices, fostering **transparency** and enhancing employee engagement.

Agility

Vendor/Third Party Management: This initiative ensures effective governance and sustainable practices across all sectors, embodying agility and trust.

These initiatives collectively demonstrate the bank's commitment to fostering a culture of integrity, transparency, and continuous improvement, driving positive change throughout the bank.



Employee Engagement

Youm Al Baraka: Community Impact and Employee Engagement

Youm Al Baraka is an annual event held every November by Al Baraka Bank, dedicated to community service and volunteerism. On November 16, Al Baraka Group employees visited Al-Nas Hospital, a prominent free medical center in Egypt. The team supported the hospital's heart disease treatment efforts and brought joy to young beneficiaries by distributing toys. This meaningful experience benefited the community and fostered strong employee bonding and engagement, highlighting Al Baraka Day's dual focus on service and team unity.



Al Baraka Bank: Celebrating Fathers

As part of the "Inta el Kheir wel Baraka" campaign, Al Baraka Bank recently celebrated Father's Day by recognizing and honoring the fathers within their workforce. To express appreciation and strengthen employee engagement, the Bank distributed celebratory mugs to all fathers. This gesture recognized the contributions of fathers within the organization, highlighting their dedication and the positive impact they have at work and home. The initiative aimed to show appreciation and support for the employees, fostering a sense of community and acknowledging the essential role of fatherhood in their lives.

Occupational Health and Safety

Al Baraka Bank has intensified its focus on health and safety by establishing a new health and safety department in 2023. This department, which meets monthly, plays a crucial role in enhancing fire safety across the organization. Its primary responsibilities include raising fire hazard awareness among staff, ensuring the premises are well-prepared to prevent incidents, and validating fire exit plans. Additionally, the department ensures that the premises meet the necessary requirements to obtain licenses from the National Civil Protection Authority.

Health & Safety Training

Al Baraka Bank began providing health and safety training, aiming to ensure that employees are well-equipped to handle potential risks and maintain a safe working environment. Al Baraka Bank aims to extend the health and safety training to all employees in the coming years. Al Baraka Bank takes responsibility for the welfare by maintaining a secure and supportive workplace that promotes both safety and overall human well-being.



08
Environmental Responsibility

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Environmental Responsibility

At Al Baraka Bank, environmental stewardship is a core priority, driving our actions to combat climate change, manage risks, and fulfill our commitments to stakeholders. By integrating environmental considerations into every aspect of our operations, we aim to reduce greenhouse gas emissions, maintain financial stability, and expand sustainably. Our focus on sustainability meets regulatory and societal expectations and opens doors for creating positive environmental impacts and supporting the transition to a low-carbon economy.

Climate Action

At Al Baraka Bank, we understand the significance of assessing and mitigating our environmental impact. By diligently measuring our carbon footprint, we aim to establish a clear strategy for reducing emissions and promoting sustainable practices. This section highlights our commitment to transparently tracking our carbon footprint across different operational areas, addressing the associated risks, challenges, and opportunities. Our focus on quantifying our carbon footprint aligns with our broader sustainability objectives and our mission to positively contribute to the environment.

Carbon Footprint

Al Baraka Bank took steps to conduct a carbon footprint assessment for 2023, focusing exclusively on its headquarters operations. This assessment highlights the Bank's dedication to sustainability and marks the initial step towards understanding and reducing its environmental impact. In the future, the Bank intends to conduct upcoming evaluations to cover the entire organization. Our carbon footprint assessment complies with recognized standards such as the Greenhouse Gas Protocol, the Intergovernmental Panel on Climate Change (IPCC) Guidelines for Greenhouse Gas Inventories, and ISO 14064-1:2018 standards.

2,643
Total Scope 1+2+3 Emissions ($mtCO_2e$)

1,456
Total Scope 1+2 Emissions ($mtCO_2e$)

88.82
Scope 1+2 Emissions Intensity per area ($kgCO_2 / m^2$)

3.00
Scope 1+2 Emissions Intensity per employee ($mtCO_2$ / employee)

Operational and Organizational Boundaries

The organizational boundary for the carbon footprint report outlines the business activities and operations encompassed by the organization. In accordance with the GHG protocol, the organization must report all greenhouse gas emissions from operations it controls operationally. Included in the 2023 carbon footprint assessment are:

1
Headquarter

16,396 m²

485
Full-time equivalents

The operational boundaries pertain to the Bank's business activities that generate emissions, determining which activities should be included in calculations and how they are categorized. Emissions are classified into three scopes:

Scope 1
Encompasses direct emissions from equipment and assets controlled or owned by Al Baraka Bank, such as activities releasing emissions directly into the atmosphere.

