



بنك بيت التمويل الكويتي

KFHH
EGYPT



2024

Sustainability Report

Purpose in Action

Content

About This Report CEO Message	4 6	About KFH Egypt ESG Highlights	8 10	Awards & Recognitions	11
----------------------------------	--------	-----------------------------------	---------	-----------------------	----

Strategic Foundation

Our Mission & Business Model	14
Our ESG Strategy	15
Our Value Creation Model	18

Sustainability Framework

Stakeholder Engagement	23
Materiality Assessment	24

Responsible Governance

Governance Structure	40
Ethics & Policies	53
Risk Management	56
Cybersecurity and Information Security Governance	60
Compliance Governance	62
Digital Transformation	64

Enabling Access & Innovation

Network: Branches & ATMs	68
Digital Services	71
Retail Banking	77
SME Services	84
Corporate Banking	85
Sustainable Finance	87
Financial Inclusion	91

Our People & Partners

Customer Centricity	96
Our Employees & Workplace Culture	100
Community Engagement	120
Supplier Responsibility	126

Environmental Stewardship

Energy Management	132
GHG Emissions (Head Office)	134
Water Use & Efficiency	136
Waste Management	137
Biodiversity	138
Green Buildings	139

Appendices

GRI Index	142
Integrated Reporting Index	162
SASB Commercial Banks Index	164
United Nations Global Compact (UNGC) Principles	166
List of Abbreviations	168
CBE Reporting Guidelines	169
Limited Assurance Statement	170

About This Report

This report is the **2024 Annual Sustainability Report**, the second issued by KFH- Egypt, reaffirming the Bank's longstanding commitment to responsible banking and sustainable development. The report outlines the Bank's core ESG (environmental, social, and governance) practices, achievements, and challenges in addition to outlining its alignment with national priorities and global sustainability standards.

Following the acquisition of **KFH- Egypt (formerly Ahli United Bank - Egypt) (AUBE)** by **Kuwait Finance House Group**, the former was officially rebranded as **KFH- Egypt**. Accordingly, this report builds on the foundation of sustainability established under AUBE, abiding by the same reporting principles and focus areas despite carrying a new identity.

The report covers the period from **January 1st, 2024 to December 31st, 2024**, in accordance with KFH Egypt's consolidated financial statements. Its scope primarily covers the Bank's operations within the Arab Republic of Egypt.

KFH- Egypt intends to publish a report in this vein on an annual basis, with each edition released in the **second quarter** of the following year. Throughout this document, the Bank is referred to as "KFH- Egypt," "the Bank," "our Bank," or "we."

This report was prepared in accordance with the **Global Reporting Initiative (GRI) Standards**, the **Integrated Reporting (IR) Framework**, the **United Nations Sustainable Development Goals (UN SDGs)**, and the **Central Bank of Egypt's (CBE's)** regulatory guidance on sustainable finance disclosures.

Any typographical errors or inaccuracies are unintentional, and the Bank is committed to correcting such issues transparently on its official website.

For more information, please contact:

Hany El Rifaie

Head of Sustainable Finance and Sustainability

Hany.ElRifaie@kfh.com

Marwa Khairat

Sustainable Finance Manager

Marwa.Khairat@kfh.com

Khaled Hamza

Head of Marketing, Corporate Communication & CSR

khaled.hamza@kfh.com

CEO Message

Dear Valued Stakeholders,

It is with great pleasure that I present to you **KFH- Egypt’s 2024 GRI Sustainability Report**, titled “**Purpose in Action**.”. This report highlights a year of significant progress and change, building on the groundwork laid in our 2023 report, “Banking with Purpose.”

In 2023, we committed to making sustainability a core part of our operations, aligning with both national and global sustainability goals. This report not only outlines our performance throughout the year as **Ahli United Bank- Egypt** but also marks our transition to **Kuwait Finance House Bank- Egypt**, officially launched in **February 2025**. During 2024, as we reached this important milestone, we stayed true to our commitment, rooted in Islamic values.

Our transformation was more than a name change; it marked a seamless move into the future of Islamic banking. Throughout our rebranding and full Shari’a conversion, we kept our clients’ trust, ensured smooth service, and maintained strong relationships. This high level of customer loyalty during change shows the trust we have earned and the dedication of our teams. It also supports our values and long-term vision to deliver Islamic banking with purpose and contribute to sustainable development.

As part of the **KFH** Group- the world’s second-largest Islamic financial institution by assets, with a presence in 12 countries - we are starting a new chapter based on **integrity, innovation and impact**. The foundation we established in 2024 was vital to this journey, as we achieved strong business growth, expanded our network, and increased our community involvement.



Sustainable Finance and Sustainability remain central to our mission. Following Islamic finance principles - **Fairness, Transparency and Stewardship** - we are accelerating sustainable finance, promoting financial inclusion, and driving digital transformation, all while reinforcing our role in **Egypt’s Vision 2030**. The theme of our new visual identity, “**Beyond Horizons**,” encapsulates the spirit of this transition: an ambition to serve better, reach farther, and act boldly in shaping a more sustainable financial future.

This report outlines our achievements in environmental, social, and governance dimensions and our strategy moving forward. We remain committed to the pillars set in 2023 - **Transparency, Innovation and Collaboration** - and in 2024, we will build on this by focusing on three key priorities:

- Enabling Sustainable Finance for Impact.
- Empowering Our People for a Purpose-Driven Future.
- Demonstrating Environmental Responsibility in Action.

To our valued clients, dedicated employees, trusted partners, and the wider KFH family - thank you for your trust and support. Together, we are setting a new standard for responsible, purpose-driven Islamic banking in Egypt and beyond. Let us continue to move forward with purpose, grow with integrity, and create a future where sustainability is a fundamental part of how we bank, serve, and create lasting value.

Sincerely,

Hala Sadek

CEO and Board Member
Kuwait Finance House Bank- Egypt

About KFH- Egypt

KFH- Egypt is a Shari'a-compliant financial institution that offers a comprehensive portfolio of retail, corporate, SME, and investment banking products tailored to the needs of a diverse range of individuals and businesses across Egypt. The Bank is committed to the delivery of ethical, inclusive, and innovative financial solutions grounded in the principles of Islamic finance with a focus on customer-centric service, digital transformation, and financial inclusion.

KFH- Egypt is a subsidiary of the **Kuwait Finance House Group**, one of the world's leading Islamic banking institutions. The Bank formally entered the Egyptian market in **August 2006** following the acquisition of an **89.3% stake** in **Delta International Bank** by a consortium of investors led by the KFH Group. This marked the beginning of a strategic transformation, culminating in the rebranding from Ahli United Bank to KFH- Egypt to reflect its alignment with the KFH Group's regional and global vision.

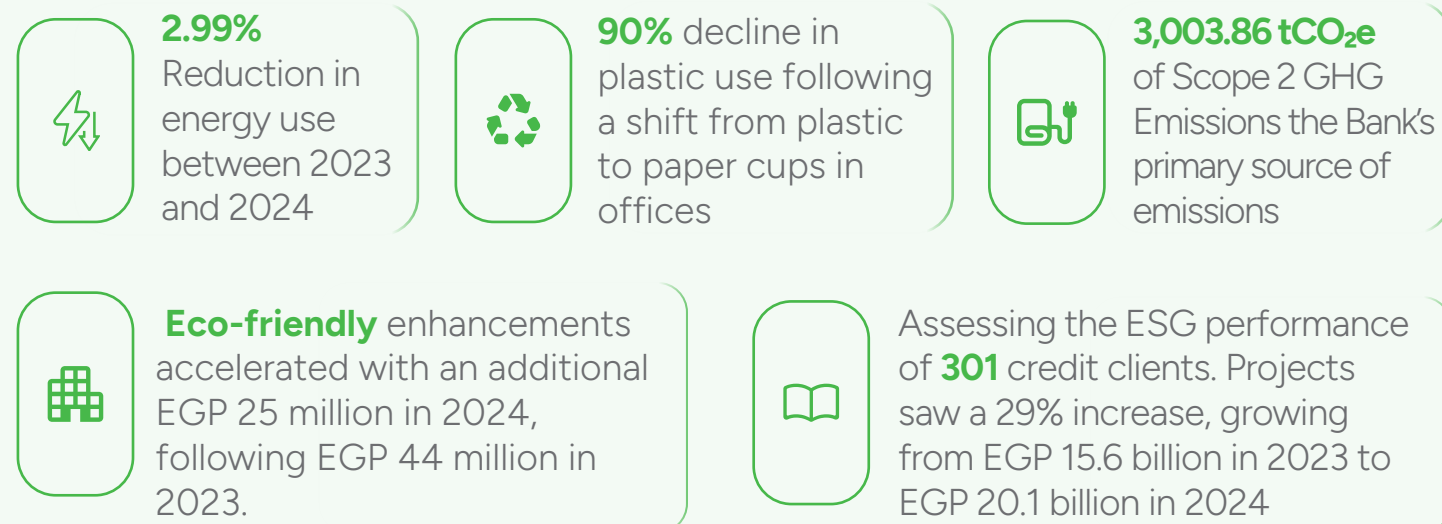
Since then, KFH- Egypt transferred about EGP 3 billion from retained earnings to paid up capital throughout 2024 to strengthen its financial position, modernize its infrastructure, and enhance its banking offerings. As of 2024, the Bank operates **44 branches and 98 ATMs** across Egypt and, supported by a team of **1,334 employees**, continues to expand its footprint in the country through a sustainability-oriented growth strategy.

Despite benefiting from the global expertise and infrastructure of the **KFH Group**, KFH- Egypt operates independently under the regulatory oversight of the **Central Bank of Egypt (CBE)** and in full compliance with local banking laws and Islamic finance standards. The Bank is committed to supporting Egypt's overarching economic and sustainability goals through ongoing investment in technology, talent, and service innovation.



ESG Highlights

Environmental



Social



Governance



Awards & Recognitions

KFH Egypt's longstanding commitment to sustainable development and corporate social responsibility has earned it several awards, including the following:



Best Sustainable Bank
granted by *GLOBAL BUSINESS & FINANCE MAGAZINE*



Most Reputable Bank in Treasury and Investment Services
granted by *INTERNATIONAL BUSINESS MAGAZINE*



Best Bank in Corporate Services
granted by *GLOBAL BUSINESS & FINANCE MAGAZINE*



Best Treasury Services Bank
granted by *GLOBAL BUSINESS MAGAZINE*

These awards, conferred by reputable industry bodies like **Global Business and Finance**, underscore KFH Egypt's leadership in ethical banking, community impact, and operational excellence.

Strategic Foundation

<u>Our Mission & Business Model</u>	<u>14</u>
<u>Our ESG Strategy</u>	<u>15</u>
<u>Our Value Creation Model</u>	<u>18</u>

Our Mission



At KFH Egypt, our mission is to deliver innovative, Shari’a-compliant, and customer-focused financial solutions that generate sustainable value for individuals, the business community, the environment, and society at large. We are committed to supporting Egypt’s transition into a resilient, inclusive, and low-carbon economy while fostering long-term partnerships rooted in trust, ethics, and shared growth.

Business Model



Our business model is anchored in an approach that balances financial performance with environmental and social responsibility. We are committed to integrating sustainability across every aspect of our operations, from credit and investment policies to product development, risk management, and customer engagement.

KFH Egypt’s business model is driven by ten primary objectives that dictate how we operate and where we aim to lead:

1.

Achieve Growth in Retail and Private Banking
2.

Be the Leading Corporate Banking Franchise
3.

Maintain Solid Capital Adequacy, Liquidity, and Funding
4.

Achieve Growth in Market Share and Regional Footprint
5.

Ensure Sustainable Finance and Sustainability
6.

Construct a Digital Ecosystem
7.

Maximize Profitability, Returns, and Shareholder Value
8.

Engage in Prudent and Rigorous Risk Management
9.

Leverage Group Presence and Capabilities

Our ESG Strategy

KFH Egypt’s overarching ESG Strategy (2023–2025) serves as a roadmap that aligns the Bank’s operations with national and global sustainability priorities. It reflects our commitment to sustainable development, financial inclusion, and climate action, all in line with the Central Bank of Egypt’s Sustainable

Finance Guidelines, Egypt Vision 2030, and international ESG frameworks.

This strategy outlines four core strategic pillars that define our ESG vision and operational focus:



Enablers of ESG Implementation

We are implementing the following measures to materially support our ESG strategy:



A dedicated Sustainable Finance and Sustainability independent department has been established to oversee the ESG integration, reporting directly to the Deputy CEO with oversight from the Board of Directors committee.

To ensure embedding Sustainability at the Core; the department launched and published independent Sustainable Finance and Sustainability Policy, Procedures, and Strategy, laying the foundation for responsible banking. Currently, enhancing the 3 years strategy to incorporate climate risk considerations and defining Key Performance Indicators (KPIs) for each department to drive measurable progress toward our sustainability and sustainable finance goals.

In 2024, the Sustainability and Sustainable Finance Department, in close collaboration with Risk, Business Units, and other key stakeholders, successfully established the bank's ESMS Policy and Procedures—a comprehensive and standardized framework for pre-appraisal and due diligence.

The department is issuing a monthly digital green newsletter accessed by all bank staff to promote sustainability and sustainable finance awareness, It also features a monthly contest to boost engagement.

A total of 39 employees from various departments successfully completed GRI training and received certification, enhancing internal sustainability reporting capabilities.

Leveraged partnerships to secure complimentary access to sustainability-focused events, including capacity-building sessions, interactive workshops, panel discussions, and networking opportunities.

Promoted sustainable finance awareness by identifying and embedding the sustainable finance opportunities in each client's ESDD template. Regular awareness emails are sent to business and risk teams, highlighting regulatory updates, market trends, and emerging risks.

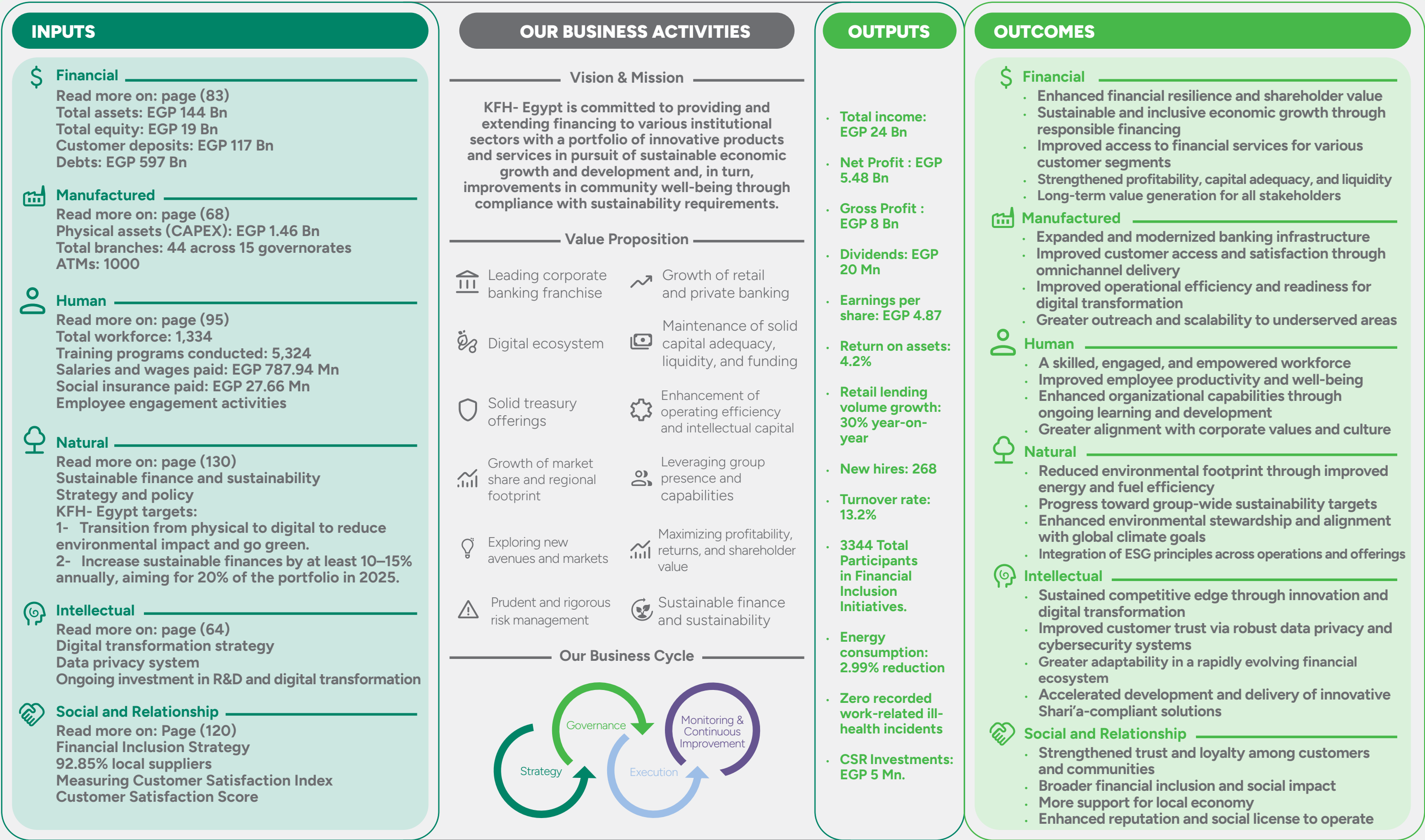
Launched the 'Sharing is Caring' initiative, encouraging staff to propose ESG-enhancing ideas and support turning them into actions, fostering a culture of innovation and ownership.

New sustainable finance products are being designed to meet clients' needs while driving environmental and social value. We initiated the "Get Ready for the Green" campaign to promote energy-efficient home appliances. And in progress, we are launching two new sustainable finance products in coordination with Corporate Banking Group and one new product with the Retail Group.

A comprehensive KPI framework has been established to monitor ESG performance. This framework includes means of tracking GHG emissions, overall carbon footprint, water and energy consumption, waste generation, and social impact.

Regular gap assessments are being conducted to identify challenges, propose corrective actions, and capture opportunities to scale sustainable finance across the Bank's portfolio and sustainability ethos across all our operational practices.

Our Value Creation Model



Sustainability Framework

Stakeholder Engagement	23
------------------------	----

Materiality Assessment	24
------------------------	----

KFH- Egypt recognizes the importance of ongoing meaningful engagement with stakeholders when it comes to gauging its ESG impacts as part of a sustainability-reporting process. Our 2024 engagement strategy reflects the Bank’s transition into

the KFH Group, our sharpened focus on Islamic banking principles, and our commitment to national and international sustainability frameworks. Our material topics are scored based on their priorities, feasibility, and time-bound risks.

Stakeholder Engagement

We continue to employ an internal mapping procedure to track our key stakeholders, monitor our impacts, and assess each stakeholder group’s operational influence. Staying up to date on our stakeholder-engagement approach is critical to updating the relevant ma-

terial topics that guide our focus on relevant ESG topics.

The table below outlines the Bank’s primary stakeholders and their corresponding engagement channels, material topics, and areas of interest and expectations.