Scope 2
Includes indirect emissions from the consumption of purchased energy, such as electricity, heating, or steam, sourced externally and not controlled or owned by Al Baraka Bank.

Scope 3
Covers other significant indirect emissions not included in Scopes 1 or 2, including the Bank's purchased goods and consumables, employee commutes, and emissions from waste disposal.

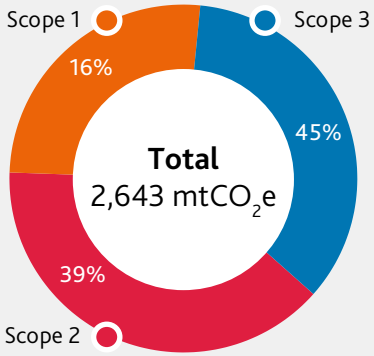
Reporting of Scope 1 and Scope 2 emissions is mandatory under the GHG Protocol Corporate Standard and is also required by the CBE mandate for all Egyptian banks starting in 2022. This includes direct emissions and indirect emissions from purchased electricity.

2023 Carbon Footprint Assessment Results

In 2023, Al Baraka Bank's headquarters reported a total operational carbon footprint of 2,643 mtCO2e. The largest portion, 45%, came from Scope 3 emissions, which include purchased goods and services, waste generated, and employee commuting. This was followed by Scope 2 emissions, primarily from purchased electricity, which accounted for 39% of the total. Al Baraka Bank remains committed to reducing greenhouse gas (GHG) emissions and transitioning to low-carbon energy sources. The Bank also aims to enhance its data management system to improve carbon footprint reporting and management processes, enabling more reliable year-on-year emissions comparisons.

Decarbonization Plan

In response to the pressing need for environmental sustainability and the global call to combat climate change, Al Baraka Bank is actively developing its decarbonization action plan. Recognizing the pivotal role financial institutions play in driving positive environmental change, the bank is committed to reducing its carbon footprint and integrating sustainability across its operations. As part of this ongoing effort, Al Baraka Bank is focused on establishing clear strategies that will guide its transition toward a low-carbon future.



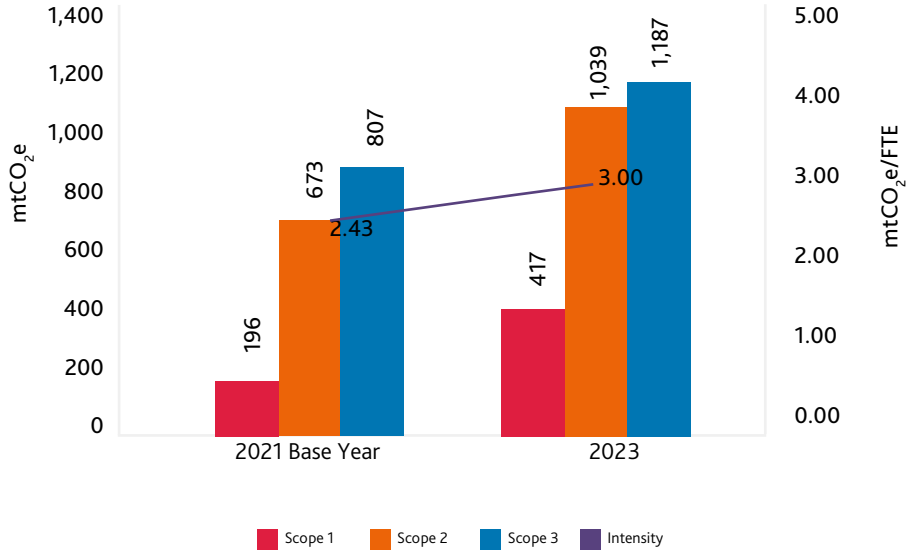
Total Absolute Emissions by Scope, 2023 ($mtCO_2e$)

- Scope 1 (16%) - 417 $mtCo_2e$
- Scope 2 (39%) - 1,039 $mtCo_2e$
- Scope 3 (45%) - 1,187 $mtCo_2e$