Table 1. Stakeholder Identification & Engagement

STAKEHOLDER GROUP	MODE OF ENGAGEMENT	RELEVANT MATERIAL TOPICS	FOCUS AREAS/ EXPECTATIONS
Board of Directors (Board of Directors)	<ul style="list-style-type: none">• Reports• Meetings• Emails	<ul style="list-style-type: none">• Responsible customer retention and satisfaction• Governance, anti-corruption, crisis management, and compliance• Sustainable economic growth• Human capital development	<ul style="list-style-type: none">• Business continuity• Performance indicators• Strengthening customer loyalty
KFH Group	<ul style="list-style-type: none">• Reports• Meetings• Emails	<ul style="list-style-type: none">• Responsible customer retention and satisfaction• Sustainable finance and investment• Governance, anti-corruption, crisis management, and compliance• Digitalization and innovation• Human capital development	<ul style="list-style-type: none">• Group-wide ESG alignment• Implementation of Islamic banking• KPI and emission targets
Shareholders	<ul style="list-style-type: none">• Management meetings• Reports• Emails	<ul style="list-style-type: none">• Governance, anti-corruption, crisis management, and compliance• Financial inclusion, accessibility, and literacy• Responsible customer retention and satisfaction	<ul style="list-style-type: none">• Long-term value creation• Transparency• Adherence to Shari’a principles
Employees	<ul style="list-style-type: none">• Learning and development Programs• Employee engagement surveys• Meetings	<ul style="list-style-type: none">• Human capital investment• Diversity and inclusion• Responsible operations• Women’s empowerment	<ul style="list-style-type: none">• Career development• Fair compensation• Workplace culture
Customers	<ul style="list-style-type: none">• Daily interactions at branches• Call centers• Social media platforms• Emails• Press releases• Brand activations• Customer satisfaction surveys	<ul style="list-style-type: none">• Responsible customer retention and satisfaction• Digitalization and innovation• Financial inclusion, accessibility, and literacy• Responsible operations	<ul style="list-style-type: none">• Post-transition service stability• Personalized Shari’a-compliant products• Accessibility

STAKEHOLDER GROUP	MODE OF ENGAGEMENT	RELEVANT MATERIAL TOPICS	FOCUS AREAS/ EXPECTATIONS
Regulators & Government	<ul style="list-style-type: none"> Regulatory reporting Daily and periodic Communications Regular meetings Further communication as Warranted 	<ul style="list-style-type: none"> Data privacy and cybersecurity Financial inclusion Sustainable economic growth Governance, anti-corruption, crisis management, and compliance Environmental and social risk management Sustainable finance and investment 	<ul style="list-style-type: none"> Regulatory compliance Islamic finance strategy alignment National sustainability agenda
Local Community & NGOs	<ul style="list-style-type: none"> Non-governmental organizations (NGOs) and civil society Organizations Conferences CSR activities Social media platforms 	<ul style="list-style-type: none"> Diversity and inclusion Community development and engagement Women's empowerment Environmental and social risk management Responsible operations 	<ul style="list-style-type: none"> Local development Inclusion initiatives Social equity
Suppliers & Vendors	<ul style="list-style-type: none"> Tenders Requests for proposals (RFPs) 	<ul style="list-style-type: none"> Data privacy and cybersecurity Sustainable procurement Responsible operations Governance, anti-corruption, crisis management, and compliance 	<ul style="list-style-type: none"> Fair selection and evaluation ESG-compliance expectations

Materiality Assessment

KFH Egypt’s materiality-assessment process is critical to the Bank’s identification and prioritization of the ESG issues most relevant to its stakeholders. In 2024, the Bank advanced its approach to applying a double materiality lens, reflecting both the financial impact of sustainability-related topics on the organization and the Bank’s impact on the environment, the economy, and society more broadly. The topics were updated by senior management, while each department at KFH- Egypt, through sustainability ambassadors, participated

the ranking and prioritization of material topics through surveying and analysis.

This methodology aligns our reporting with GRI and ESRS standards while reinforcing our commitment to stakeholder responsiveness, regulatory compliance, and long-term value creation.

Building on the foundation of last year’s materiality assessment, this year’s assessment took a more involved, comprehensive approach:

The stakeholder surveying process included departments across all levels of the organization, along with senior management input and involvement



Topics were assessed and scored on both financial and impact materiality, using weighted averages to ensure balanced prioritization of topics



Departmental sustainability leads provided their insight and respective managerial approaches to material topics, aligning with the Group’s ESG strategy



Figure 1. Advancements in Double Materiality, 2024

Based on this complete assessment, the following 14 topics were ranked by combined materiality scores:

Table 2. Ranking of Material Topics

RANK	MATERIAL TOPIC
1	Data Privacy and Cybersecurity
2	Sustainable Finance and Investment
3	Governance, Anti-corruption, Crisis Management, and Compliance
4	Responsible Customer Retention and Satisfaction
5	Sustainable Economic Growth
6	Financial Inclusion, Accessibility, and Literacy
7	Environmental and Social Risk Management
8	Responsible Operations
9	Digitalization and Innovation
10	Women’s Empowerment
11	Sustainable Procurement
12	Human Capital Investment
13	Community Development and Engagement
14	Diversity and Inclusion

The matrix below visualizes each material topic based on its average financial and impact materiality scores. Topics in the top-right quadrant are high-priority, requiring strong governance, disclosure, and performance monitoring.



Figure 2. Double Materiality Matrix

Data privacy and cybersecurity remains the most material topic due to the growing importance of trust and information security in digital banking. Sustainable finance and investment has become highly material, driven by the

Bank’s strategic shift toward sustainable finance. Governance and anti-corruption continues to be critical to the Bank’s ESG performance, especially given recent regulatory developments and the Bank’s transition into the KFH Group.





The table below presents the risks, opportunities, and management approaches associated with each material topic:









Table 3. Materiality Analysis

MATERIAL TOPIC	CAPITAL	SDGS	RISKS	OPPORTUNITIES	MANAGEMENT APPROACH
Data Privacy and Cybersecurity		 	<ul style="list-style-type: none">Unauthorized access from data breaches; theft of financial data; non-compliance with laws and regulations	<ul style="list-style-type: none">Enhanced trust and customer loyaltyReduced financial and reputational risksOperational efficiency and innovationRegulatory complianceImproved ESG rating	<ul style="list-style-type: none">The Bank continually updates its cybersecurity and information security policies to safeguard customer and institutional data in line with data privacy laws and regulations. The Risk and Board Audit Committees receive periodic updates on data breach risks, mitigation plans, and regulatory developments to support effective oversight and ensure accountability.
Sustainable Finance and Investment		  	<ul style="list-style-type: none">Inadequate screening and management of ESG risks in financed projects; reputational damage	<ul style="list-style-type: none">Sustainable economic growth, enhanced reputation, and regulatory complianceInvestments in projects with environmental benefitsInvestment in renewable energy (e.g., solar, wind, hydro)Attractiveness to ESG-focused investorsImproved ESG ratingContributions to and compliance with long-term national goals	<ul style="list-style-type: none">Embedded in the Bank's financial strategy are efforts to ensure alignment with national and international best practices and, in turn, to prioritize environmental and social well-being through a set of KPIs (e.g., green product development). The Bank's ESMS policy ensures the integration of environmental and social risk assessments in the following manners:Integration of ESG into credit decision makingAlignment with local & global sustainability frameworksProactive risk and opportunity managementIncentives for sustainable internal practicesEco-friendly consumer financesSustainable trade financeTurning potential risks into sustainable finance business opportunitiesProviding business teams and clients with all sustainable finance opportunities for each client
Governance, Anti-Corruption, Crisis Management, and Compliance			<ul style="list-style-type: none">Poor governance leading to legal issues and loss of control; crisis mismanagement	<ul style="list-style-type: none">Enhanced trust and reputation through the building of confidence with investors, customers, and stakeholders in response to transparent and ethical operations, a strengthened brand image, and improved market standingReduced risks and liabilitiesResilience and long-term viabilityImproved decision-making and efficiencyImproved ESG rating	<ul style="list-style-type: none">The Board of Directors maintains a robust ethical governance structure to ensure regulatory compliance. The Bank has several structures in place to guide its code of conduct, transparency, and integrity: Governance Policy, Anti-Corruption Framework, Whistleblower Policy, and Compliance Policy. These policies and frameworks feature crisis-management plans and incident-response and -remediation procedures. Compliance updates are regularly reported to the Board of Directors through the Audit and Risk Committees.

MATERIAL TOPIC	CAPITAL	SDGS	RISKS	OPPORTUNITIES	MANAGEMENT APPROACH
Responsible Customer Retention and Satisfaction		 	<ul style="list-style-type: none"> Decline in customer trust; insufficient responsiveness to needs 	<ul style="list-style-type: none"> Increase in customer lifetime value Responsible data use leading to the provision of relevant products and advice Proactive identification of customer needs and potential issues Transformation of negative experiences into opportunities to strengthen loyalty Customer empowerment through tools and knowledge that support financial decisions 	<ul style="list-style-type: none"> The Bank employs robust customer feedback and complaint-resolution systems to enhance service quality. Moreover, in addition to maintaining transparent communication and ethical marketing practices and integrating customer satisfaction and retention metrics into its performance reviews, the Bank offers financial products and advisory services tailored to customers' needs. Furthermore, it invests in innovations in digital banking to boost accessibility and convenience. Finally, it places a significant focus on consumer protections and rights, ensuring alignment with the CBE and CPR regulations.
Sustainable Economic Growth			<ul style="list-style-type: none"> Macro-economic instability; slow SME development 	<ul style="list-style-type: none"> Market expansion Long-term economic development through both economic resilience and inclusive and responsible business practices Investor confidence Financing of renewable energy, sustainable infrastructure, and circular economy projects Strong organizational reputation 	<ul style="list-style-type: none"> Embedded in the Bank's strategic vision are efforts to ensure alignment with national development goals and long-term financial plans in: <ul style="list-style-type: none"> Integration of ESG into core business Risk management and opportunity identification Partnerships and collaborations Green financing
Financial Inclusion, Accessibility, and Literacy		   	<ul style="list-style-type: none"> Exclusion of vulnerable groups; limited digital access 	<ul style="list-style-type: none"> Ability to reach unbanked populations, including rural, low-income communities Development of banking relationships through entry-level products Use of mobile banking apps and other digital solutions Provision of products suited to irregular incomes Partnerships with community organizations and schools to provide financial education Strengthened reputation through the demonstration of commitment to broader societal well-being Improved ESG rating 	<ul style="list-style-type: none"> The Bank's strategy includes broadening access to financial services through digital channels, low-cost accounts, and outreach in underserved regions. Financial literacy programs are delivered via community initiatives and digital platforms. The Board of Directors, sub-committees, and management oversee the development of and progress on KPIs with a particular focus on sustainability, regulatory reporting, and alignment with national development goals.

MATERIAL TOPIC	CAPITAL	SDGS	RISKS	OPPORTUNITIES	MANAGEMENT APPROACH
Environmental and Social Risk Management		   	<ul style="list-style-type: none"> Operations or supply chain may have negative ESG impacts 	<ul style="list-style-type: none"> Enhanced environmental and social risk controls to safeguard reputation and comply with regulations Development of sustainable products, services, and technologies Exploration of new markets and revenue streams in the green economy Improved adaptability to the impacts of climate change More sustainable finance opportunities Improved ESG rating 	<ul style="list-style-type: none"> The Bank developed and implemented its ESMS policy to ensure the incorporation of environmental and social risk assessments into finance-credit decision-making via internal risk frameworks and screening tools that prioritize ESG risks.
Responsible Operations		 	<ul style="list-style-type: none"> Operational inefficiencies; regulatory non-compliance 	<ul style="list-style-type: none"> Optimization of operational efficiency and sustainability alongside corresponding reductions in environmental impact and improvement in stakeholder trust. Improved ESG rating 	<p>The Board of Directors and sub-committees review ethics, sustainability, and operational risk through periodic dashboards and formal reports submitted by management and relevant committees focused on:</p> <ul style="list-style-type: none"> Promoting employee well-being Employee health and safety Remote work/flexible work policies Sustainability efforts to boost efficiency and reduce costs Energy efficiency programs Waste reduction and recycling
Digitalization and Innovation			<ul style="list-style-type: none"> Delayed tech upgrades; poor execution of new platforms 	<ul style="list-style-type: none"> Tailored customer experiences via personalized product offerings, proactive financial advice, and individualized communication Seamless experiences across mobile, web, and physical touchpoints Provision of employees with digital tools and training to adapt to new technologies Collaboration with fintech providers through APIs aimed at expanding service ecosystems and offering integrated solutions Innovation, new markets, and new technologies aligned with sustainability-oriented drive toward environmental protection, social inclusion, and economic resilience Enhanced efficiency and competitive advantage Improved ESG rating 	<p>Digitalization and innovation are integral to the Bank's strategic direction, with Board of Directors oversight encompassing the following ongoing transformation initiatives:</p> <ul style="list-style-type: none"> Prioritizing digital solutions that enhance tailored customer experiences Leveraging advanced analytics to gain insights into customer behaviors, market trends, risk management, and operational efficiency Investing in upskilling employees in digital competencies and data literacy Creating units dedicated to exploring and developing new digital solutions and business models Offering comprehensive functionality, including digital onboarding, account management, and payments

MATERIAL TOPIC	CAPITAL	SDGS	RISKS	OPPORTUNITIES	MANAGEMENT APPROACH
Women's Empowerment			<ul style="list-style-type: none"> Gender inequality; limited leadership roles 	<ul style="list-style-type: none"> Exploration of financial inclusion for underserved women Creation and development of products tailored to women entrepreneurs Personalized banking services and wealth management solutions that cater to women's financial goals and lifestyles Promotion of women into leadership and decision-making roles within the Bank Greater diversity, innovation, and organizational performance aimed at ensuring alignment with the SDGs Improved ESG rating 	<ul style="list-style-type: none"> CBE governance rules on Board of Directors formation are enforced to ensure diversity, especially female representation. Female employment figures are monitored and reported as part of the Bank's overall workforce diversity strategy, reinforcing its commitment to gender equity at all levels. Moreover, the Bank works on the following: <ul style="list-style-type: none"> Collaborating with organizations focused on women's empowerment Developing financial education programs tailored to women Financing sustainable women-owned businesses
Sustainable Procurement			<ul style="list-style-type: none"> Social and environmental risks posed by suppliers; waste generation 	<ul style="list-style-type: none"> Reduction in environmental impact: less GHG, water use, waste; more biodiversity protection via the screening of suppliers for operational carbon footprints Improvement in social impact: supplier assessment aimed at verifying fair labor, no child/forced labor, safe conditions, and human rights Economic inclusion and local development: More local and diverse sourcing Operational efficiency and innovation: Cost savings and, in turn, sustainable innovation Improved ESG rating 	<ul style="list-style-type: none"> The Bank upholds its Code of Conduct and Procurement Policy as part of its governance framework to ensure the promotion of ethical practices, transparency, and accountability across all operations and supplier relationships. It is currently working to shift toward more sustainable alternatives, such as the use of NFC business cards over paper business cards.

MATERIAL TOPIC	CAPITAL	SDGS	RISKS	OPPORTUNITIES	MANAGEMENT APPROACH
Human Capital Investment			<ul style="list-style-type: none"> Skill mismatch; high turnover 	<ul style="list-style-type: none"> Greater productivity and performance Improved employee attraction and retention Stronger employee well-being and morale Enhanced organizational culture and values Investment in employee development, well-being, and diversity to improve talent retention, innovation, and organizational resilience Improved ESG rating 	<ul style="list-style-type: none"> The HR and Training Departments have implemented targeted talent-acquisition and -development programs to build financial expertise and leadership. These programs offer ongoing professional training and certifications while fostering an inclusive workplace culture that promotes diversity, equity, and employee engagement. Moreover, the Bank provides competitive compensation and benefits packages to retain effective employees.
Community Development and Engagement		 	<ul style="list-style-type: none"> Poor community relations; weak license to operate 	<ul style="list-style-type: none"> Underserved segments reached to attract new deposits and financing within the community Identification and funding of essential community projects Stronger understanding of local needs, facilitating tailored financial products and services Improved attraction and retention of employees who value community impact Strengthened community partnerships and investment to foster social inclusion, local development, and shared value creation Improved ESG rating 	<ul style="list-style-type: none"> The Bank hosts community investment programs focused on financial literacy and support for small businesses, partnering with local organizations and government agencies to promote economic inclusion. It makes an active effort to facilitate access to banking services among underserved communities, encourage employee volunteerism in community projects, and engage stakeholders through regular consultations. Moreover, the Bank widely contributes to CSR programs.
Diversity and Inclusion		 	<ul style="list-style-type: none"> Workplace discrimination; homogeneous decision-making 	<ul style="list-style-type: none"> Improved decision-making and innovation Greater talent attraction and retention Increased employee productivity and performance Reduced risk and improved governance. Improved ESG rating 	<ul style="list-style-type: none"> The Bank formally outlines its goals, initiatives, and metrics to boost diversity and inclusion at all levels, measuring employee engagement and progress against established targets.

Responsible Governance

<u>Governance Structure</u>	40
<u>Ethics & Policies</u>	53
<u>Risk Management</u>	56
<u>Cybersecurity and Information</u>	
<u>Security Governance</u>	60
<u>Compliance Governance</u>	62
<u>Digital Transformation</u>	64

Governance Structure

KFH- Egypt continues to place a strong emphasis on sound corporate governance as a foundation for its achievement of sustainable growth, regulatory compliance, and stakeholder trust. Our governance framework is structured in a manner that supports transparent decision-making, effective oversight, and strategic alignment with both the evolving regulatory landscape and best practices in the financial services sector.

The Bank's governance practices align with the relevant provisions of CBE Governance 2024 instructions, Law No. 194 of 2020, the Bank's own Articles of Association, and the principles of Islamic finance. These practices are continually reviewed to ensure alignment with evolving sustainability frameworks and stakeholder expectations, including those pertaining to ESG considerations.

The Bank's governance framework is overseen by a well-structured Board of Directors (Board of Directors/Board), which is supported by several specialized

committees. The Board of Directors is the Bank's highest authority, responsible for approving its strategic direction, monitoring its performance, and ensuring the integrity of its governance system. In 2024, the Board maintained active engagement across all areas of governance, including risk management, internal control, sustainability strategy, and customer protection, in line with the KFH Group's broader commitment to responsible finance.

Our approach to governance is driven by the principles of accountability, independence, transparency, and fairness, which guide the responsibilities of the Board of Directors, executive management, and the Bank's support and control functions through the clear demarcation of duties and escalation protocols.

In 2024, the Bank continued bolstering its governance practices in response to both internal priorities and external regulatory developments.