Al Baraka Bank 2023 GHG Emissions Summary

SCOPE 1 (Direct Emissions)		2022	2023	Unit
Stationary combustion	Fuel burning - Diesel	0.58	10	$mtCO_2e$
Mobile combustion	Fuel burning - Owned vehicles	166	341	$mtCO_2e$
Fugitive emissions	Refrigerant leakage	29	67	$mtCO_2e$
Total Scope 1		**196**	**417**	$mtCO_2e$
SCOPE 2 (Indirect Emissions)				
Purchased energy	Purchased electricity - facilities	**673**	**1,039**	**$mtCO_2e$**
SCOPE 3 (Other Indirect Emissions)				
Purchased goods and services	Water use	1	8	$mtCO_2e$
	Office supplies	56	59	$mtCO_2e$
Fuel and energy-related activities (not included in Scope 1 &2)	Transmissions & distribution losses	-	73	$mtCO_2e$
	Stationary combustion WTT	0.14	2	$mtCO_2e$
	Mobile combustion WTT	43	88	$mtCO_2e$
Waste generated in operations	Office solid waste disposal	17	55	$mtCO_2e$
	Wastewater treatment	0.28	13	$mtCO_2e$
Employee commuting	Commuting & WTT	689	888	$mtCO_2e$
Total Scope 3		**807**	**1,187**	**$mtCO_2e$**
Total Emissions (Scope 1+2+3)		**1,675**	**2,643**	**$mtCO_2e$**

Al Baraka HQ Absolute and Intensity Emissions Over the Years



*Scope 1+2 Carbon Intensity

Environmental Management

Al Baraka Bank is dedicated to managing its operational energy and resource consumption efficiently and responsibly. Understanding the vital role of sustainable practices in reducing environmental impact, the Bank is focused on optimizing energy use, minimizing waste generation, and promoting resource conservation. Al Baraka Bank seeks to support a greener future while emphasizing sustainable energy and resource management, maintaining operational efficiency, and lowering its carbon footprint.

Energy Management

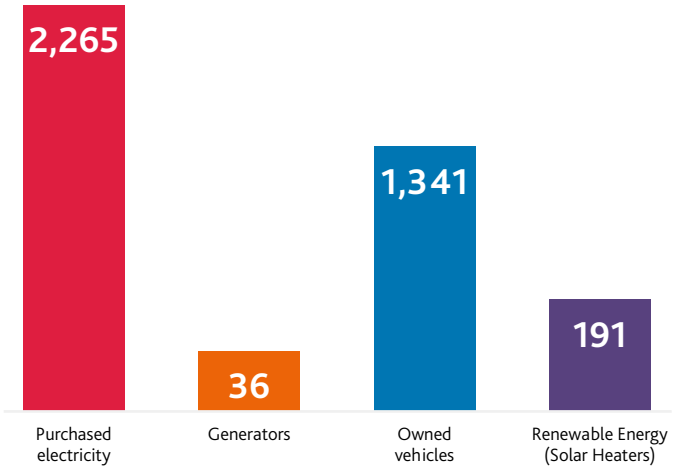
In 2023, Al Baraka Bank's energy consumption was primarily based on electricity, including both purchased electricity and self-generated power from solar panels installed at the Bank's head office. Additionally, petrol and diesel were used for emergency generators and the bank's owned vehicles. The total energy consumption from these sources across Al Baraka Bank's facilities in 2023 was 3,832 MWh.

3,832 MWh
Energy Consumption in 2023

Al Baraka Bank's Headquarters Energy Efficiency Measures

Al Baraka Bank has implemented various environmental measures to reduce energy consumption and promote sustainability at its headquarters. Key initiatives include the installation of solar rooftops on the Bank's buildings to cut down on electricity usage. The Bank also uses windows that minimize heat flow, thereby reducing the need for air conditioning and lowering overall electricity consumption. Energy-efficient LED lighting has been adopted as the primary illumination source, complemented by motion sensors to control lighting and further conserve energy. Additionally, the electronic systems are used to manage building operations efficiently. To address air pollution and fuel consumption, the Bank provides mass transportation options for its employees. These comprehensive measures reflect Al Baraka Bank's commitment to environmental stewardship and sustainable practices.

Total Energy Consumption by Source, 2023 (MWh)



Waste Generated

Al Baraka Bank's operations produce various types of waste, such as general office waste, shredded paper, and electronic waste. The Bank actively strives to reduce paper consumption by adopting digital solutions and promoting electronic communication. Moreover, paper is reused and recycled whenever possible to further minimize waste. Al Baraka Bank is also in the process of partnering with a specialized company to implement a comprehensive waste management and recycling system. These efforts demonstrate the Bank's commitment to reducing its environmental footprint and promoting a culture of sustainability. In 2023, a total of 106 tons of solid waste were generated at the Bank's head office.

106 Tons Waste Generated in 2023

Water Withdrawals

Al Baraka Bank's branches utilize municipal water for drinking and sanitation purposes. The wastewater produced in these facilities is channeled through the municipal wastewater system for treatment prior to safe disposal. In 2023, the total water consumption at Al Baraka Bank's headquarters amounted to 22,698 cubic meters.