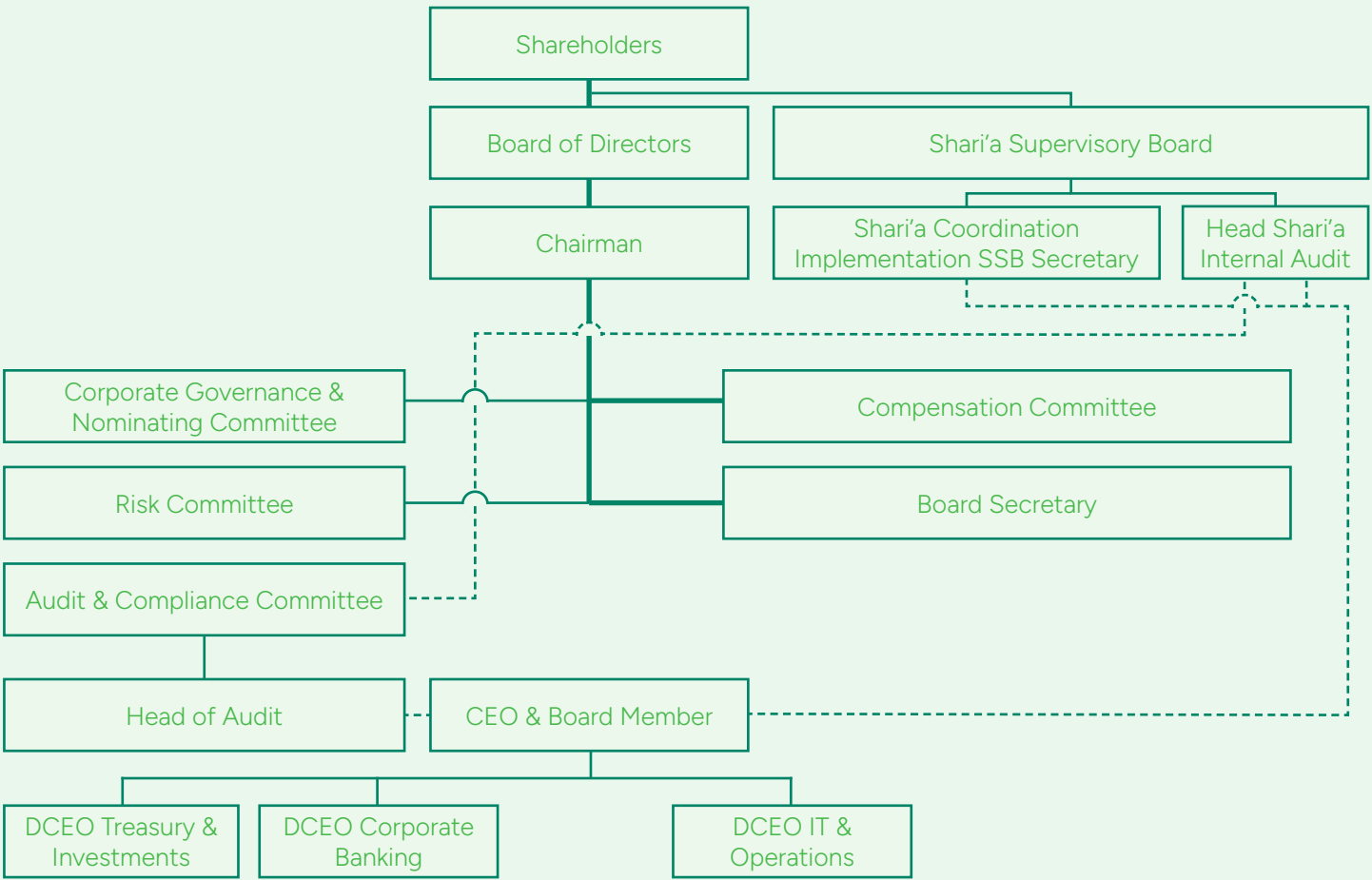
Its key points of focus included:

Strengthening ESG oversight across Board of Directors and committee structures.

Updating governance-related policies, including the Conflict-of-Interest Policy and the Customer Rights Protection Policy (both reviewed and approved by the Board of Directors).

Ensuring continued alignment with the CBE's Sustainable Finance Guidelines, namely through the improved governance of ESG risks and opportunities.

The Bank's commitment to good governance is also reflected in its integration of compliance, risk-management, and internal audit functions into its overall governance system. These functions operate independently and report to the Board through their respective committees, ensuring an effective control environment.





Board Composition and Sub-Committees



KFH Egypt's Board of Directors is entrusted with overall responsibility for guiding the Bank's strategic direction, overseeing risk and internal control systems, and safeguarding the interests of its shareholders and stakeholders. The Board plays a pivotal role in promoting high standards of governance and ensuring that Bank operations align with principles of Islamic finance, relevant regulatory requirements, and evolving ESG expectations.




Board Composition



As of December 31, 2024, Board of Directors is composed of Executive and non-executive members representing key shareholders and independent professionals with a diverse range of expertise. This composition ensures an appropriate balance of perspectives and enhances the Board's capacity to engage in effective oversight.

Board of Directors – Composition & Committee Assignments (2024)

BOARD MEMBER	COMMITTEE INVOLVEMENT (2024)	BIO
<div></div> <div>Mr. Hamad Abdulmohsen Almarzouq Chairman <i>Non-executive</i></div>	Chair, Board of Directors; Chair, Compensation & Remuneration Committee	<p>Mr. Almarzouq has diverse professional experience in banking and finance both in Kuwait and abroad spanning more than thirty years. He has served as Chairman of Kuwait Turk Participation Bank in Turkiye, Chairman of Ahli United Bank in Bahrain and Chairman of KBA.</p> <p>Former Positions: Mr. Almarzouq has held many prominent positions in various banking, financial and regulatory institutions. He has served as a board member of Kuwait Banking Association (KBA), KBA Chairman, board member of the Union of Arab Banks, board member of the Kuwait Institute of Banking Studies (KIBS), member of the Board of Trustees of the Arab Academy for Financial and Banking Sciences, board member of the Public Authority for Applied Education and Training (PAAET), Chairman and Managing Director of Ahli United Bank in Kuwait, (formerly) Vice Chairman of Ahli United Bank in the UK, Egypt, Bahrain, and in Oman from. Vice Chairman of the formerly known Commercial Bank of Iraq from, Chairman of Kuwait Finance House (Malaysia) Berhad and Chairman of Kuwait Finance House in Bahrain.</p>
<div></div> <div>Mr. AbdulAziz Yousef AlNafisi Deputy Chairman <i>Non-executive</i></div>	Chair, Corporate Governance & Nomination Committee	<p>Mr. Alnafisi has a wealth of experience in Kuwait and abroad as he has held many prominent leadership positions in companies within Banking, Financial, Real Estate and Telecommunication Sectors.</p> <p>Mr. Alnafisi holds the position of General Manager of Abdul Aziz Alnafisi General Trading Company.</p> <p>Former Positions: Mr. Alnafisi was a Board Member in Mobile Telecommunications Company “Zain Group”, then held the position of Vice Chairman. Board Member in Mobile Communication Company Saudi Arabia “Zain KSA”. In addition, Mr. Alnafisi held many positions in the Board of Directors of Zain Group MENA entities including Zain Iraq, Zain Jordan and Zain Sudan as well as many positions in the Board of Directors of Celtel Zain Africa.</p> <p>Mr. Alnafisi was the Chairman of Mada Communication Company and assumed the position of the Chairman of Al Madar Finance and Investment Company. Formally, Board Member of Wethaq Takaful Insurance Company and Board Member of Kuwait Investment Projects Company. Mr. Alnafisi held the position of the Chairman of KFIC Brokerage Company.</p> <p>Further, he has held several executive positions including the position of CEO of Alnafisi National Real Estate Group. Moreover, he held the position of Deputy General Manager of Yacoub Alnafisi General Trading and Contracting Establishment and Managing Director of KFIC Brokerage Company.</p>

BOARD MEMBER	COMMITTEE INVOLVEMENT (2024)	BIO
 <p>Mr. Fahad Ali M Thanian Alghanim Board Member <i>Non-executive</i></p>	Member, Audit & Compliance Committee	<p>Mr. Alghanim currently holds the position of Board Member of Ahli United Bank UK and KFH- Egypt (formerly Ahli United Bank- Egypt). Chairman of Ali Alghanim Sons Automotive Company (K.S.C.P), Chairman of the Board Investment Committee of KFH and member of the Board Executive Committee and the Board Audit and Compliance Committee. Chairman of Ali Mohammed Thunayan Alghanim and Sons Automotive Company W.L.L. Vice Chairman of Aayan Leasing and Investment Company, Chairman of Global Auto Group BMW in Egypt. The Chairman of Auto Mobility LLC (Geely), Egypt. Vice Chairman of Ali Alghanim Sons Holding Company (K.S.C.C). The Chairman of Milton Keynes Dons Football Club – London since August 2024 and Board Member of Young Arab Leaders, Dubai.</p> <p>Additionally, he has been the Chairman of Al-Ahlia Heavy Vehicles Selling and Imports Company, Board Member of Kuwait Building Materials Manufacturing Company, Board Member and Treasurer of Kuwait Sports Club and a member of the Kuwait Society of Engineers.</p> <p>Former Positions: Previously, Mr. Alghanim has held many prominent leadership positions including the Chairman of the Merger Committee (Kuwait Finance House– Ahli United Bank), Chairman of Aayan Leasing and Investment Company, Chairman of the Restructuring Committee at Aayan Leasing and Investment Company, Vice Chairman of Al-Ahlia Heavy Vehicles Selling and Imports Company, Chairman and CEO of Al-Ahlia Heavy Vehicles Selling and Imports Company, Managing Director of Ali Mohammed Thunayan Alghanim and Sons Automotive Company W.L.L. and board member of the Representatives Board of World Agents of McLaren Automotive (representatives of the Middle East).</p>
 <p>Mr. Ahmed Soud Al-Kharji Board Member <i>Non-executive</i></p>	Member, Risk Committee; Member, Compensation & Remuneration Committee	<p>Group Chief Executive Officer, Ahli United Bank. Director, Kuwait Finance House (Malaysia) Berhad, Malaysia; Director, Kuwait Turkish Participation Bank, Turkey; and Director, Kuwait Finance House Bank- Egypt (formerly Ahli United Bank- Egypt).</p> <p>Former Positions: Group Chief Corporate Banking Officer, Kuwait Finance House- Kuwait; Acting Group CEO, Kuwait Finance House Group, Kuwait; Chief Executive Officer & Managing Director, Kuwait Finance House (Malaysia) Berhad, Malaysia; Deputy General Manager – Structured Finance, Kuwait Finance House, Kuwait; Deputy General Manager – Structured Finance & FIs – International Banking, Kuwait Finance House, Kuwait; Senior Vice President – Investment Banking, Liquidity Management House for Investment Kuwait (LMH), Kuwait; Head of Investment Banking Department, Kuwait Turkish Participation Bank, Turkey; Senior Investment Manager – International Investment Department, Kuwait Finance House Kuwait; and Director The Shared Electronic Banking Services Company K.S.C.C. (KNET). He also held positions in Central Bank of Kuwait, Burgan Bank and Merrill Lynch, California</p> <p>He is also an alumnus of the Leadership Development Program of Harvard Business School (Leading Change and Organizational Renewal and Leading Global Businesses).</p>

BOARD MEMBER	COMMITTEE INVOLVEMENT (2024)	BIO
 <p>Mrs. Hala Hatem Sadek CEO & Board Member <i>Executive</i></p>	Member, Risk Committee	<p>An Egyptian Banking Executive, currently serving as the CEO and Board Member of the Kuwait Finance House Bank- Egypt (formerly Ahli United Bank- Egypt). With more than 30 years of experience in the MENA region, she spearheaded many taskforces from top Egyptian-based and Gulfbased banks resulting in overachieving strategic and operational performances. She is a member of several KFH Egypt's Committees; a Board member of United Bank for Commerce and Investment (AUB Subsidiary in Libya), a Board member of Kuwait Finance House Bank– Kuwait. In July 2022 she was also elected as a Board Member in the Federation of Egyptian Banking “FEB”.</p>
 <p>Mr. Hisham Hassan Board Member <i>Independent non-executive</i></p>	Chair, Audit & Compliance Committee; Member, Risk Committee	<p>Mr. Hisham Hassan has four decades of experience in banking in the MENA region, with management experience in Egypt in particular.</p> <p>Mr. Hisham is the Non-Executive Chairman of both the Egyptian Chemical Industries (KIMA) and Roya Holding for Investments. He is the Vice Chairman of Capstone Advisory and Capstone for Commercial & Office Buildings. He serves on the boards of several closed-ended funds, including: Egycap Investments and Technology Development Fund I & II. He also serves on the board of KFH- Egypt (formerly Ahli United Bank - Egypt) , Misr Bank Europe, Electrometer Electrical Company, Gadwa for Industrial Development, Pioneers Properties for Urban Development, Masria Digital Payments, Misr Italia Real Estate Holding Company and Misr for Central Clearing, Depository and Registry. He is also a Director of Capstone Corporate and Iconic Capital Investments.</p> <p>Former Positions: Hisham was the Executive Chairman of Export Development Bank of Egypt. He held the post of Managing Director at Suez Canal Bank. Hisham also served as the General Manager of Financial Institutions & Correspondent Banking Group at Egypt’s Commercial International Bank (CIB). Over the years, Hisham served on the boards of several companies, such as the Arab Contractors (Osman Ahmed Osman & Co.), the Holding Company for Roads & Bridges, the Egyptian Airports Company, Al Kahera Company for Ferries & Maritime Transport, Bank of Alexandria, Housing & Development Bank, the Egyptian Insurance Supervisory Authority, General Organization for Exhibitions Affairs, Midallic Electricity Company and many others.</p>
 <p>Dr. Sherif Elkholy Board Member <i>Non-executive (independent)</i></p>	Chair, Risk Committee; Member, Audit & Compliance Committee	<p>Dr. Sherif Elkholy is a member of the Board of Directors of the Kuwait Finance House Bank- Egypt (formerly Ahli United Bank- Egypt) and a Partner and Head of the Middle East & North Africa at Actis and a member of the Economic Advisory Council of H.E. the Prime Minister of Egypt; Former experiences – HSBC Structured Finance; EFG Hermes Private Equity. Holds a Doctor of Philosophy (Ph.D.) in Economics degree and a Masters of Science in Finance & Economic Development, both from the University of London.</p>

BOARD MEMBER	COMMITTEE INVOLVEMENT (2024)	BIO
 <p>Mr. Abdullah Yousef AlSaif Board Member <i>Non-executive</i></p>	<p>Member, Corporate Governance & Nomination Committee</p>	<p>Abdullah AlSaif is one of the pioneers of Islamic banking. He spent more than 18 years at the Bank helping build it up to the second largest Islamic bank in the world. Few in the industry share his expertise in starting and building Islamic financial institutions across the Gulf countries.</p> <p>Former Positions: Abdullah was among the founding executive management team brought onboard to establish Abu Dhabi Islamic Bank, which today is among the leading Islamic banks in the region. He was hired by Gulf Investment House of Kuwait to setup and run Osoul Leasing & Finance Co., a consumer finance company where he also served as its CEO. He also helped establish and manage Wethaq Takaful Insurance (Kuwait), Wared Leasing and Finance Co., and QAF Holding Co. (Jafza) where he also served as CEO.</p> <p>Abdullah has also advised conventional banks on converting into Islamic banks. He advised Kuwait Real Estate Bank in its conversion into an Islamic bank under the supervision of the Central Bank of Kuwait and he served as Advisor then he became General Manager, the Bank was later renamed Kuwait International Bank. He advised Ahli United Bank of Kuwait on a similar conversion process. He advised Kuwait Finance House as a similar conversion process to convert AUB traditional Banks after the Acquisition.</p> <p>Abdullah has served on numerous boards of financial institutions across the Gulf, including the Credit Rating & Collection Co. (Kuwait), The Investor for Securities (Saudi Arabia), and Wethaq Takaful Insurance.</p>
 <p>Mrs. Iman Al-Madani Board Member <i>Non-executive</i></p>	<p>Member, Compensation and Remuneration Committee; Member, Corporate Governance & Nomination Committee</p>	<p>Senior Consultant to AUB Group Chief Executive Officer</p> <p>Former Positions: Deputy Group Chief Executive Officer HR Transformation & Development, Chief General Manager / Group Head — Human Resources & Development, Group Head of Human Resources & Head of Human Resources, Bank of Kuwait & Middle East (BKME) and Assistant General Manager Human Resources, Burgan Bank, Kuwait.</p> <p>Mrs. Iman is a Certified Corporate Governance Officer (CCGO) from the London Business School.</p>

The current governance structure reflects KFH Group’s focus on institutional accountability with shareholder representation from multiple entities, including the Kuwait Investment Authority (KIA), the Public Institution for Social Security (PIFSS), and the Awqaf Foundation. The Bank continues to prioritize operational independence, sectoral diversity, and Islamic finance expertise in its Board of Directors nominations and appointments.

Board Sub-Committees

To support effective governance and oversight, the Board has established a number of specialized committees with clearly defined mandates. Each committee plays a crucial role in ensuring compliance, managing risks, and upholding ethical standards across the organization. Committee meetings were held regularly in 2024 and were attended by members with the relevant technical expertise and fiduciary responsibilities.

The Board maintained the same composition as in 2023, ensuring continuity and consistency in strategic governance and oversight. All Board members meet regulatory requirements for independence and possess extensive experience in financial services, compliance, governance, and Islamic banking.

To uphold effective corporate governance, the Board of Directors delegates specific responsibilities to specialized committees, each comprising Board members and relevant advisors. These committees function with defined mandates to provide oversight, ensure compliance, and guide strategic decision-making in line with the Bank’s values and regulatory obligations.

KFH- Egypt has established four main Board Committees, each contributing to the integrity and accountability of the organization’s governance system. These are:




Audit & Compliance Committee


In line with the governance instructions issued by CBE on September 19, 2024, and Law 194 of 2020, and in alignment with the principles and regulations of sound governance, the Board of Directors of Kuwait Finance House Bank- Egypt established the “Audit and Compliance Committee.” The purpose of this committee is to assist the Board in fulfilling its responsibilities related to monitoring the Bank’s financial policies and their implementation, internal control systems, compliance procedures, risk management systems, and reviewing financial statements.



Fahad Alghanim
Member




Hisham Hassan
Chairperson



Sherif El Kholy
Member

Compensation and Remuneration Committee


The Board of Directors of KFH- Egypt has established a Compensation and Remuneration Committee to support the Board in defining the policy for the remuneration of senior executives, department heads, and all bank employees. The committee is tasked with submitting proposals regarding all financial transactions, including salaries, allowances, in-kind benefits, incentive shares, and any other financial elements, in accordance with any directives issued by the Central Bank of Egypt in this regard. This is also in compliance with the Central Bank Law No. 194 of 2020 and the governance guidelines.



Ahmed Al-Kharji
Member



Hamad Al-Marzouq
Chairperson




Iman Al-Madani
Member


Risk Committee

In accordance with the 2024 governance instruction and Law no. 194/2020 issued from the Central Bank of Egypt, and in alignment with the principles and systems of sound governance, the Board of Directors of Kuwait Finance House Bank- Egypt has established the “Risk Committee” to assist in addressing its responsibilities related to current and emerging risk related to the Bank’s financial and credit activities. The committee submits periodic reports to the Board of Directors detailing its activities and recommendations.


The Risk Committee is responsible for reviewing and managing risk policies, credit approvals, proposed facilities, coverage, and recovery amounts related to credit, as well as operational risk, and compliance risks. The committee is also responsible for any discussions or potential issues related to risk mitigation that could result in a loss of the Bank’s reputation or financial losses.



Hisham Hassan
Member



Sherif El Kholy
Chairperson



Hala Sadek
Member

Corporate Governance and Nomination Committee


In accordance with the 2024 governance instruction and Law 194 of 2020 by the Central Bank of Egypt, and in alignment with the principles and frameworks of sound governance, the Board of Directors of KFH- Egypt has established the “Governance and Nominations Committee.” The committee supports the Board of Directors in setting general guidelines and the overall framework for the principles of sound governance systems. It also assists the Board in identifying and nominating new representatives for the Board of Directors, submitting recommendations to the Board for approval.



Abdullah Al Saif
Member



Abdulaziz Al Nafisi
Chairperson



Iman Al-Madani
Member

Conflicts of Interest & Ethical Conduct

KFH- Egypt fosters a culture of integrity, transparency, and ethical conduct throughout its operations. This commitment is reflected in its zero-tolerance approach to unethical behavior, including fraud, bribery, corruption, and conflicts of interest. As part of the Bank’s corporate governance framework, the Board of Directors prioritizes the ongoing enforcement of ethical standards at every level of the organization.