22,698 m^3 Water Withdrawals in 2023

09
Supplementary ESG Information

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Abbreviations and Acronyms

ATM	Automated Teller Machine
Bn	Billion
BoD	Board of Directors
CBE	Central Bank of Egypt
CEO	Chief Executive Officer
E&S	Environmental and Social
EBRD	European Bank for Reconstruction and Development
EGP	Egyptian Pound
ESG	Environmental, Social, and Governance
ESRM	Environmental and Social Risk Management
E-Waste	Electronic Waste
FRA	Financial Regulatory Authority
FX	Foreign Exchange
FY	Financial Year
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HC	Human Capital
HR	Human Resources
IFRS	International Financial Reporting Standards
ISSB	International Sustainability Standards Board
IT	Information Technology
KPI	Key Performance Indicator
MENA	Middle East & North Africa
Mn	Million
MW	Megawatt
PRB	Principles for Responsible Banking
PwD	People with Disabilities
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goal
SME	Small and Medium-Sized Enterprise
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TCFD	Task Force on Climate-Related Financial Disclosures
UN	United Nations
UNGC	United Nations Global Compact
USD	United States dollar
YOY	Year-on-Year

ESG METRICS

Environmental

Energy, Water, Materials, and Waste		Unit	2023
Energy Consumption	Purchased electricity	MWh	2,265
	Diesel	MWh	46
	Petrol	MWh	1,331
	Renewable energy	MWh	191
	Total	**MWh**	**3,832**
	Energy Intensity	kWh/m²	233.72
Water	Water withdrawals	m³	22,698
Materials	Purchased paper	Tons	57
	Purchased ink	No. of toners	1,472
Waste	Non-hazardous waste generated	Total (tons)	106

GHG Emissions

		Unit	2023
Scope 1 (Direct)	Total	$mtCO_2e$	417
Scope 2 (Indirect)	Total (location-based)	$mtCO_2e$	1,039
Scope 1+2	**Total**	**$mtCO_2e$**	**1,456**
Scope 3 (Other Indirect)	**Total**	**$mtCO_2e$**	**1,187**
	Purchased goods and services	$mtCO_2e$	60
	Fuel and energy-related activities (not included in scope 1 and 2)	$mtCO_2e$	163
	Waste generated in operations	$mtCO_2e$	68
	Employee commuting	$mtCO_2e$	888
Scope (1+2+3)	**Total**	**$mtCO_2e$**	**2,643**
Carbon Intensity	Scope 1+2 per employee	$mtCO_2e$ /employee	3
	Scope 1+2 per unit area	$mtCO_2e$ /m²	88.82

Diversity across Employee Categories

Employee Category	Total and by Gender		
	Total	**Male**	**Female**
Support and Service	**91**	91	0
Junior Level	**313**	198	115
Middle Management	**712**	462	250
Senior Management	**140**	122	18
Total number of Board of Directors members	**9**	8	1

Social

Employees Profile		2023
Employees	**Total Employees 1,257**	
	Male 874	Female 383
	Permanent contract 947	
	Male 675	Female 272
	Temporary contract 310	
	Male 199	Female 111
	Full-time 1,257	
	Male 874	Female 383
	Employees with Disability 9	
	Male 8	Female 1
Breakdown by Age	Under 25 62	25-34 407
	35-45 434	Above 45 354
Breakdown by Business Units	**Head Office 866**	
	Male 635	Female 231
	Branches 391	
	Male 239	Female 152

New Hires 2023			
Employee New Hires	Male 138	Female 83	Employees with Disability 0
Total 221			
Breakdown by Age	Under 30 106	30-50 114	Above 50 1
Breakdown by Business Units	Head Office 114	Branches 107	

Employee Turnover		2023	
		No. of Employees	Turnover Rate[1] (%)
Employee Turnover	**Total Turnover**	**91**	**7.6%**
	Male	69	5.76%
	Female	22	1.84%
Breakdown by Type	Voluntary	68	5.67%
	For cause	23	1.92%
Breakdown by Age	Under 30	52	
	30-50	21	
	Above 50	18	
Breakdown by Business Units	Head Office	49	
	Branches	42	

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

Parental Leave		2023
Number of employees who are entitled to maternity/parental leave ---		
Male	Female	
Number of employees who took a maternity/parental leave during 2023 **12**		
Male 1	Female	11
Number of employees who returned to work after their maternity/parental leave ended during 2023 **4**		
Male 0	Female	4

GRI Content Index

Statement of use

Al Baraka Bank has reported in accordance with the GRI Standards for the period from January 1st, 2023, to December 31st, 2023.