To facilitate this enforcement, KFH- Egypt employs a comprehensive approach that incorporates internal policies, training programs, periodic reviews, and reporting mechanisms. Ethical concerns are addressed through various channels, including in-person reporting, secure digital platforms, formal whistleblowing lines, and direct communication with compliance officers.

These mechanisms empower employees and stakeholders to report any ethics violations that they encounter, ensuring that any issues may be escalated and addressed in a prompt and confidential manner. The Bank’s governance structure ensures that corrective actions are implemented quickly and effectively in such cases while still adhering to the principles of fairness, non-retaliation, and legal compliance.

Ethics & Policies

Code of Conduct

KFH- Egypt adheres to its robust Code of Conduct, which embodies Islamic values and ethical banking principles. This code lays out clear expectations regarding professional behavior, the fair treatment of customers, the responsible use of information, and regulatory compliance. All employees are required to sign a formal acknowledgment of the Code of Conduct on an annual basis and to undergo periodic training on ethical behavior, privacy, and anti-bribery policies.

The Code of Conduct is integrated within the broader **HR Code of Ethics**, with mechanisms in place to ensure that new employees receive onboarding instruction on ethics and that existing employees are periodically refreshed on any relevant policy updates. These mechanisms also reinforce the Bank’s anti-fraud stance and prohibit any forms of abuse of power, discrimination, or retaliation. Routine awareness sessions are conducted internally across departments to ensure a shared understanding of the Bank’s ethical obligations.

In 2024, the Bank continued to implement its anti-corruption and ethics policies with transparency, accountability, and Shari’a compliance as the key pillars upholding its governance system. KFH- Egypt operates under a strong compliance culture guided by its Conflict-of-In-

terest Policy, which is applicable to all employees, board members, and relevant third parties. The policy outlines:

Obligations to disclose any potential, perceived, or actual conflicts of interest.

The prohibition of insider trading, bribery, favoritism, and misuse of confidential information.

A requirement for employees to report any situations that may compromise their objectivity or the Bank's reputation directly to the Compliance Department or through anonymous whistleblowing channels.

The Bank mandates annual declarations from employees and senior leadership affirming compliance with the policy. These declarations are overseen by the HR department, which maintains documentation and initiates follow-up reviews as warranted.

Reporting Channels and Protection Measures

Employees are encouraged to raise any concerns over unethical conduct or breaches of the Conflict-of-Interest Policy. The Bank has implemented confidential internal reporting channels that are managed by the Compliance Department.

All reports are handled discreetly, investigated independently, and protected against retaliation. Whistleblowers' identities and data are safeguarded under KFH Egypt's internal Information Security Policy and HR protocols.

Conflict of Interest Policy

Having disclosure and transparency as one of the main pillars of the Corporate Governance, each Board of Directors member shall make every practicable effort to arrange his personal and business affairs to avoid a conflict of interest with the Bank and shall inform the Bank Board of Directors / Board Secretariat of any conflicts of interest as they arise and abstain from voting on any related subject matter.

Each Board member is considered to have a "personal interest if he/she acts as director, controller, has managerial position at any entity has a business transaction with KFH-Egypt, or has a material financial interest in any transaction with KFH-Egypt directly or indirectly.

KFH Egypt's Conflict of Interest Policy, revised and approved in 2024, clearly outlines the procedures and responsibilities for identifying, disclosing, and managing conflicts that may arise during the course of business operations. The policy applies to all Board members, executives, employees, and affiliated stakeholders. It is designed to:

Prevent situations in which personal interests may improperly influence professional duties.

Mandate full disclosure of any actual or perceived conflicts to the Compliance Department.

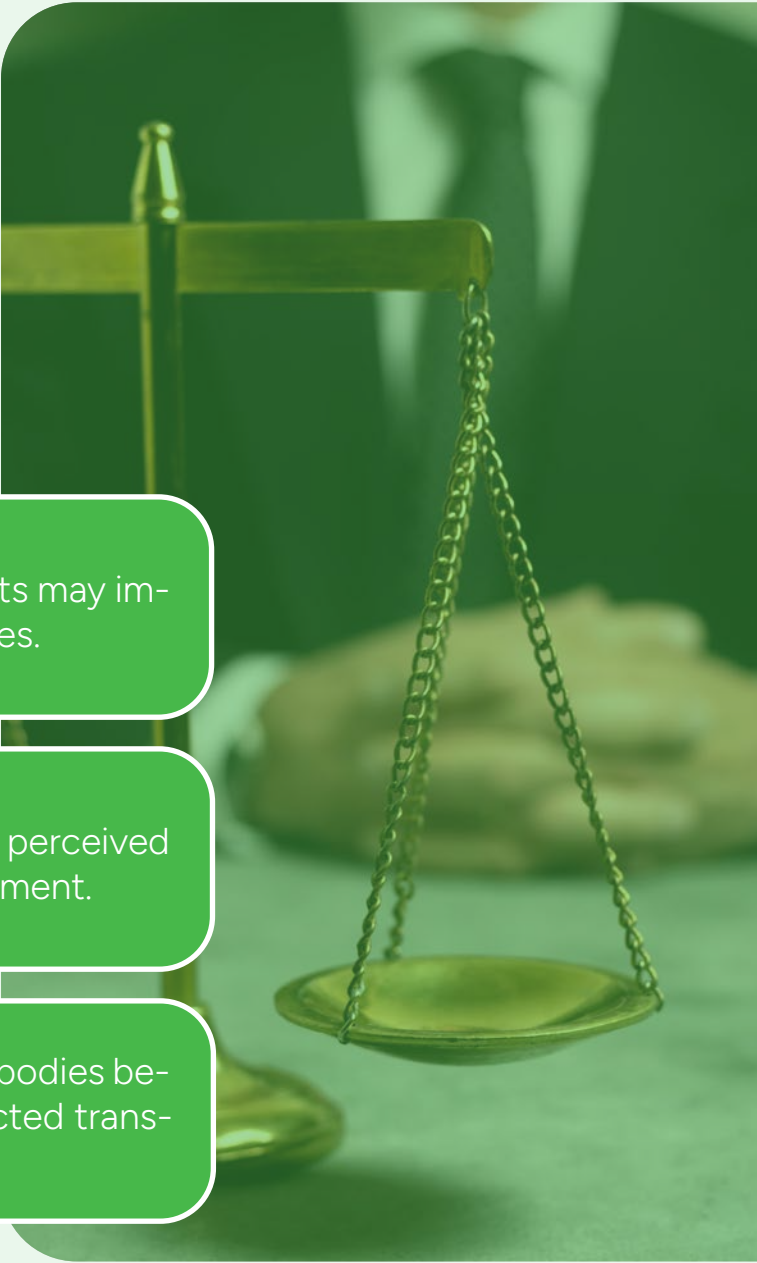
Require approval from relevant governance bodies before proceeding with any potentially conflicted transactions.

The Conflict-of-Interest Policy is available in both English and Arabic and its application is not only overseen by the Compliance Committee, but also directly supervised by the Audit Committee as well as the Board of Directors.

Whistleblowing Policy and Awareness Measures

KFH- Egypt offers a secure, confidential, and anonymous whistleblowing channel through which employees as well as external stakeholders can report unethical behavior without fear of retaliation. The system is accessible in multiple formats, including e-mail, internal extension and mobile number.

All employees were provided with a copy of our Whistleblowing Policy and Conflict of Interest Policy.



Risk Management

KFH- Egypt maintains its comprehensive and proactive Enterprise Risk-Management (ERM) Framework, which was designed to identify, assess, mitigate, and monitor all categories of risks that may affect its strategic objectives, financial performance, and operational stability. The Bank’s model of risk governance is aligned with global best practices and CBE guidelines, embedding risk accountability at every level of operations.

Each type of risk is governed by specific policies, manuals, and escalation procedures. Risk-appetite thresholds are approved annually by the Board of Directors and embedded into business-planning and credit-origination processes. origination processes, and reviewed by the SSB.



The incorporation of ESG considerations into the Bank’s ERM Framework was further institutionalized throughout the reporting period. ESG risk drivers are now embedded in:

- Corporate and SME risk assessments.
- Strategic risk registers at the department level, particularly in areas that involve credit and reputational exposure.
- Compliance and internal audit activities, ensuring full alignment with CBE guidelines and principles.

Integration of ESG related risks into the credit decision making

In 2024, the Sustainable Finance and Sustainability Department worked in close coordination with the Risk and Business Teams and other stakeholders- and successfully established the Bank’s Environmental and Social Management System (ESMS) Policy and Procedures. The policy was formally approved by the Board of Directors Committee on July 7th, 2024.

This comprehensive and standardized framework governs the pre-appraisal and due diligence process, which is directly managed by the SFS Department.

By the end of 2024, the SFS team reviewed **301** Environmental and Social Due Diligence (ESDD) cases, reflecting the department’s active role in integrating sustainability into the Bank’s financing decisions.

The ESMS is designed to uphold the Bank’s commitment to effective environmental and social practices in financing processes. It ensures that all financed projects are designed, built, operated, and maintained in alignment with the Applicable Performance Requirements, including:

- Egyptian laws and regulations, including CBE instructions
- The Bank’s internal related policies and exclusion list.
- Relevant international and national performance standards and best practices in environmental and social sustainability for credit and project finance



Awareness and Internal Training

The following awareness and capacity building initiatives have been confirmed through uploaded internal records:

ESG and Climate Change related risks to support the efficient and effective implementation of the ESMS policy, ESG and climate change-related risk modules have been integrated into the bank’s internal credit training program. This ensures that all business and risk staff are well-informed about ESG and climate-related risks, mitigation strategies, and sustainable finance opportunities. In 2024, a total of 176 employees participated in 20 diverse ESG training programs and workshops aimed at enhancing ESG literacy across the organization.

Compliance-led circulars that promote ethical conduct, anti-bribery standards, and conflict-of-interest avoidance, all aligned with principles of integrity in governance and collectively serving as the foundation for responsible business behavior.

Risk-focused team knowledge-sharing sessions that integrate ESG-exposure scenarios into broader credit-risk evaluations with a particular focus on high-emission or socially sensitive industries.

Information security-awareness campaigns (ongoing), which form part of the Bank’s approach to the “G” in ESG—strong governance, data responsibility, and operational resilience.

Oversight and Future Orientation

The Bank intends to enhance ESG-related disclosures in future reports in line with GRI 201 and TCFD guidelines.

Our future plans include:

Updating the bank sustainable finance and sustainability strategy to incorporate climate risk considerations and defining Key Performance Indicators (KPIs) for each department to drive measurable progress toward our sustainability and sustainable finance goals while ensuring full alignment with the group.

KFH- Egypt aims to calculate financed emissions in scope 3 starting 2025.

These steps align with the CBE’s 2023 directives encouraging financial institutions to adopt sustainable banking practices and transparent ESG disclosure.

Ongoing Feedback and Improvement

The Bank’s feed-back-loop mechanisms ensure that stakeholders’ concerns and suggestions are escalated to relevant departments and governance committees. In 2024, these mechanisms included:

Customer complaint-handling protocols aligned with CBE directives.

Internal compliance tracking focused on engagement practices and policy breaches.

Planning for the digitalization of key feedback mechanisms as part of the ongoing digital transformation.

Cybersecurity and Information Security Governance

KFH- Egypt recognizes the critical importance of cybersecurity in maintaining the trust of its customers and stakeholders. In line with CBE guidelines and international standards, the Bank continues to uphold its robust Information Security Governance Framework to protect data confidentiality, integrity, and availability across all its operations and digital assets.

In 2024, KFH- Egypt enhanced its Cybersecurity Framework to adapt to emerging threats and further the

digitalization of its banking services. The underlying policies and controls were aligned with the Group Security Framework, incorporating updates to cover remote access, endpoint protection, and phishing-response protocols.

Policies and Standards

KFH- Egypt has formalized a suite of security policies and standards, each of which was reviewed and updated in 2024:

POLICY DOCUMENT	STATUS	LAST UPDATE
Information Security Framework & Policy	Version 2 Active	May 2024
End User Information Security Standards Policy	Version 1 Active	May 2024
Cybersecurity Incident Response Procedure (internal)	Under review	Q2 2024

These policy documents define access controls, data-classification protocols, password standards, data-retention rules, device encryption, and acceptable use.

Cybersecurity metrics were continuously monitored throughout 2024, as laid out in the table below:

METRIC	PERFORMANCE
% of Employees Trained	100% completion (mandatory)
Phishing Simulation Response Rate	Below 5% click-through
System Uptime (core banking systems)	99.99%
Critical Incidents Escalated to CBE	0

The Bank experienced no material cyber breaches in 2024, and all minor incidents were resolved within Service Level Agreement-defined windows.

In 2024, KFH- Egypt collaborated with the CBE’s Cybersecurity Coordination Committee on reporting and framework

alignment. Internal and external auditors for system and process-level reviews were engaged throughout the year. Moreover, technology vendors validated our intrusion-prevention protocols and ensured zero-day patch readiness.



Compliance Governance

In 2024, KFH- Egypt strengthened its Compliance Framework through updated policies, enhanced employee training, and increased oversight of regulatory reporting to proactively adapt to the evolving legal and regulatory landscape.

Key Compliance Activities in 2024

Area	Activity Highlights
Regulatory Reporting	Timely and accurate submissions to CBE and external agencies
Policy & Procedure Updates	Nine compliance-related policies/procedures reviewed and updated
AML/CTF Monitoring	Enhanced screening tools and alignment with updated FATF guidelines
Whistleblowing	Internal awareness campaign conducted with zero retaliation reports filed
Employee Training	100% (mandatory) training-completion rate

All policies were aligned with KFH Group directives and CBE circulars. Internal controls were reinforced through process automation and sample testing at multiple levels.

Policy Governance

The following key documents were reviewed and updated throughout 2024:

Policy Name	Version	Last Update
Customer Rights Protection Policy	v2.0	June 2024
Whistleblowing & Escalation Procedure (internal)	Under review	Q3 2024
Compliance Charter	v1.1	April 2024

All employees are required to acknowledge their responsibility to align with these policies, and dedicated e-learning modules were made available through the Bank’s learning portal.

Compliance Performance Metrics

Metric	Performance
Policy Acknowledgment Rate (staff-wide)	100%
Staff Trained on AML/CTF Policies	100%
Regulatory Breaches	None reported

In 2024, KFH Egypt’s Internal Audit Department (IAD) played a critical role in strengthening the Bank’s governance, risk management, and internal controls. Functioning independently from management, reporting directly to the Audit and Compliance Committee (ACC), and aligned with IIA standards and CBE guidelines, the IAD executed a comprehensive risk-based audit plan that covered credit operations, branches, digital banking channels, regulatory compliance(AML,FATCA,BaselIII,Shari’a), IT, cybersecurity, and procurement and vendor management. A total of 57 audits were conducted, uncovering 12 high-risk

findings; 93% of corrective actions were taken and completed within targeted timelines. The IAD achieved an 84% audit coverage rate across all business operations, with 78% of its staff holding professional certifications. To enhance its quality and effectiveness, the IAD completed a validated self-assessment, employed automated tracking tools, and introduced training on AI-related risks, ESG compliance, and fintech auditing. Looking ahead, it plans to launch a three-year strategic roadmap that emphasizes data-driven assurance and real-time monitoring.

Digital Transformation

KFH Egypt continues to move toward digital transformation as a strategic means of enhancing the customer experience, boosting operational efficiency, and strengthening digital resilience. In 2024, the Bank engaged in various digitalization initiatives aligned with the CBE’s Digital Banking Agenda and the KFH Group’s digital innovation framework.

Digital Strategy and Infrastructure

The Bank’s Digital Transformation Committee, overseen by executive management, coordinated multiple modernization efforts throughout 2024. Its areas of focus included the following:



Enhancing the core banking system to support real-time processing and flexible integration with digital channels.



Expanding online and mobile banking capabilities through the incorporation of new services, such as dynamic customer authentication and automated beneficiary validation.



Laying the groundwork for the future use of microservice architecture to improve online systems’ resilience and development agility.

Strategic Digitalization Initiatives (2024)

INITIATIVE	DESCRIPTION
Digital Customer Onboarding	Enhanced electronic onboarding flow aligned with regulatory KYC standards
Digital Wallet Enhancements	Greater integration aimed at expanding the use of digital wallets for payments
Robotic Process Automation (RPA) Pilots	Back-office operational pilots aimed at lowering processing times
Biometric Authentication Implementation	Expanded use across select services and customer touchpoints

These initiatives were documented and shared across internal governance forums as part of a broader transformation roadmap.

While the Bank continues to refine its digital ecosystem, the following plans have been identified as active areas of development:



The further automation of compliance checks within digital onboarding processes.



The integration of enhanced fraud-detection layers across customer channels.



The digitalization of more internal workflows through RPA and document digitization.

Enabling Access & Innovation

<u>Network: Branches & ATMs</u>	68
<u>Digital Services</u>	71
<u>Retail Banking</u>	77
<u>SME Services</u>	84
<u>Corporate Banking</u>	85
<u>Sustainable Finance</u>	87
<u>Financial Inclusion</u>	91

Network: Branches & ATMs

a. Branches

KFH Egypt operates 44 branches across 15 governorates, reflecting the Bank’s ongoing commitment to expanding its physical footprint and promoting financial inclusion. Our network supports the delivery of the Bank’s comprehensive portfolio of Shari’a-compliant financial services for small and medium sized enterprises (SMEs), large corporations, and all individuals’ segments.

The **geographical distribution of KFH Egypt branches** is based on various strategic socio-economic criteria, including population concentration, commercial activity, and traffic density. This approach

ensures that branch expansion aligns with the national push toward greater financial inclusion and responds to the evolving needs of Egyptian communities. The branches are distributed as follows:

REGION	NUMBER OF BRANCHES
Greater Cairo & Giza	26
Alexandria & Delta	11
Canal & Red Sea	5
Upper Egypt	2



The branch network consists of several distinct branch types, including full-service A, B, and C branches as well as mini branches, each designed to meet specific service needs and customer-volume expectations. The Bank also prioritizes premium banking through 22 branches equipped with closed offices for high-net-worth clients as well as two private banking hubs.

The increase in branch numbers from 42 in 2023 to 44 in 2024 is part of a broader strategy of deepening the Bank’s presence in industrial areas to support corporate clients and serve untapped markets in Upper Egypt and underserved regions beyond Cairo, reinforcing the Bank’s efforts to promote financial inclusion.

Branch Accessibility

As part of KFH Egypt’s commitment to accessible and inclusive banking, the number of branches specifically equipped to serve people with disabilities increased from 6 in 2023 to 9 in 2024, reflecting the Bank’s ongoing investment in the creation of an environment that ensures equal access to financial services for all customer segments.

To improve the Banking experience for individuals with disabilities, these branches are equipped with a range of accessibility features, including:

- 1



Wheelchair-accessible ramps to support safe and easy entry
- 2



Clear and inclusive signage to improve in-branch navigation
- 3



Dedicated service offices for personalized support in a quiet, private space
- 4



Accessible restrooms tailored to the needs of persons with limited mobility

KFH Egypt is also actively working to embed universal design principles in its new branches and renovations, pursuing accessibility as a standard rather than an exception in its network development.

The Bank also provides two specialized training sessions to all employees, delivered in collaboration with the Egyptian Banking Institute, to ensure that they are sufficiently equipped to serve customers with diverse needs in a respectful and informed manner.

Moreover, each branch features at least two employees trained in sign language, while others are equipped to provide tailored assistance by, for example, reading terms and conditions aloud to support customers with visual impairments.

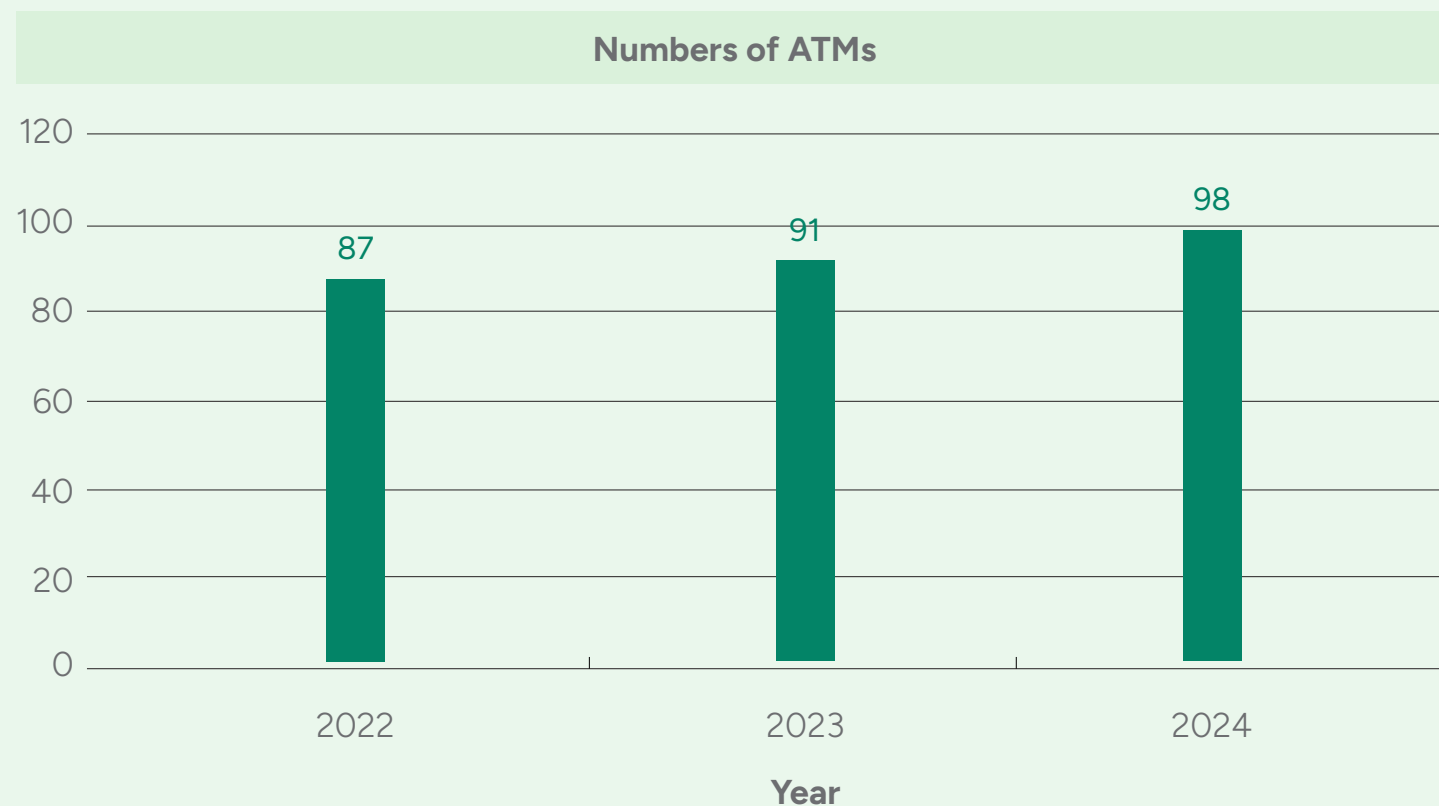
b. ATMs

Alongside its branch expansion, KFH Egypt has continued to broaden its network of ATMs, going from 87 in 2022 to 98 by the end of 2024. While the Bank had set a target of 102 ATMs by 2024, the final figure fell slightly short due to updated operational and logistical considerations.

Nevertheless, this upward growth trajectory underscores the Bank's

commitment to making the customer experience more convenient, advancing its digital transformation, and promoting financial inclusion through accessible banking infrastructure.

Notably, new ATMs are being strategically placed in high-traffic and underserved areas, meeting customers' needs while pursuing the Bank's nationwide service ambitions.



Advancements have also been made in ATM accessibility over the past few years. **21 KFH Egypt ATMs have been specially equipped** to serve customers with disabilities, offering several enhanced features:

- Special needs Service to allow Visually Impaired clients to proceed with cash withdrawal and balance inquiry transactions over the ATMs by voice guide
- Near Field Communication (NFC) Transactions to allow KFH Egypt clients to proceed with cash withdrawal and Balance inquiries without card insertion.
- Voice-Guided Transactions services are available to assist visually impaired customers in conducting cash withdrawal and balance inquiry transactions independently and securely.
- Card-less Deposit Transactions enables customers to perform cash deposit transactions without the need to insert a physical card, enhancing accessibility and user convenience.
- E-wallet Integration KFH Egypt ATMs support e-wallet cash in and cash out transactions, allowing both KFH and non-KFH customers to complete transactions without a card, in alignment with national digital payment initiatives.

Digital Services

In our pursuit of sustainability, KFH Egypt recognizes the importance of embracing digitalization. We understand that in today's fast-paced world, staying ahead means not only keeping up with technological advancements but also pioneering innovative solutions that fundamentally redefine banking experiences.

At KFH Egypt, our digitalization strategy is more than just a plan—it's a commitment to revolutionizing banking services through cutting-edge technologies.

By harnessing the power of data analytics, we create synergies across various business lines, facilitating seamless connections between commercial banking, SMEs, network branches, supply chains, and other stakeholders in our ecosystem. This integrated approach ensures that all of our operations are optimized for efficiency and effectiveness.

Our vision for the future of banking includes e-accounts as a primary customer-acquisition tool. We are dedicated to promoting digital onboarding to the point that it matches traditional acquisition channels, reflecting our steadfast commitment to leveraging technology for scalable, customer-focused growth. Moreover, we recognize that collaboration is key to innovation. To this end, we are actively working to forge strategic partnerships with fintech accelerators, telecom providers, digital platforms, insurance companies, and other industry leaders. Through these collaborations, we can co-create an omnichannel experience that enhances our value proposition while extending our reach to new markets and demographics.

In today’s rapidly evolving digital economy, KFH Egypt stands at the forefront of innovation, committed to transforming the Banking experience through a well-articulated digitalization strategy. Rooted in the belief that digital transformation is not simply an upgrade—but rather a full-scale reimagination of banking

operations—KFH Egypt has developed a strategy that blends advanced technologies with customer-centric solutions. This approach not only improves operational efficiency but also reinforces our commitment to inclusive, sustainable, and secure financial services.

Digital Transformation Strategy Framework

KFH Egypt’s digitalization strategy, guided by the Egypt Transformation Committee, is structured around three core levels:

1

Unified Group Platforms/Systems

This level involves deploying standardized systems to be used across the KFH Group. It ensures consistent technological integration and facilitates the rapid rollout of innovations within Egypt.

2

Local Business/Departmental Projects

Egypt-specific initiatives are built upon clearly identified business needs, gaps, and opportunities. They address contextual demands through tailored solutions, forming the operational backbone of digital transformation in the Egyptian market.

3

“A-to-Z” Customer-Journey Mapping

This level represents a holistic customer-centric layer that analyzes every touchpoint to ensure seamless, fully digitalized experiences. Customer-journey mapping identifies blind spots and enables cross-functional alignment between different departments, ensuring automation and service excellence across all customer journeys.

This three-tiered strategy enables KFH Egypt to maintain agility, raise efficiency, and achieve a high degree of digitalization. All associated projects undergo ROI-based evaluation to ensure sustainability, strategic relevance, and long-term value.

POS & ATM Network: Modernizing Access

In recent years, KFH Egypt’s ATM and POS network has undergone a significant transformation, going from traditional banking touchpoints to multifunctional, smart-service hubs. The network comprises fully enabled, customer-centric digital access points that offer a broad spectrum of services. As part of our investment in digital infrastructure, KFH Egypt has expanded its ATM and POS networks to provide secure and accessible services nationwide. Currently, there is a total of 120 POS terminals distributed across Egypt:

REGION	NUMBER OF POS
Greater Cairo	70
South Egypt	10
Red Sea & Upper Egypt	20
Alexandria & North Coast	20

Our ATM and POS network is strategically distributed across both urban centers and rural communities, guided by market demand, customer behavior, and accessibility priorities. This approach ensures the availability of our digital banking solutions, supports financial inclusion, and enables us to serve diverse segments of the population, bringing convenient, secure, and modern banking experiences to all.

Through ongoing investment, we have introduced manifold advanced capabilities through this network,

including the following:

ATMs

- > Cash Withdrawal And Deposit
- > Balance Inquiries
- > Card-Less Transactions
- > E-Wallet (Cash In/Out)
- > NFC-Enabled Transactions
- > Voice-Guided Services For The Visually Impaired
- > Foreign Exchange Options (At Selected Locations)
- > Bill Payment
- > Order Cheque Book
- > Request Statement
- > Foreign Currency Exchange

POS

- > Mini Cash White-Labeled Solution
- > Card Payments
- > Mobile Wallets
- > Installment Programs
- > Pipeline Bank Installments Agreements
- > Dashboards And Reporting
- > Soft POS (Acceptance Through Mobile App)
- > Online Pay Gateway (E-Comm)

These innovations respond to shifting consumer preferences and ensure their availability to underserved segments, contributing to greater financial inclusion.

Digital Risk Management

As digital transformation advances, so too does the Bank’s focus on risk identification and mitigation. KFH Egypt takes a proactive approach to managing digital risks in order to protect its infrastructure, clients, and reputation.



Management Approach

1. Cybersecurity Framework
- KFH Egypt has implemented a robust security architecture featuring multi-factor authentication, endpoint protection, continuous system monitoring, and a dedicated Security Operations Center. Regular penetration testing is conducted to detect and address vulnerabilities.
2. Employee Awareness & Training
- The Bank recognizes the human factor in digital risk. Through comprehensive awareness campaigns and training programs, KFH Egypt ensures that staff are equipped to recognize threats and respond appropriately, reducing the likelihood of internal breaches or the mishandling of digital systems.
3. Regulatory Compliance & Business Continuity
- All digital activities are aligned with domestic and international regulatory requirements, supported by disaster-recovery protocols and business-continuity plans to ensure uninterrupted service delivery.

Digital Journey: Driving Innovation Through Digital Transformation

KFH Egypt has embarked on a structured journey toward digital transformation to improve customer experiences, improve operational efficiency, and expand access to Shari’a-compliant financial services across Egypt.

Over the past three years, the Bank has launched several digital initiatives designed to streamline processes and modernize service delivery. These include the following:

- **B2B Digital Platform** – Enhancing services for corporate clients through secure, real-time digital interactions.
- **Trade Finance Portal** – Enabling seamless management of trade transactions and document flows.
- **Digitalization of Government Payments** – Ensuring alignment with national efforts to promote e-payments and reduce reliance on cash.
- **Corporate Mobile Banking** – Offering corporate clients a convenient, mobile-first channel for financial management.

Looking ahead, KFH Egypt is focused on expanding its digital capabilities even further, including through the following planned initiatives:

2022

- Launched digital onboarding for low-risk customers and later introduced the instant issuance of debit cards, moving toward the streamlining of the account-opening process and greater customer convenience.
- Adapted ATMs and branches to support customers with special needs, improving accessibility and inclusivity.
- Implemented new RLOS (Retail Finance Origination System) and workflow enhancements, streamlining finance processes and boosting operational efficiency.

2023

- Implemented InstaPay, enabling customers to make instant payments and transfers, boosting the speed and efficiency of transactions.
- Enhanced customer communication by improving SMS and WhatsApp services, offering personalized, timely interactions.
- Launched NFC (near-field communication) service on ATMs, providing customers with convenient and secure contactless transactions.
- Launched new online banking system with enhanced UX features.

2024

- B2B Enhancements – Sprint 4: Scheduled enhancements for Q4 2025 aimed at elevating the digital customer journey for businesses through a revamped interface, more services, and improved performance.
- Instant Payment Network (IPN) – Phase 2 Integration: Scheduled integration for Q4 2025 aimed at enabling instant payments for corporate clients, following the Central Bank of Egypt’s directives on real-time settlements.

KFH Egypt regularly assesses the progress of its digital transformation, ensuring alignment with strategic objectives. These assessments are grounded in impact and ROI analysis, allowing for informed decisions and adaptive planning.

A pivotal achievement in this journey was the Bank's successful pivot to Islamic banking during its transition from the former Ahli United Bank – Egypt to KFH Egypt, which marked a significant step toward enhancing both compliance and customer value within a Shari'a-compliant framework.



2024 Digitalization Roadmap: Enhancing the Customer-Centric Digital Journey

KFH Egypt continues to strengthen its digital infrastructure through the implementation of a structured digitalization roadmap. This roadmap is closely aligned with the Bank's overarching strategy for digital transformation, financial inclusion, and service excellence.

The initiatives introduced in 2024 are indicative of KFH Egypt's longstanding commitment to streamlining banking experiences, promoting accessibility, and delivering customer-centric innovations across all touchpoints.

A key milestone reached in 2024 is **Payroll Account Integration via Digital Onboarding**.

This initiative enabled corporate clients and employees to open payroll accounts directly through the digital onboarding platform. It simplified salary-disbursement processes and expanded access to banking services without any need for branch visits.

Retail Banking

Despite its advances elsewhere, retail banking remains a cornerstone of KFH Egypt's operations, delivering personalized financial services that foster inclusion, support sustainable consumer behavior, and cater to evolving customer expectations.

The Bank's offerings encompass savings, payments, and lending services, granting customers access to reliable and competitive financial solutions.

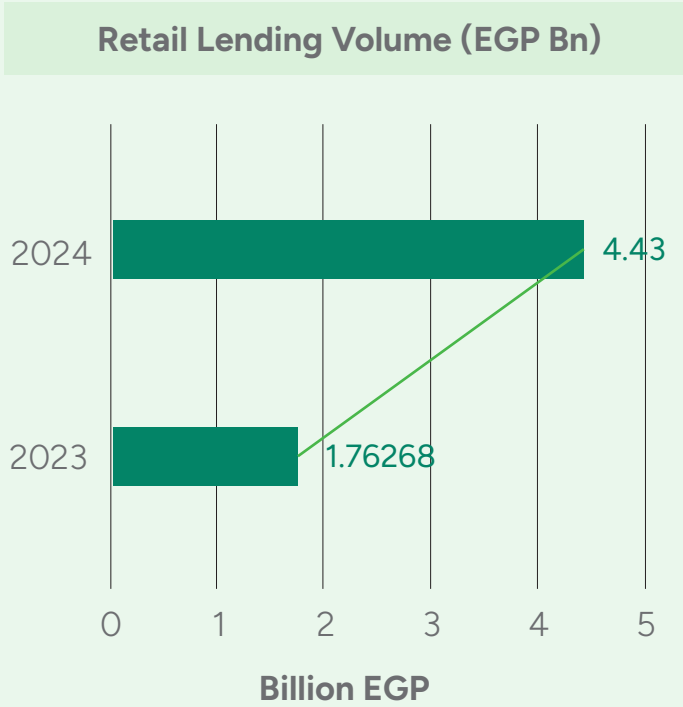
As part of the Bank's commitment to customer-centric innovation and risk-informed decision-making, all new retail products are subject to comprehensive pre-launch impact and risk assessments.

The Risk-Management Department plays a key role in this process, ensuring that all proposed products adhere to internal risk protocols and customer-protection standards while being both operationally feasible and reputationally sound.

This proactive approach strengthens the integrity of our offerings and ensures alignment with regulatory expectations and the Bank's sustainability values.

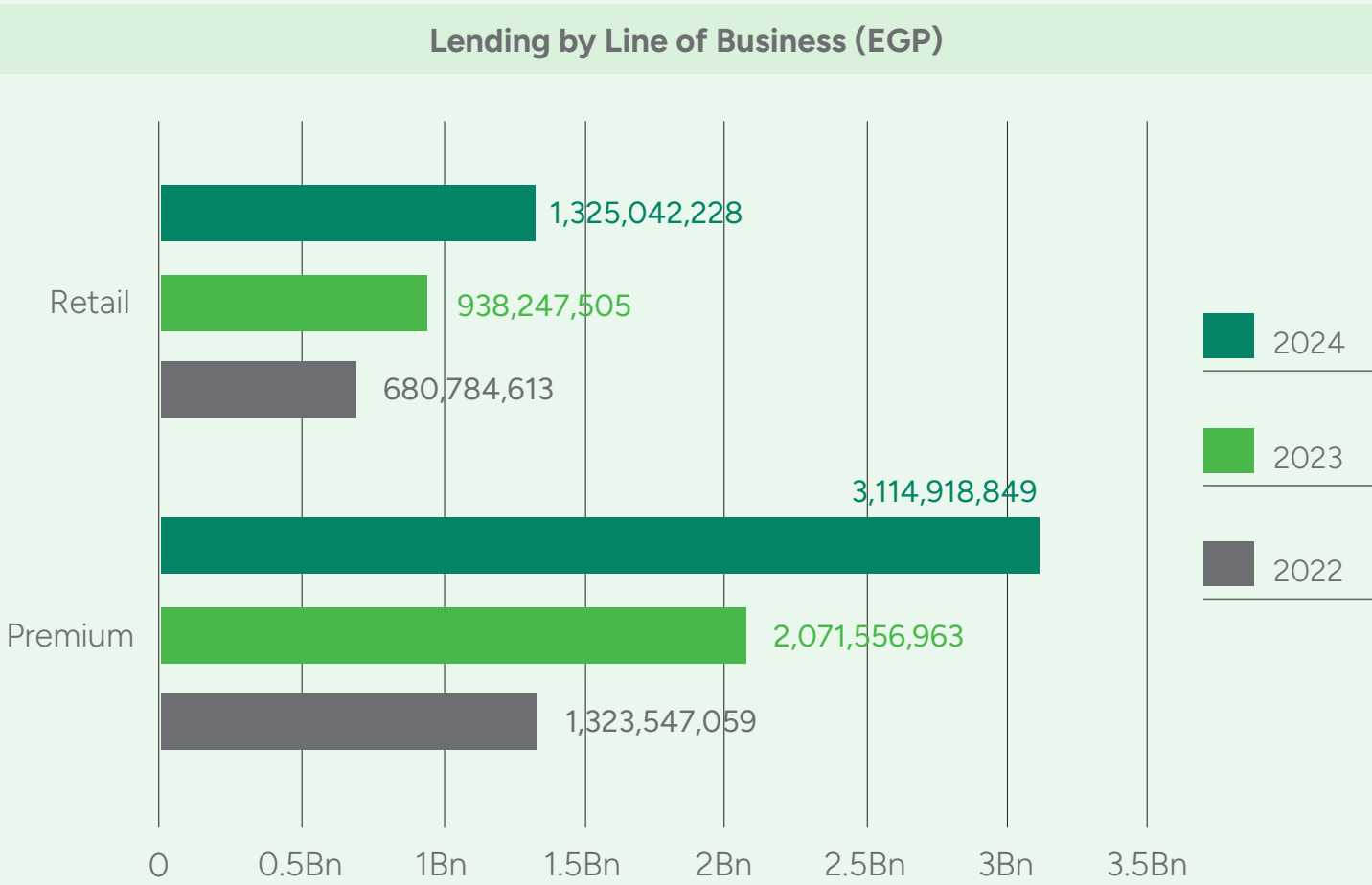
Overview of Retail Lending Portfolio

Over the past two years, the Bank's retail lending portfolio has grown significantly. Total retail lending increased from EGP 3 billion in 2023 to EGP 4.4 billion in 2024, reflecting 47% year-on-year growth and signaling a sharp increase in both consumer confidence and the Bank's ability to meet demand through a diverse range of accessible retail products.