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standard

None

GRI Standard	Disclosure	Direct Response/Section in this Report (pg. #)	Omissions			SDGs Mapping
			Requirement(s) Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021						
GRI 2: General Disclosures 2021	The organization and its reporting practices					
	2-1 Organizational details	Al Baraka Group (p. 8) Al Baraka Bank at a Glance (p. 9-10)				
	2-2 Entities included in the organization's sustainability reporting	About this Report (p. 4)				
	2-3 Reporting period, frequency, and contact point					
	2-4 Restatement of information					
	2-5 External assurance	Limited Assurance Statement (p. 79)				
	Activities and workers					
	2-6 Activities, value chain, and other business relationships	Al Baraka Group (p. 8) Al Baraka Bank at a Glance (p. 9-10)				

GRI Standard	Disclosure	Direct Response/Section in this Report (pg. #)	Omissions			SDGs Mapping
			Requirement(s) Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-7 Employees	Employee Diversity and Inclusion (p. 50) ESG Metrics (p. 61)				SDG 8.5, 10.3
	2-8 Workers who are not employees		a., b., c	Not Applicable	Al Baraka Bank doesn't have workers who are not employees	SDG 8.5
	Governance					
	2-9 Governance structure and composition	Governance and Ethics (p. 22-26)				SDG 5.5, 16.7
	2-10 Nomination and selection of the highest governance body					SDG 5.5, 16.7
	2-11 Chair of the highest governance body					SDG 16.6
	2-12 Role of the highest governance body in overseeing the management of impacts					SDG 16.7
	2-13 Delegation of responsibility for managing impacts					
	2-14 Role of the highest governance body in sustainability reporting					
	2-15 Conflicts of interest	Conflict of Interest (p. 27)				SDG 16.6
	2-16 Communication of critical concerns	Conflict of Interest (p. 27)				
	2-17 Collective knowledge of the highest governance body	Board of Directors (p. 23) Sharia Board (p. 24) Board Committees (p. 25) Management Committees (p. 26)				

GRI Standard	Disclosure	Direct Response/Section in this Report (pg. #)	Omissions			SDGs Mapping
			Requirement(s) Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	Governance and Ethics (p. 22-28)				
	2-19 Remuneration policies					
	2-20 Process to determine remuneration					SDG 16.7
	2-21 Annual total compensation ratio		a, b, c	Confidentiality Constraints	Al Baraka Bank considers this information confidential.	
	Strategy, Policy, and Practices					
	2-22 Statement on sustainable development strategy	Message from the Chairman (p. 5) Message from the CEO (p. 6) Message from the CSO (p. 7)				
	2-23 Policy commitments	Compliance Framework (p. 28)				SDG 16.3
	2-24 Embedding policy commitments					
	2-25 Processes to remediate negative impacts					
	2-26 Mechanisms for seeking advice and raising concerns	Whistle Blowing Mechanism (p. 28) Compliance Framework (p. 28)				SDG 16.3
	2-27 Compliance with laws and regulations	Compliance Framework (p. 28)				
	2-28 Membership associations	Al Baraka Group (p. 8)				

GRI Standard	Disclosure	Direct Response/Section in this Report (pg. #)	Omissions			SDGs Mapping
			Requirement(s) Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	Stakeholders Engagement					
	2-29 Approach to stakeholders engagement	Stakeholders Engagement (p.17)				
	2-30 Collective bargaining agreements	There are no collective bargaining agreements in Al Baraka Bank. However, there is room for communicating grievances or any type of feedback due to Al Baraka Bank's open-door policy and systematic cycle of feedback between managers and employees.				SDG 8.8
GRI 3: Material Topics 2021						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment (p. 18)				
	3-2 List of material topics					
Ethical Governance and Anti-Corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance and Ethics (p. 22-26)				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		a., b.	Information Unavailable	These requirements are being integrated within AL Baraka Bank's data management system and shall be considered in future reports	SDG 16.5
	205-2 Communication and training about anti-corruption policies and procedures	Code of Ethics (p. 27) Compliance Framework (p. 28)				
	205-3 Confirmed incidents of corruption and actions taken	There have been no confirmed incidents of corruption during the reporting period.				