Lending by Line of Business (EGP)

LOB	2022	2023	2024
Premium	1,323,547,059	2,071,556,963	3,114,918,849
Retail	680,784,613	938,247,505	1,325,042,228
Grand Total	2,004,331,672	3,009,804,468	4,439,961,077



Lending by Customer Demographics

Our retail lending portfolio points to a strong concentration among individuals aged 30–50, who account for 52% of total retail lending value. Those older than 50 represent 45%, while young adults under 30 account for just 3%.

This distribution indicates that the Bank’s retail lending products are most popular among economically active, middle-aged borrowers.

Retail Lending by Age Group (EGP)

AGE	2022	2023	2024
Above 50	815,875,939	1,250,240,296	1,996,247,828
Between 30 to 50	1,129,445,601	1,661,797,260	2,312,165,382
Less Than 30	59,010,132	97,766,912	131,547,867
Grand Total	2,004,331,672	3,009,804,468	4,439,961,077

Gender-Based Distribution (2024)

Retail lending continues to be male-dominated, with men accounting for 80% of total retail finances in 2024 and women accounting for only 20%.

Retail Lending by Gender (EGP)

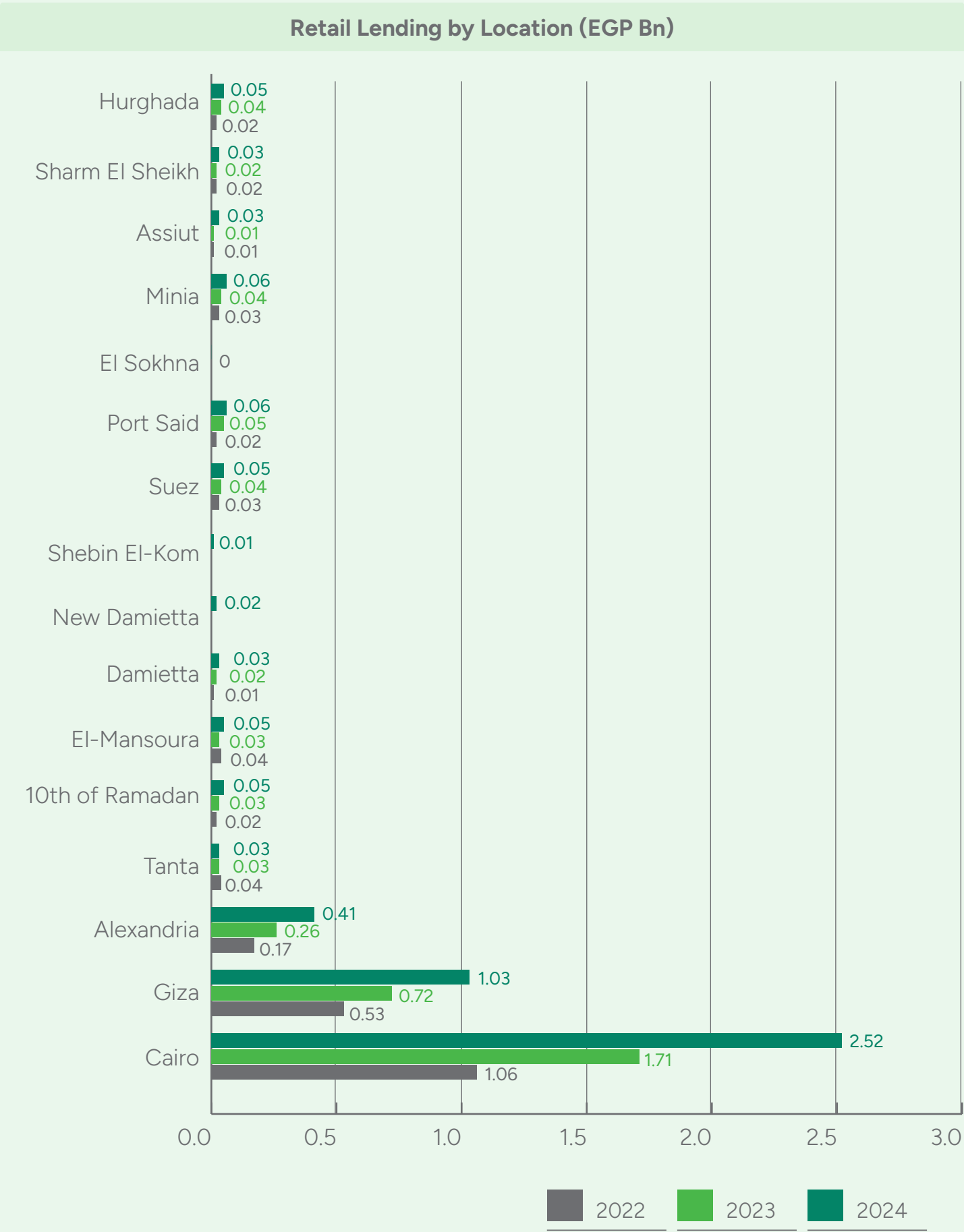
GENDER	2022	2023	2024
Female	375,534,849	473,120,336	755,982,441
Male	1,628,796,824	2,536,684,132	3,683,978,636
Grand Total	2,004,331,672	3,009,804,468	4,439,961,077

Lending by Geographical Area

The Bank’s retail lending portfolio continues to be dominated by Egypt’s major urban centers—Cairo, Giza, and Alexandria—which collectively accounted for over 90% of total retail lending value in 2024.

However, the Bank is broadening its geographic footprint, as reflected by significant year-on-year growth in Upper Egypt and other coastal cities, including Minia, Assiut, Port Said, and Hurghada. Emerging areas like New Damietta, El Sokhna, and Shebin El-Kom also entered the lending portfolio in 2024, reflecting the Bank’s efforts to reach underserved and previously untapped markets.





LOCATION	2022	2023	2024
Cairo	1,063,476,432	1,707,045,082	2,519,815,384
Giza	529,056,932	718,970,291	1,034,494,297
Alexandria	170,673,303	264,529,599	407,197,492
Tanta	37,496,619	32,356,346	33,904,517
10th of Ramadan	17,051,587	34,987,460	47,927,243
El-Mansora	39,795,717	30,333,720	48,959,644
Damietta	11,522,404	16,316,240	26,189,738
New Damietta			24,063,887
Sheben Elkom			6,732,844
Suez	30,652,823	42,144,745	52,627,802
Port-Said ElGomhoria	23,453,740	50,276,796	62,499,031
El Sokhna			2,127,511
Minia	31,450,310	35,340,059	62,315,207
Assiut	9,199,633	13,929,440	30,385,022
Sharm - Naema Bay	16,713,181	18,589,970	27,314,238
Hurghada	23,788,993	44,984,719	53,407,220
Grand Total	2,004,331,672	3,009,804,468	4,439,961,077

Islamic Banking

The Bank provides a comprehensive range of Islamic Banking products and services, aligned with the core principles of Shari’ah-compliant finance. These offerings are designed to promote ethical banking practices that avoid interest-based transactions. The Bank offers a range of Islamic Banking products and services, designed in accordance with Shari’ah principles. These include:

Investment Wakalat (Time Deposits, Certificates of Deposit, Savings Accounts)

Qard hasan

Personal financing (via surrogate income or income proof)

Credit card

Secured personal finance

Auto financing

Other secured finance Letters of Credit (LC), Letters of Guarantee (LG), Medium-Term Finance, and Cash Line

Shari’ah Principles and Compliance

The Bank adheres to specific Islamic Banking principles, including:

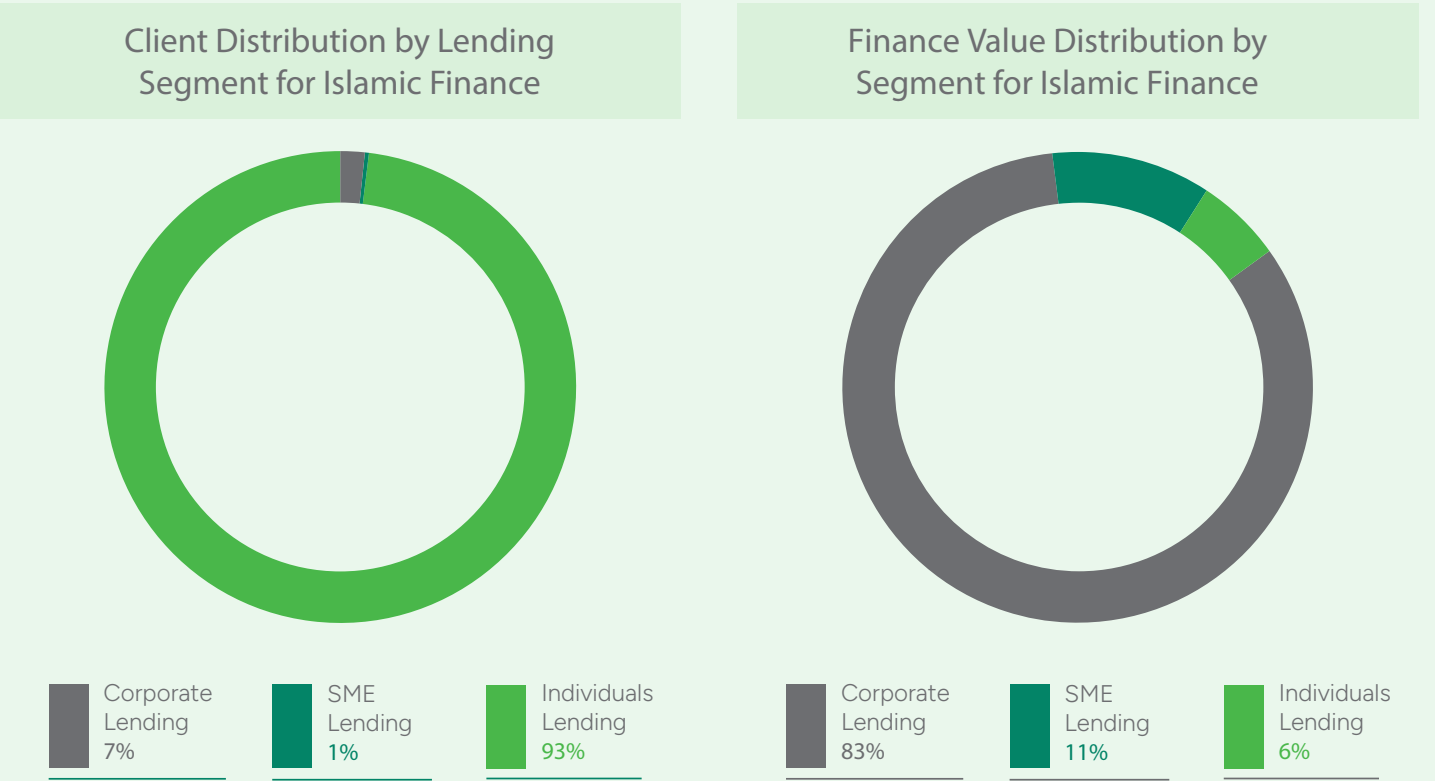
- 01 Prohibition of usury
- 02 Prohibition of deception
- 03 Prohibition of trading in suspicious and prohibited activities
- 04 Link between banking operations and the real economy
- 05 Adoption of risk-sharing through sales formulas, profit & loss sharing in partnership formulas, and profit-sharing in speculation formulas
- 06 Prohibition of selling what has not been received and profiting from what is not guaranteed

In line with these principles, the Bank also applies exclusion criteria (negative screening) by refraining from financing non-Shari’ah-compliant activities.

2024 Portfolio Overview¹

KFH Egypt’s Islamic banking portfolio encompasses corporate, SME, and individuals lending:

SEGMENT	NUMBER OF CLIENTS	PERCENTAGE OF CLIENTS	TOTAL FINANCE VALUE	PERCENTAGE OF TOTAL FINANCE VALUE
Corporate Lending	1059	7%	EGP 70.4 billion	83%
SME Lending	100	1%	EGP 9.6 billion	11%
Individuals Lending	14408	93%	EGP 4.9 billion	6%
Total	15567	100%	EGP 84.9 billion	100.0%



Individuals lending accounts for the vast majority of Islamic banking clients (93%) but just 6% of total Islamic financing value. SME lending, despite accounting for only 1% of Islamic banking clients, makes 11% of our total portfolio, Corporate lending accounts for 7% of clients and 83% of total portfolio value.

¹ - Please note that the 2023 data differs from the previous report, as we are now using CBE categorization instead of business categorization.
- All numbers are aligned with the standalone audited financial statement of the Bank.

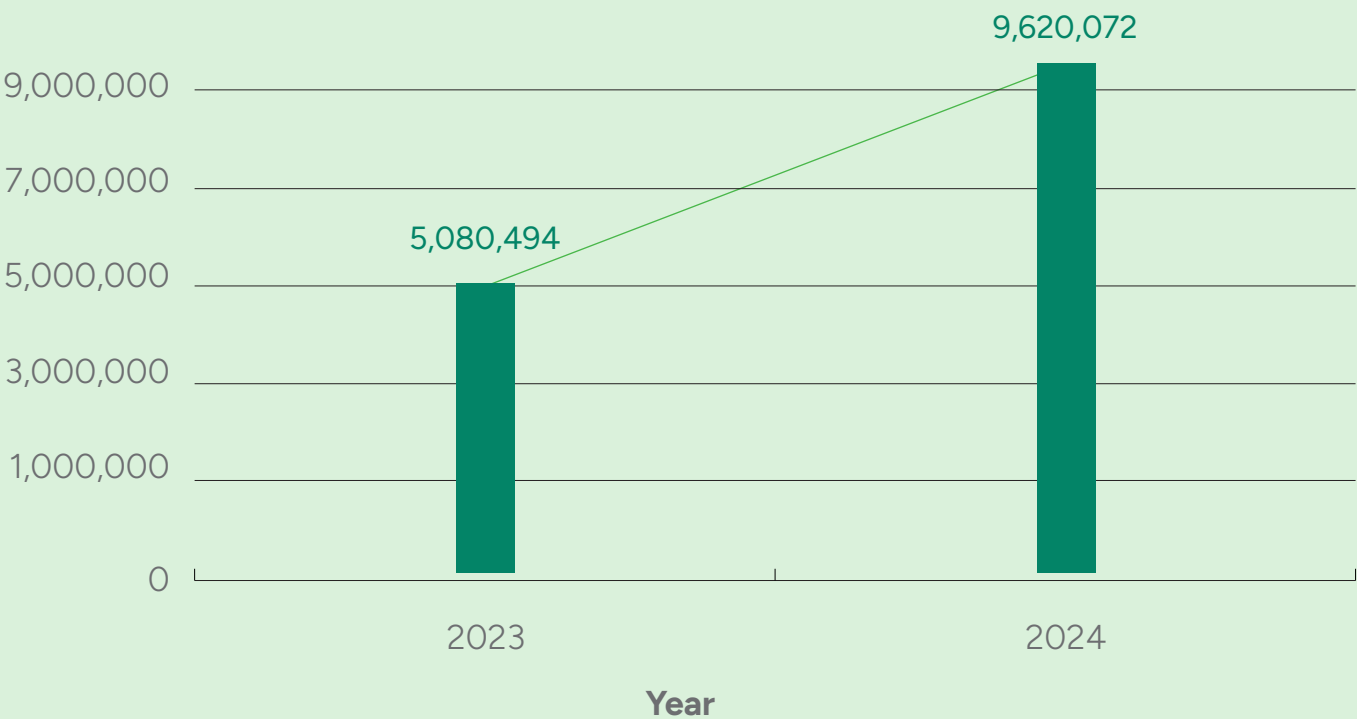
SME Services

KFH Egypt continues to affirm its strategic commitment to supporting SMEs, which it considers to be a key driver of national economic growth, job creation, and innovation. The Bank's SME lending activities are guided by CBE directives with a focus on the industrial, agricultural, and service sectors on account of their substantial contributions to employment and value-added.



The Bank's SME lending volume increased by 89.35% from 2023 to 2024.

Total SMEs Lending Volume (EGP Bn)



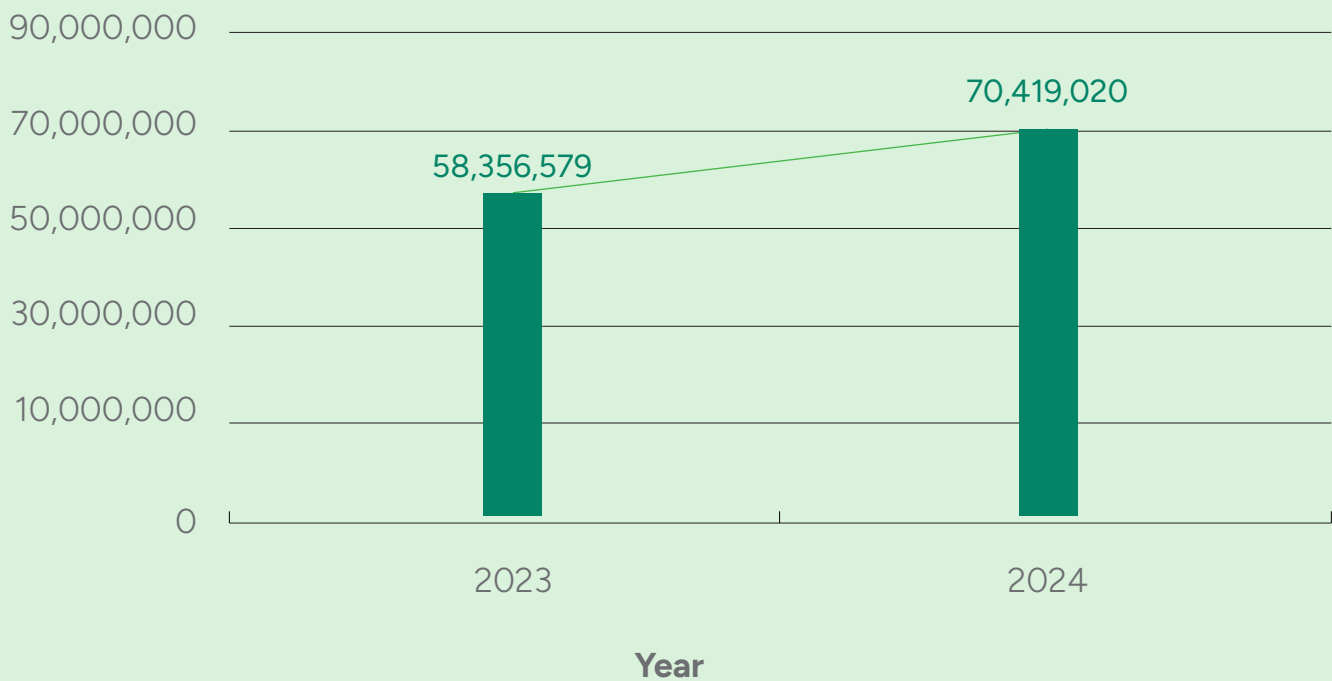
The Bank currently serves 100 SME clients across multiple sectors. Our portfolio growth is guided by a dedicated internal credit policy, under which all companies are evaluated based on their creditworthiness and growth potential.

Corporate Banking

In line with its strategic role in supporting Egypt's national economic development, the Bank has consistently expanded its corporate lending portfolio, reaching a total value of EGP 70.4 Bn in 2024, up from EGP 58.3 Bn in 2023.