GRI Standard	Disclosure	Direct Response/Section in this Report (pg. #)	Omissions			SDGs Mapping
			Requirement(s) Omitted	Reason	Explanation	
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, antitrust, and monopoly practices	Governance and Ethics (p. 22-26)				SDG 16.3
Economic Performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Al Baraka Bank's Economic Performance (p. 34-38)				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Al Baraka Bank's Economic Performance (p. 34-38)				SDG 8.1, 8.2, 9.1, 9.4, 9.5
	201-2 Financial implications and other risks and opportunities due to climate change		a	Information unavailable/ incomplete	These requirements shall be integrated into the Bank's ESG management system and considered in upcoming reports	SDG 13.1
Sustainable Finance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Finance (p. 39-40)				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Sustainable Finance (p. 39-40)				SDG 5.4, 9.1, 9.4, 11.2
	203-2 Significant indirect economic impacts	Sustainable Finance (p. 39-40)				SDG 1.2, 1.4, 3.8, 8.2, 8.3, 8.5
Digitalization and Technology						
GRI 3: Material	3-3 Management of material topics	Digitalization and Cybersecurity (p. 31-32)				

GRI Standard	Disclosure	Direct Response/Section in this Report (pg. #)	Omissions			SDGs Mapping
			Requirement(s) Omitted	Reason	Explanation	
Cybersecurity and Data Privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Digitalization and Cybersecurity (p. 31-32)				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Operational Enhancements and Process Optimization (p. 31)				SDG 16.3, 16.10
Diversity, Inclusion, and Equal Opportunities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Diversity and Inclusion (p. 50 -54)				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESG Metrics (p. 62)				SDG 5.1, 8.5, 8.6, 10.3
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Promoting Staff Welfare and Engagement (p. 53-54)				SDG 3.2, 5.4, 8.5
	401-3 Parental leave	ESG Metrics (p. 62)				SDG 5.1, 5.4, 8.5
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee Diversity and Inclusion (p. 50-51)				SDG 5.1, 5.5, 8.5
	405-2 Ratio of basic salary and remuneration of women to men		a,b	Information unavailable/ incomplete	The Bank is working on disclosing this information in upcoming reporting cycles.	SDG 5.1, 8.5, 10.3

GRI Standard	Disclosure	Direct Response/Section in this Report (pg. #)	Omissions			SDGs Mapping
			Requirement(s) Omitted	Reason	Explanation	
Training and Professional Development						
GRI 3: Material Topics 2021	3-3 Management of material topics	Training and Career Development (p. 52)				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Development Programs (p. 52)				SDG 4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development Programs (p. 52)				SDG 8.2, 8.5
	404-3 Percentage of employees receiving regular performance and career development reviews	All Al Baraka Bank 's employees are subject to a regular performance and career development on annual basis (100% of employees).				SDG 5.1, 8.5, 10.3
Wellness, Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Promoting Staff Welfare and Engagement (p. 53-54)				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety (p. 54)				SDG 3.3, 3.4, 3.9, 8.8, 16.1
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety (p. 54)				SDG 8.8
	403-3 Occupational health services	Occupational Health and Safety (p. 54)				
	403-5 Worker training on occupational health and safety	Occupational Health and Safety (p. 54)				SDG 8.8
	403-6 Promotion of worker health	Occupational Health and Safety (p. 54)				SDG 3.3, 3.5, 3.7, 3.8
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety (p. 54)				SDG 8.8

GRI Standard	Disclosure	Direct Response/Section in this Report (pg. #)	Omissions			SDGs Mapping
			Requirement(s) Omitted	Reason	Explanation	
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries		a,b,c,d,e,f,g	Information unavailable/ incomplete	The Bank is working on disclosing this information in upcoming reporting cycles.	SDG 3.6, 3.9, 8.8, 16.1
	403-10 Work-related ill health		a,b,c,d			SDG 3.3, 3.4, 3.9, 8.8, 16.1
Financial Inclusion						
GRI 3: Material Topics 2021	3-3 Management of material topics	Financial Inclusion (p. 43-45)				
Community Engagement and Development						
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Investments (p. 46-48)				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs					
	413-2 Operations with significant actual and potential negative impacts on local communities		413-2	Not Applicable	There are no operations that have significant actual and potential negative impacts on local communities.	SDG 1.4, 2.3
GRI 415: Public Policy 2016	415-1 Political contributions		415-1		No political contributions have been made directly or indirectly by the Bank.	SDG 16.5
Customer Centricity and Satisfaction						
GRI 3: Material Topics 2021	3-3 Management of material topics	Customer Experience (p. 42)				
Environmental Management						
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Management (p. 58)				

GRI Standard	Disclosure	Direct Response/Section in this Report (pg. #)	Omissions			SDGs Mapping
			Requirement(s) Omitted	Reason	Explanation	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Management (p. 58) ESG Metrics (p. 61)				SDG 7.2, 7.3, 8.4, 12.2, 13.1
	302-2 Energy consumption outside of the organization					
	302-3 Energy intensity					SDG 7.3, 8.4, 12.2, 13.1
	302-4 Reduction of energy consumption	Energy Management (p. 58)				
	302-5 Reductions in energy requirements of products and services		a, b, c, d	Not Applicable	Al Baraka Bank does not sell products or services that are subject to applicable energy reduction requirements.	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource			Not Applicable	Due to the nature of its operations, Al Baraka Bank does not have significant water discharge-related impacts.	SDG 6.3, 6.4, 6.A, 6.B, 12.4
	303-2 Management of water discharge-related impacts		a			SDG 6.3
	303-3 Water withdrawal	Water Withdrawals (p. 58) ESG Metrics (p. 61)				SDG 6.4
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Generated (p. 58)				SDG 3.9, 6.3, 6.6, 11.6, 12.4, 12.5
	306-2 Management of significant waste-related impacts					
	306-3 Waste generated					SDG 3.9, 6.6, 11.6, 12.5, 12.4, 15.1
	306-4 Waste diverted from disposal		a,b,c,d,e	Information unavailable/ incomplete	These requirements will be integrated into the Bank's data management system and considered in the future reporting cycle.	SDG 3.9, 11.6, 12.4, 12.5
	306-5 Waste directed to disposal		a,b,c,d,e	Information unavailable/ incomplete	These requirements will be integrated into the Bank's data management system and considered in the future reporting cycle.	SDG 3.9, 6.6, 11.6, 12.4, 12.5, 15.1

GRI Standard	Disclosure	Direct Response/Section in this Report (pg. #)	Omissions			SDGs Mapping
			Requirement(s) Omitted	Reason	Explanation	
Carbon Emissions Reduction						
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Responsibility (p. 56-57) ESG Metrics (p. 61)				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions					SDG 3.9, 12.4, 13.1, 14.3, 15.2
	305-2 Energy indirect (Scope 2) GHG emissions					
	305-3 Other indirect (Scope 3) GHG emissions					
	305-4 GHG emissions intensity					SDG 13.1, 14.3, 15.2
	305-5 Reduction of GHG emissions					
Responsible Local Procurement						
GRI 3: Material Topics 2021	3-3 Management of material topics	Al Baraka Bank values an ethical and efficient supply chain aligned with its corporate principles. The bank supports thorough supplier evaluation, considering competence, reputation, and ethics. This ensures partners reflect Al Baraka Bank's commitment to responsible business practices.				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		a,b,c	Information unavailable/ incomplete	The Bank is working on disclosing this information in upcoming reporting cycles.	SDG 8.8
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		a,b			SDG 5.2, 8.7

GRI Standard	Disclosure	Direct Response/Section in this Report (pg. #)	Omissions			SDGs Mapping
			Requirement(s) Omitted	Reason	Explanation	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		a	Information unavailable/ incomplete	The Bank is working on disclosing this information in upcoming reporting cycles.	
	308-2 Negative environmental impacts in the supply chain and actions taken		a,b,c,d,e			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria		a			SDG 5.2, 8.8, 16.1
	414-2 Negative social impacts in the supply chain and actions taken		a,b,c,d,e			
E&S Risk Management in Finance and Investment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Integrated Risk Management (p. 28-29)				

SASB Content Index

Accounting Metric	Category	Unit of Measure	Code	Reference to Report Section/Direct Response
Data Security				
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Quantitative	Number, %	FN-CB-230a.1	Digitalization and Cybersecurity (p. 31-32)
Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	FN-CB-230a.2	
Financial Inclusion & Capacity Building				
(1) Number and (2) amount of finance outstanding qualified to programs designed to promote small business and community development	Quantitative	EGP	FN-CB-240a.1	Al Baraka Bank's Economic Performance (p. 34-38) Financial Inclusion (p. 43-45)
(1) Number and (2) amount of past due and nonaccrual finance qualified to programs designed to promote small business and community development			FN-CB-240a.2	Al Baraka Bank's Economic Performance (p. 34-38) Financial Inclusion (p. 43-45)
Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers		Number	FN-CB-240a.3	Al Baraka Bank's Economic Performance (p. 34-38)
Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers			FN-CB-240a.4	Financial Inclusion (p. 43-45)
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis				
Commercial and industrial credit exposure by industry	Quantitative	EGP	FN-CB-410a.1	Al Baraka Bank's Economic Performance (p. 34-38)
Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Discussion and Analysis	n/a	FN-CB-410a.2	Al Baraka Bank's Economic Performance (p. 34-38)
Business Ethics				
Total amount of monetary losses as a result 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	EGP	FN-CB-510a.1	Governance and Ethics (p. 22-26)
Description of whistleblower policies and procedures	Discussion and Analysis	n/a	FN-CB-510a.2	Governance and Ethics (p. 22-26)
Systemic Risk Management				
Global Systemically Important Bank (G-SIB) score by category	Quantitative	Basis points (bps)	FN-CB-550a.1	Not available
Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	n/a	FN-CB-550a.2	Integrated Risk Management (p. 28-29)
Activity Metrics				
(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Quantitative	EGP	FN-CB-000.A	Not Available
(1) Number and (2) value of finance by segment: (a) personal, (b) small business, and (c) corporate			FN-CB-000.B	Al Baraka Bank's Economic Performance (p. 34-38)