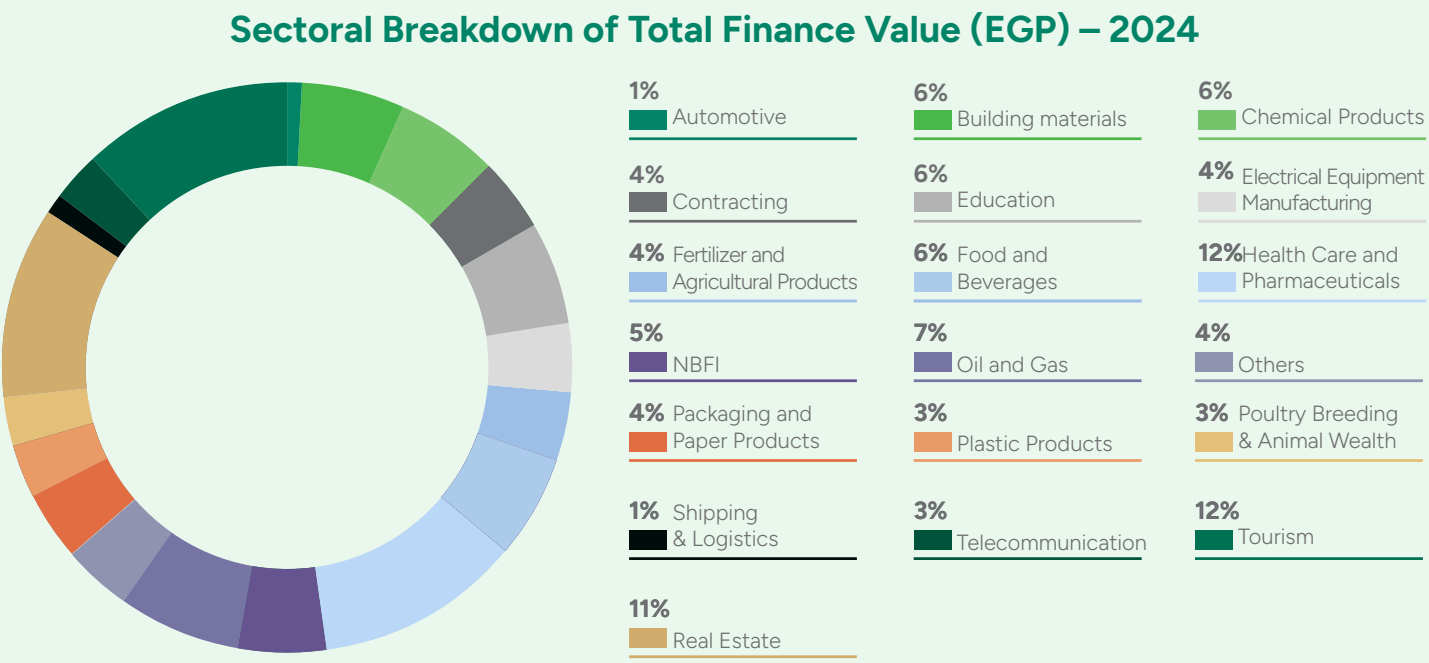
This upward trend underscores the Bank's ongoing commitment to providing large-scale businesses and critical sectors with reliable access to finance.

Total Corporate Lending Volume (EGP Bn)



KFH Egypt's financing activities span a diverse range of sectors, showcasing its robust lending strategy.

The Bank prioritizes investments in health, education, manufacturing, tourism, real estate, infrastructure, and food and beverages, recognizing these sectors' substantial contributions to national economic growth and their alignment with Egypt Vision 2030.



The Bank also plays a vital role in mega-projects and syndicated finances, which account for 6% of its corporate lending portfolio. These include large-scale initiatives in power efficiency, infrastructure, transportation, water treatment, high-speed train maintenance, energy infrastructure, education, healthcare, and tourism. Projects that exceed EGP 200 million are subject to rigorous environmental and social assessments

In line with CBE regulations, the Bank refers project contacts to certified environmental

consultants, who then conduct on-site assessments and submit reports detailing the potential risks, mitigation measures, and action plans associated with the projects.

All credit approvals undergo internal environmental and social due diligence in accordance with the Bank’s approved Environmental and Social Management System (ESMS). This ensures that financed projects contribute to sustainable development and comply with relevant ESG standards.

Sustainable Finance

REPORT ANALYSIS	Q4 2024
No. of Environmental Projects	17
Volume of Environmental Projects	EGP 2.295bn
No. of Social Projects	76
Volume of Social Projects	EGP 17.846bn
Total No. of E&S Projects	93
Total Volume of E&S Projects	EGP 20.141bn
Total Approved Limits	EGP 91.307bn
% of E&S Projects	22.06%

Since the approval of the Environmental and Social Management System (ESMS) in July 2024 and until the end of the year,

The Business Teams communicated the sustainable finance opportunities of 301 clients as highlighted and detailed by SFS team in the clients ESDD templates- KFH-Egypt is enabling sustainability through this value-creation mechanism and support its clients long-term resilience and alignment with global sustainability goals

Sustainable Finance and Sustainability Procedures

The Sustainability and Sustainable Finance (SFS) Department oversees all matters related to sustainable finance and ESG across KFH Egypt. Its mandate includes internal coordination, regulatory compliance, and stakeholder engagement in alignment with the Central Bank of Egypt (CBE) guidelines, the Bank’s SFS Policy, and the six ESG principles.

Working in close collaboration with all departments and key stakeholders, the SFS Department ensures that sustainability is embedded across the Bank’s operations, lending practices, and strategic decision-making. A structured workflow, led by the SFS Department, governs the integration and monitoring of sustainability practices throughout the organization.

During the last quarter of 2024, the SFS Department initiated an update of KFH Egypt’s Sustainability and Sustainable Finance Strategy to incorporate climate risk considerations and define Key Performance Indicators (KPIs) for each department, supporting the achievement of the Bank’s ESG goals.

Environmental and Social Management System (ESMS)

In 2024, the Sustainability and Sustainable Finance Department, in collaboration with Risk, Business Units, and key stakeholders, developed the Bank’s ESMS Policy and Procedures—a standardized framework for environmental and social due diligence (ESDD).

The ESMS ensures all financed projects comply with Egyptian laws, CBE instructions, the Bank’s policies, and international sustainability standards. Unlike conventional ESDD processes that focus solely on identifying risks and proposing mitigations, our approach goes further. We integrate tailored sustainable finance advisory into every ESDD, uncovering opportunities for decarbonization, resource efficiency, and green innovation.

This empowers our clients to transform potential risks into actionable, bankable solutions, positioning them for long-term resilience and alignment with global sustainability goals. By embedding opportunity-driven insights into our due diligence, we are not just assessing sustainability, we are actively enabling it.

Beyond Risk: Enabling Sustainable Finance

The ESMS framework goes beyond conventional risk identification. It redefines the role of Environmental and Social Due Diligence (ESDD) by embedding tailored sustainable finance advisory into every transaction. The SFS Department proactively identifies opportunities for decarbonization, resource efficiency, and green innovation,

helping clients transform risks into actionable, bankable solutions.

By embedding opportunity-driven insights into due diligence, the Bank is not just assessing sustainability—it is actively enabling it, positioning clients for long-term resilience and alignment with global sustainability goals.

Core Responsibilities of the SFS Department with:

Overseeing all topics related to Sustainable Finance and Sustainability (SFS), both internally and externally with regulators, industry bodies, and partner

Ensuring full compliance with CBE sustainability guidelines and directives, including reporting updates and coordination with the MIS–Risk Department to validate data accuracy

Promoting SDG awareness across the organization through internal communications and stakeholder engagement

Collaborating with Business Units and Risk Teams to embed sustainability into the credit facility process and risk management framework

Leading the due diligence process through the implementation and oversight of the ESMS

Monitoring ESG-related activities and aligning sustainability efforts across the Bank

Preparing and submitting detailed sustainability reports to Senior Management, the Board of Directors, and the CBE

Compiling internal reports on environmental and social deviations, with recommended corrective actions

Communicating regulatory updates and revised reporting templates to the Executive Committee and relevant departments



Strategic Partnerships and Financial Targets

KFH Egypt remains committed to expanding its **sustainable finance portfolio** as part of its goal to allocate **25% of total lending to sustainable projects by 2025**.

To advance its sustainability agenda, the Bank has partnered with the European Bank for Reconstruction and Development (EBRD) and secured a senior unsecured finance of USD 82 Mn. This includes:

USD 52 Mn
direct facility

USD 30 Mn
contingent facility

This funding, which includes support from the Green Climate Fund (GCF), is directed toward GVC (green value chain) projects in Egypt.

The primary objectives of these offerings are as follows:

- To enhance business competitiveness by financing capital investments.
- To mitigate the impact of rising energy and water costs.

These financial instruments not only aid businesses in transitioning to greener operations but also contribute to national and global climate goals.

Sustainable and Inclusive Retail
Product Offerings

KFH Egypt has introduced several products with environmental and social value:



Social Products

Discounted Tariffs for People with Disabilities, and Educational Finance for retail customers.

These offerings promote financial inclusion and facilitate alignment with state regulations and inclusion initiatives.



Environmental Products

Auto financing for electric vehicles and the EBRD Program for GVCs.

featuring:

- Preferential lending rates
- Free first-year insurance
- Flexibility with or without insurance

These products support the national shift toward sustainability and reduced GHG emissions, in line with Egypt’s environmental targets.



Get Ready for the Green

campaign to promote energy-efficient home appliances.



Financial Inclusion

The Bank remains committed to financial inclusion and is ramping up efforts to promote it, recognizing its vital role in fostering inclusive economic development and expanding access to essential banking services.

In line with national priorities and CBE directives, KFH Egypt developed its comprehensive Financial Inclusion Strategy, which focuses on the provision of affordable, inclusive, and responsible financial solutions to underserved segments of society.

These efforts are led by the dedicated Financial Inclusion Department, which oversees strategy implementation, internal coordination, and regulatory compliance. The department prepares monthly reports to be submitted to the CBE, which feature updates on a set of key performance indicators, including:

- The number and use of financial inclusion accounts
- Participation in national and local awareness campaigns
- Branch-level activity and performance
- Customer inquiries and complaints related to financial inclusion and corresponding resolutions

The impact of these efforts is evaluated based on account-growth trends, CBE feedback, and their alignment with evolving regulatory expectations.

The Bank also engages with external partners to broaden its outreach, ensuring that financial inclusion programs are contextually relevant and meet the needs of targeted populations, including women, young people, low-income individuals, and people with disabilities.

Strategic Framework

The Financial Inclusion Strategy is rooted in five key pillars:

- **Raising financial awareness** through education and outreach.
- **Protecting customer rights** and fostering trust in financial institutions.
- **Diversifying products and services** to meet the needs of underserved groups.
- **Providing microfinance products**, including tailored solutions like Khatwa for MSMEs.
- **Expanding digital financial services** to facilitate broader access and convenience.

Targets and Inclusive Products

In 2024, KFH- Egypt set a clear target to open 2,600 new-to-Bank (NTB) financial inclusion accounts and exceeded the set target by 61% and succeeded to open 4,209 financial inclusion accounts- reinforcing its commitment to expanding access to underserved populations.

To address the needs of diverse customer segments, the Bank introduced several inclusive account types that eliminate common financial barriers:

These offerings are supported by annual themed initiatives that promote financial education and inclusion:

Zee Account

For youth aged 15–21; no guardian required, no account fees, and a free debit card.

Noon Account

For women; waived banking fees and a 7.5% savings sub-account starting from EGP 50,000.

MAAK Account

For people with disabilities; opening the account is free, requiring only a national ID.

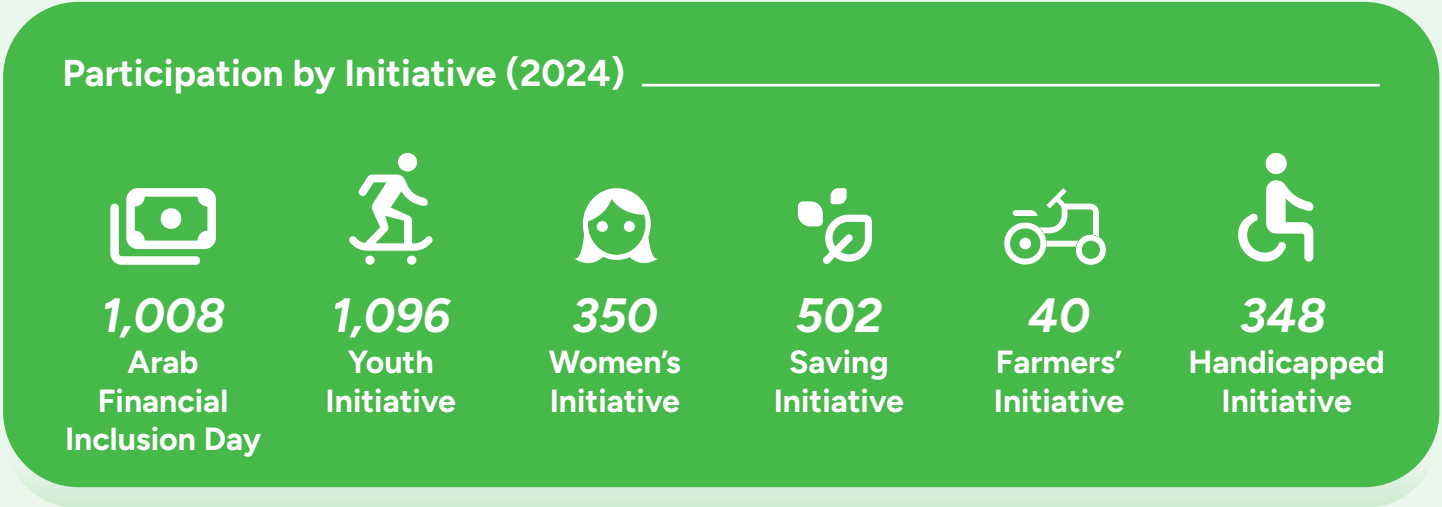
Khatwa Account

For MSMEs; several added benefits, such as free checkbooks.

- Women’s Initiative (March)
- Youth Initiative (August)
- Farmers’ Initiative (September)
- Handicapped Initiative (year-round)

As part of these efforts, the Bank established targeted financial literacy programs, reaching a total of 3,344 participants in 2024. These sessions focused on practical financial skills and behavioral awareness, with topics including:

- The definition and significance of financial inclusion
- How to use banking products effectively
- The importance of saving and budgeting



These awareness sessions served not only to strengthen financial knowledge but also to foster behavioral change and confidence among new and existing clients, laying a foundation for deeper financial inclusion across all customer segments.

Accessibility and Empowerment

To ensure equitable service delivery, the Bank has taken tangible steps to make its services more accessible and responsive to those with disabilities:

Sign language training for at least two staff members per branch

Braille versions of terms and conditions as well as account forms at five main branches.

Accessible ATMs that support visually impaired users.

Partnership with Rotary Club

As part of our commitment to social empowerment, the Bank partnered with the Rotary Club (New Cairo District) to deliver a six-month literacy program for 40 illiterate women. The initiative aimed to enhance basic education and was followed by a dedicated financial education session to equip participants with essential money management skills. The program concluded with the successful opening of Bank accounts for the women, enabling their entry into the formal financial system.

Our People & Partners

<u>Customer Centricity</u>	96
<u>Our Employees & Workplace Culture</u>	100
<u>Community Engagement</u>	120
<u>Supplier Responsibility</u>	126

Customer Centricity

At KFH Egypt, customer centricity lies at the core of our mission and our values. As a Shari’a-compliant financial institution, we are committed to creating shared value through trust-based relationships with clients, ensuring that every interaction is guided by integrity, transparency, and a deep understanding of our customers’ needs.

Our inclusive banking model is rooted in the principle of access to quality financial services as a right—not a privilege—and a cornerstone of long-term sustainability.

Putting Clients First: Inclusive and Accessible Banking

Our clients are among our most important stakeholders. We are committed to upholding the highest standards of service quality, transparency, and integrity. Our business model extends services to all client groups, ensuring widespread financial inclusion while upholding customer rights and enhancing satisfaction.

Recognizing the unique challenges faced by young people, women, marginalized groups, and small businesses, KFH Egypt strives to remove systemic barriers to access. Every product and service that we offer is developed with **affordability, sustainability, and inclusivity** in mind.

Safeguarding Customer Rights and Empowerment

At KFH Egypt, protecting customer rights is not merely a regulatory obligation—it is a moral commitment. We have implemented a comprehensive Customer Rights Policy in line with CBE guidelines and KFH Group standards, and this policy applies to all of our products, channels, agents, and third-party service providers.

We safeguard our customers through consistent, Bank-wide measures that guarantee quality and fairness, including:

Regulatory frameworks and procedures that ensure transparent access to financial services for all segments of society.

Transparency in all financial dealings to ensure that customers’ rights are protected without compromising their interests and penalize non-compliance where necessary.

Awareness and education aimed at fostering a strong banking culture among customers to empower them with informed decision-making.

Customer experience oversight mechanisms, including service-quality monitoring, heightened staff and customer awareness, and complaint-handling mechanisms. Our Customer Rights Protection Unit actively tracks, analyzes, and recommends remedial actions to enhance service standards.

We also conduct ongoing financial literacy and empowerment campaigns to equip our clients with the knowledge that they need to make confident financial choices that support their long-term well-being.

Customer satisfaction is a guiding principle across all our operations. Our **Customer Satisfaction Index (CSI)** includes multiple internationally recognized indicators, including:

- Net Promoter Score (NPS)
- Customer Satisfaction Score (CSAT)
- Customer Effort Score (CES)

These tools enable us to continually assess and enhance service delivery and customer experiences. Moreover, customer retention and loyalty are our top priorities. We are investing in deeper client relationships through personalized engagement, digital solutions, and geographic expansion into underserved and remote areas.

Through dedicated employee training, digital transformation, and ethical conduct, we seek to embed customer-centricity into every interaction, ensuring that clients see us not just as a Bank but as a trusted partner. KFH Egypt’s long-term commitment to customer centricity reflects our belief that a truly sustainable Bank is one that places people first. By combining ethical principles, regulatory excellence, and inclusive innovation, we strive to create lasting value for our clients and the communities we serve.



Consistent Engagement and Client-Centered Communication

At KFH Egypt, our approach to marketing and communication is fundamentally client-focused—designed to ensure transparency, trust, and accessibility in every message we deliver. Guided by internal policies that emphasize ethical standards and bar misleading content, we prioritize clarity, accuracy, and relevance to customers’ needs.

Our marketing messages, such as Beyond Horizons and Perfecting Banking Experiences, reflect our promise to continually promote customer value and service excellence. We engage customers through a diverse range of platforms, including **social media, SMS, and outdoor advertising**, as well as a strategic mix of above-the-line and below-the-line communication channels to reach clients across different demographic segments and geographical areas.

In 2024, client-focused campaigns like EDGE alongside the launch of tailored products like Fusion, Elevate, and Smart were designed to address specific customer lifestyles and preferences, reinforcing our commitment to delivering relevant, inclusive, and empowering financial solutions.

To further support informed decision-making, we ensure that all communication pertaining to products and services includes clear use guidance through both FAQs and the terms and conditions. In doing so, we reinforce transparency, customer protection, and alignment with CBE communication expectations.

Commitment to Transparency

KFH Egypt’s commitment to transparency is formally embedded within several core policies, including:

The Customer Rights Protection Policy, which guarantees:

01

Equal and fair treatment for all clients

02

Disclosure of product terms and risks

03

Confidentiality of customer data

The Conflict of Interest Policy and Information Security Framework, which reinforce the governance culture of integrity and responsible disclosure.