UNGC Content Index

Principle	Description	Report Section(s) or Direct Response
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Governance and Ethics (p. 22-26)
Principle 2	Businesses should make sure they are not complicit in human rights abuses.	Governance and Ethics (p. 22-26)
Labor		
Principle 3	Businesses should uphold the freedom of association and effectively recognize the right to collective bargaining.	Al Baraka Bank has no collective bargaining agreements
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	Environmental and Social Risk Management (p. 30)
Principle 5	Businesses should uphold the effective abolition of child labor.	Environmental and Social Risk Management (p. 30)
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Environmental and Social Risk Management (p. 30)
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	Environmental Management (p.58)
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	Environmental Management (p.58)
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Sustainable Finance (p. 39-40)
Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Governance and Ethics (p. 22-26)

TCFD Content Index

TCFD Recommendation	Report Section(s) (or direct answer)
Governance	
a. Describe the board's oversight of climate-related risks and opportunities.	Governance and Ethics (p. 22-26) Integrated Risk Management (p. 28-29)
b. Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Governance and Ethics (p. 22-26) Integrated Risk Management (p. 28-29)
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management	
a. Describe the organization's processes for identifying and assessing climate-related risks.	Governance and Ethics (p. 22-26) Integrated Risk Management (p. 28-29)
b. Describe the organization's processes for managing climate-related risks.	Al Baraka Bank is actively developing a ESG management system that will facilitate the identification and mitigation of climate-related risks. This system will also enable the integration of climate risk assessment into the overall risk management framework of the organization
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environmental Responsibility (p. 56-57)
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

CBE Reporting Guidelines

Principles of Sustainable Finance		Report Section(s)
Principle 1	Capacity-Building and Necessary Knowledge	Training and Career Development (p. 52)
Principle 2	Enhancing Sustainable Finance	Sustainable Finance (p. 39-40)
Principle 3	Involvement of the Stakeholders	Stakeholders Engagement (p. 17)
Principle 4	Managing Climate Change Risks	Integrated Risk Management (p. 28-29)
Principle 5	Applying the Principles of Sustainability to the Bank's Internal Activities and Operations	Sustainability Framework (p. 16)
Principle 6	Reporting	About this Report (p. 4)

Limited Assurance Statement

Introduction and Objectives of the Engagement

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

Scope, Subject Matter, and Limitations

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

- Al Baraka Bank 's ESG Management
- Stakeholders Engagement
- Materiality Assessment

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

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

We have not been engaged to:

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

Intended Users

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

Reporting Criteria

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

Responsibilities of the Reporting Organization

The provision of Selected Information in the Report is the sole responsibility of Al Baraka Bank's management. The Reporting Organization is responsible for preparing the Report in accordance with the reporting criteria and the GRI 2021 Universal Standards.

Responsibilities of the Assurance Provider

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

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

Methodology

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

Statement of Independence and Impartiality

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

Statement of Competence

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

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

Recommendations

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

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

Conclusion

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

Inclusivity

The Reporting Organization has provided evidence of the inclusivity regarding its stakeholders relations, including understanding and representation of stakeholders interests in the Report.

Materiality

The Reporting Organization has described its material topics and the materiality assessment process. Based on the engagement conducted, we believe the material topics accurately reflect the Reporting Organization's ESG impacts and disclosures. The disclosures presented in the Report have been organized to present performance on each material topic. The Report would benefit from a more straightforward representation of the connection between the Reporting Organization's targets and reported disclosures.

Responsiveness

The obtained evidence has been sufficient to conclude that the Reporting Organization is responsive to the issues raised by its stakeholder groups by collecting regular feedback via tailored communication channels and appropriate procedures to handle grievances, feedback, and other types of stakeholder inputs.

Impact

The Reporting Organization has provided evidence of the procedures and systems it has applied to monitor and measure its environmental impacts and taken actions to ensure accountability for those impacts.

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

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

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

Dr. Abdelhamid Beshara,
Founder and Chief Executive Officer

Masader, Environmental and Energy Services (S.A.E)
Cairo, month, dd, 2024





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