These policies, communicated across internal and external channels, are subject to regular audits and updates.



Our Employees & Workplace Culture

Our Employees


At KFH- Egypt, we recognize that our employees are the foundation of our success. As of 2024, our workforce consists of 1,334 full-time professionals, all of whom are Egyptian nationals, reflecting our ongoing growth and commitment to sustainable employment. We are proud to maintain a workplace culture that emphasizes diversity, inclusion, and equity across all gender and age groups. Our team includes 438 full-time female employees—a significant proportion of our human capital. Of these women, 140 are under the age of 30, 262 are between the ages of 30 and 50, and 36 are over 50 years old, highlighting our support for women’s development at every stage of their careers.

In parallel, 896 full-time male employees contribute to the Bank’s operations, including 189 men under 30, 595 aged between 30 and 50, and 112 over 50, illustrating a strategic blend of emerging talent and experienced professionals. We have no part-time employees or temporary staff members. We are committed to fostering a vibrant and inclusive workplace environment in which all employees are empowered to thrive. Our HR strategy continues to emphasize a strong gender balance, age diversity, and long-term career development to ensure the sustainability and continued resilience of our workforce.




OUR PEOPLE		2023	2024
Female	Full-Time Female Employees	421	438
	Female Employees under 30	130	140
	Female Aged 30–50	253	262
	Female Employees over 50	38	36
Male	Full-Time Male Employees	838	896
	Male Employees under 30	187	189
	Male Employees Between 30–50	533	595
	Male Employees over 50	117	112
Total Number of Employees		1,259	1,334

As shown in the table above, the total number of KFH- Egypt employees increased from 1,259 in 2023 to 1,334 in 2024, reflecting the Bank’s ongoing expansion and sustained growth. Notably, the number of female employees rose from 421 to 438 over the same period, underscoring our continued efforts to promote gender diversity and empower women at every level of the organization.

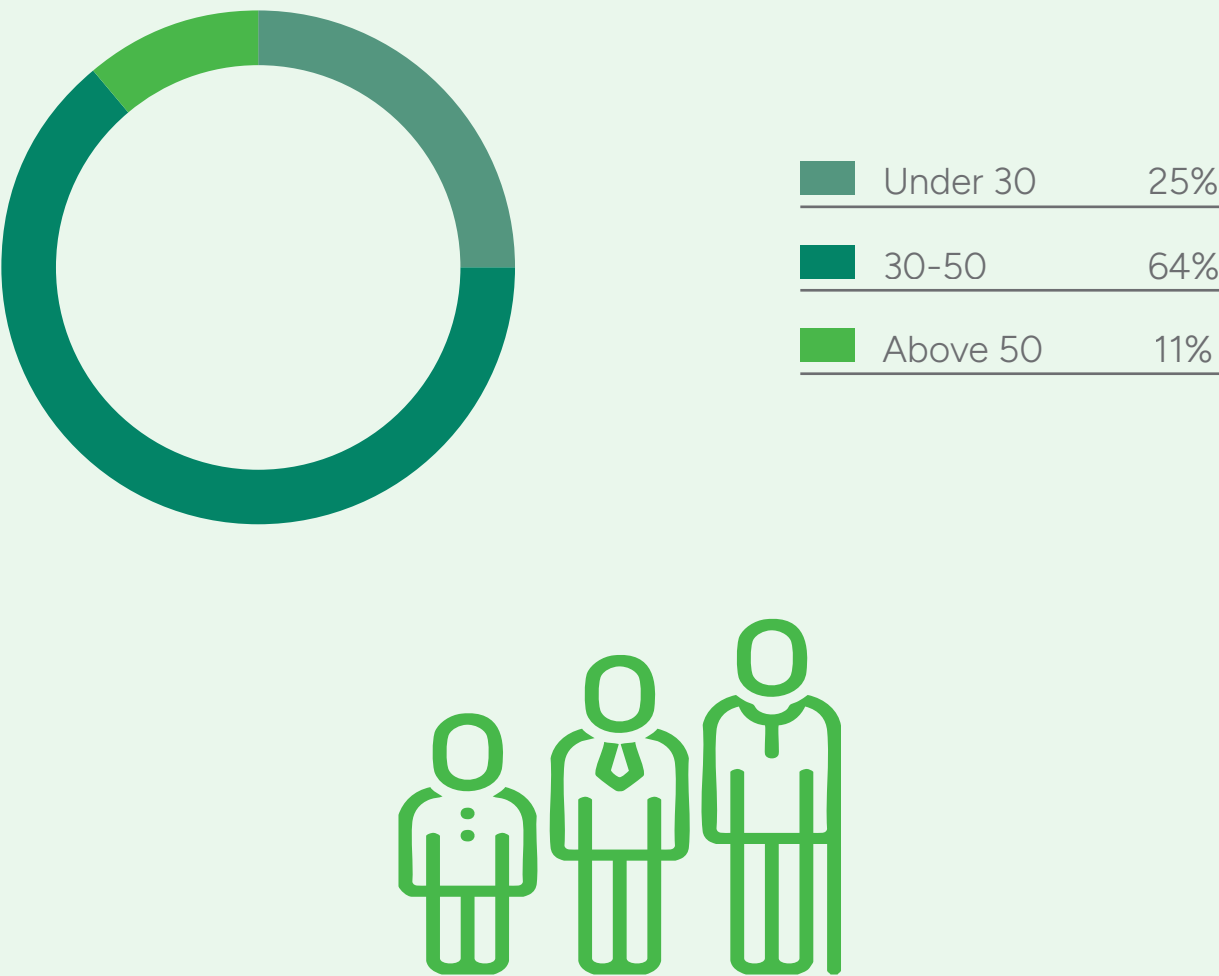


The total number of KFH- Egypt employees increased from **1,259** in 2023 to **1,334** in 2024



The number of female employees rose from **421** to **438** over the same period

Distribution of Employees by Age Categories
2024



As illustrated in the chart above, 64% of KFH Egypt’s workforce falls within the 30–50 age range, reflecting a strong foundation of mid-career professionals with substantial experience and stability. A quarter of our employees are under the age of 30, highlighting the Bank’s focus on attracting and nurturing young talent. Meanwhile, 11% of staff are over 50 years old, showcasing our commitment to retaining seasoned experts who bring valuable institutional knowledge and leadership to the organization.

KFH- Egypt is dedicated to ensuring fair and equitable compensation for all staff members. In line with our commitment to ethical labor practices, we require all outsourced personnel to receive wages at above the national minimum in addition to essential benefits, such as medical and life insurance. This requirement demonstrates our broader commitment to treating everyone who represents the Bank with dignity, fairness, and respect.

New Hires

At KFH- Egypt, attracting and retaining talent is a top priority in our efforts to build a resilient and future-ready organization. In 2024, we welcomed 268 new employees—a significant increase from the 160 new hires in 2023—reflecting our continued growth and investment in human capital.

In 2024, our hiring strategy continued to showcase our emphasis on inclusivity and youth empowerment. We recruited 79 female employees, 56 of whom were under the age of 30 and 23 of whom were between the ages of 30 and 50. These figures point to our focus on creating opportunities for both young professionals and experienced women in the workforce.

In parallel, of the 189 male employees hired in 2024, 81 of them were under the age of 30, demonstrating our commitment to investing in the next generation of talent and building a dynamic, multi-generational team.

Beyond recruitment, KFH- Egypt is intent on retaining our most valuable talent, especially those whom we have identified as high-potential employees or those occupying critical roles. When an employee is identified as being at risk of leaving, the department head initiates a formal retention process in coordination with the HR Department. A retention request is then completed and evaluated in line with the Bank’s internal pay scale, with any proposed interventions—such as salary adjustments or title changes—subject to final approval by the Deputy CEO or CEO. This process ensures alignment between efforts geared toward individual retention and the Bank’s broader human capital strategy.

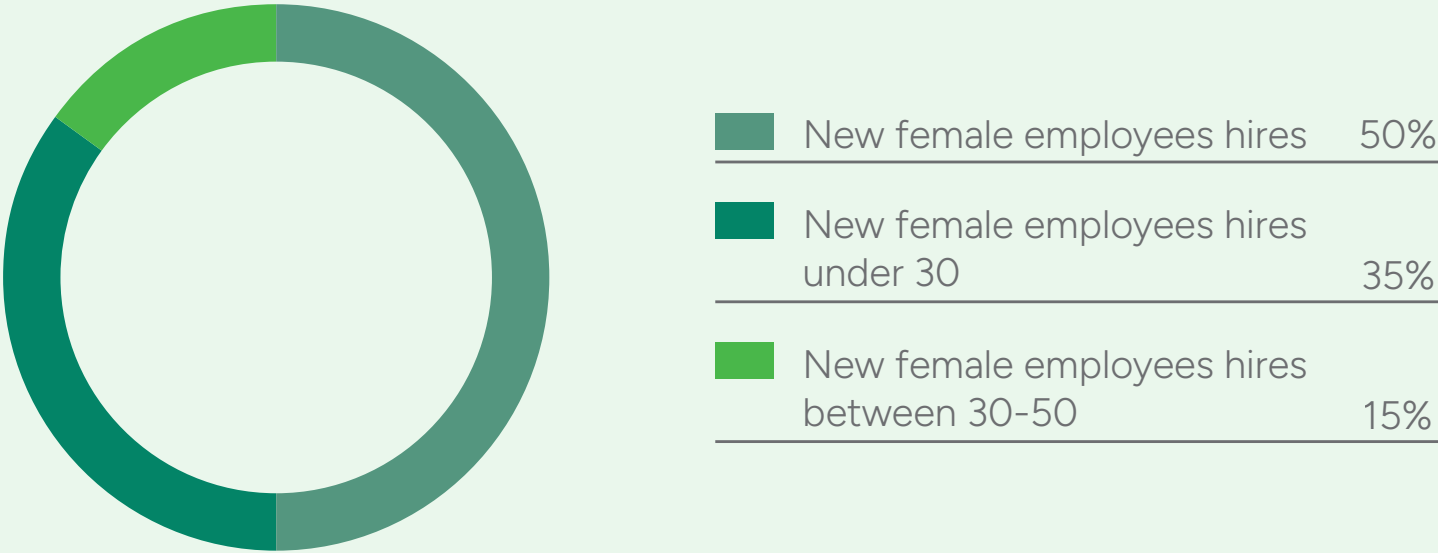
Through this comprehensive approach to hiring and retention, we are consistently strengthening our workforce while building a culture of recognition, stability, and opportunity.



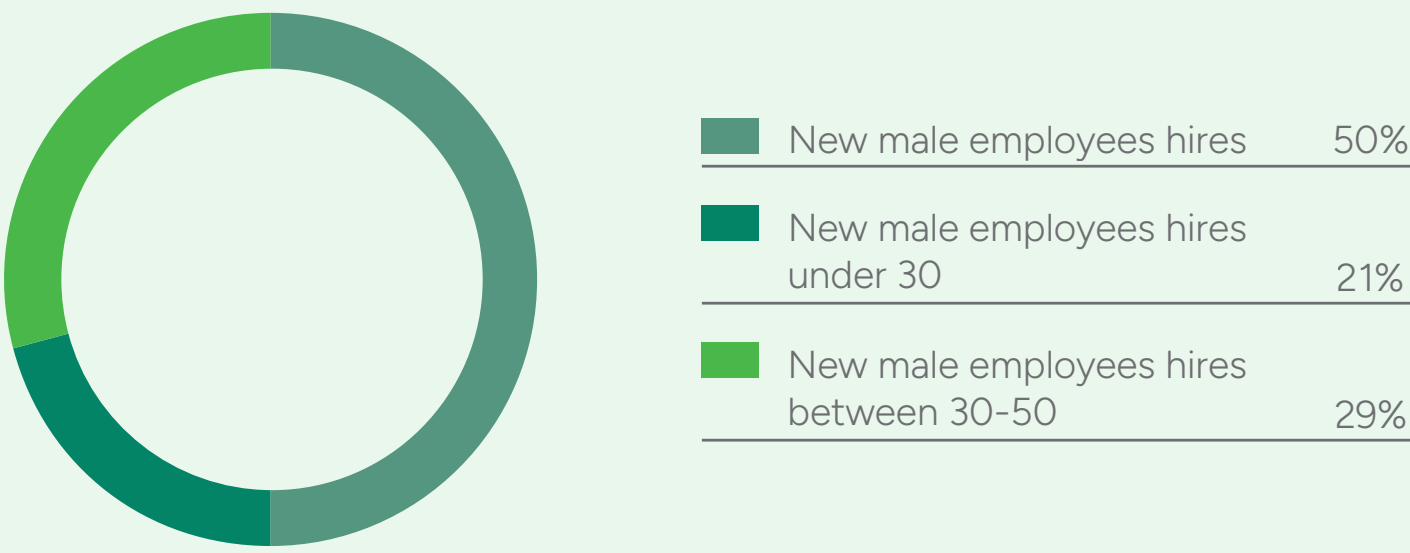
NEW HIRES		2023	2024
Female	New Female Hires	47	79
	New Female Hires under 30	27	56
	New Female Hires Aged 30–50	19	23
	New Female Hires over 50	1	0
Male	New Male Hires	113	189
	New Male Hires under 30	49	81
	New Male Hires Aged 30–50	61	108
	New Male Hires over 50	3	0
Total New Hires		160	268



New hires: Female distribution by Age 2024



New hires: Male distribution by Age 2024





Turnover Rate

At KFH- Egypt, employee retention is a strategic priority as well as a key indicator of organizational health, workplace satisfaction, and long-term sustainability.

The turnover among full-time employees reached approximately 13.2% (female turnover rate 4.41% & male employee turnover rate 8.74%)

The female turnover rate in 2024 stood at 4.4%, with the highest proportion recorded among employees between the ages of 30 and 50 (6.9%), followed by those under 30 years old (6.2%),

In comparison, the male employee turnover rate was 9.0%: 4.7% among those under 30, 8.0% among those between 30 and 50, and 0.5% among those over 50.

Moreover, the layoff rate remained extremely low at just 1% over the past three years, underscoring the Bank's commitment to workforce stability and responsible restructuring.

To better understand and address the reasons behind employees' voluntary exits, KFH- Egypt conducts thorough exit interviews with all departing employees. These interviews offer valuable insights into employees' experiences and help to

identify potential areas for improvement in our work environment, managerial practices, and career-development pathways.

At the same time, we have a structured retention mechanism in place aimed at preserving key talent, especially those whom we have identified as high-potential employees or those occupying critical roles. When an employee is identified as being at risk of leaving, the department head initiates a formal retention process in coordination with the HR Department. A retention request is then completed and evaluated in line with the Bank's internal pay scale, with any proposed interventions—such as salary adjustments or title changes—subject to final approval by the Deputy CEO or CEO. This process ensures alignment between efforts geared toward individual retention and the Bank's broader human capital strategy.

Our approach showcases KFH Egypt's commitment to treating employees as valued stakeholders. We are constantly working to foster a stable, supportive, and inclusive work environment that promotes long-term career development as well as organizational resilience.

Governance Representation

We at KFH- Egypt are proud of the meaningful progress that has been made toward gender diversity and inclusive leadership within our governance structures. As of 2024, women account for 34% of members of our governance body—a clear reflection of our ongoing commitment to empowering female leadership and ensuring diverse perspectives at the highest levels of decision-making.

This female representation spans a wide range of age groups, with 32% under the age of 30, 59% between 30 and 50, and 9% over the age of 50, pointing to the presence of both emerging and experienced voices in our leadership framework.

Male members make up 66% of the governance bodies, also with a well-distributed age profile: 22% under 30, 64% between the ages of 30 and 50, and 14% over 50. This age diversity ensures a balanced approach to leadership that blends innovation with institutional knowledge.

In line with its values of equity and fairness, KFH- Egypt does not classify staff or governance body members by ethnicity or race, choosing instead to focus on individual merit, professional competencies, and each person’s contributions to the Bank’s mission regardless of their background. This approach showcases our dedication to fostering an inclusive culture grounded in equal opportunities and respect for all.

GOVERNANCE		PERCENTAGE
Female	Female Employees in Governance Bodies	34%
	Female Employees in Governance Bodies under 30	32%
	Female Employees in Governance Bodies Aged 30–50	59%
	Female Employees in Governance Bodies over 50	9%
Male	Male Employees in Governance Bodies	66%
	Male Employees in Governance Bodies under 30	22%
	Male Employees in Governance Bodies Aged 30–50	64%
	Male Employees in Governance Bodies over 50	14%

Structured Grievance and Reporting Mechanisms

At KFH- Egypt, we believe that a truly sustainable organization begins with a workplace culture rooted in integrity, transparency, and respect. Our commitment to employee well-being and ethical governance is reflected in the structured systems that we have in place to ensure that staff feel safe, heard, and protected.

To maintain a respectful and responsive work environment, KFH- Egypt has implemented robust mechanisms through which employees can report their grievances and concerns. Employees are encouraged to first raise concerns with their direct line manager and function head. If unresolved, they can formally submit a grievance by email, which is then reviewed by the local HR committee.

The committee evaluates the issue and determines the appropriate path forward.

While grievance reports are typically submitted alongside the employee’s name, each case is handled in a confidential, sensitive manner, especially when it comes to cases involving potential misconduct. Anonymous reports are not the norm, but employees are assured that all complaints are treated professionally and without retaliation.

In 2024, 20% of pay-related grievances were resolved within the designated timeframe, with final outcomes dependent on eligibility criteria. This process is structured in a manner designed to ensure fair evaluation and compliance with internal policy and national labor laws.



Operational Changes and Employee Notification

KFH- Egypt is committed to transparency during operational transitions. Employees are typically given **two weeks' notice** prior to the implementation of any changes that could significantly affect their roles, ensuring ample time for adjustment and open communication between management and staff.

A Culture of Whistleblowing and Risk Mitigation

To reinforce ethical behavior, KFH- Egypt has a formal Whistleblowing Policy in place that enables employees to report violations or misconduct. Reports are handled by the Head of Compliance, with the serious consideration that they deserve. If escalation is needed, reports are then routed to the Compliance, Audit, or Legal Departments as warranted. Depending on the nature of the raised concern, investigations may be conducted through a legal review or internal audit mission in line with labor regulations and our penalty policies.

Our operational risk and audit units also conduct routine and ad hoc reviews across different departments to proactively identify potential violations and address them prior to escalation, upholding the Bank's strong standards of compliance and operational control.

Commitment to Ethical Conduct and Disciplinary Action

At KFH- Egypt, ethical integrity is non-negotiable. In line with this commitment, the Bank takes decisive action in any corruption-related matters. Disciplinary measures—including dismissal, where warranted—are enforced in a manner aimed at enforcing the highest standards of integrity. Over the course of the 2024 reporting period, there was **1 confirmed incident** in which disciplinary action was taken against an employee for corruption-related reasons. This resolute stance underscores our zero-tolerance policy when it comes to unethical practices.

In addition to our strict disciplinary framework, all employees receive regular email updates pertaining to Code of Conduct expectations, penalty policies, and other compliance-related matters—all of which are accessible to every employee via our internal intranet. The Code of Conduct is translated into English and Arabic to ensure inclusivity. Moreover, our ethical culture is reinforced through mandated Code of Conduct adherence and anti-corruption training. In 2024, 100% of our board members received anti-corruption training underscoring our zero-tolerance policy when it comes to unethical behavior as well as our commitment to accountability at every level.

Occupational Health, Safety, & Ongoing Training

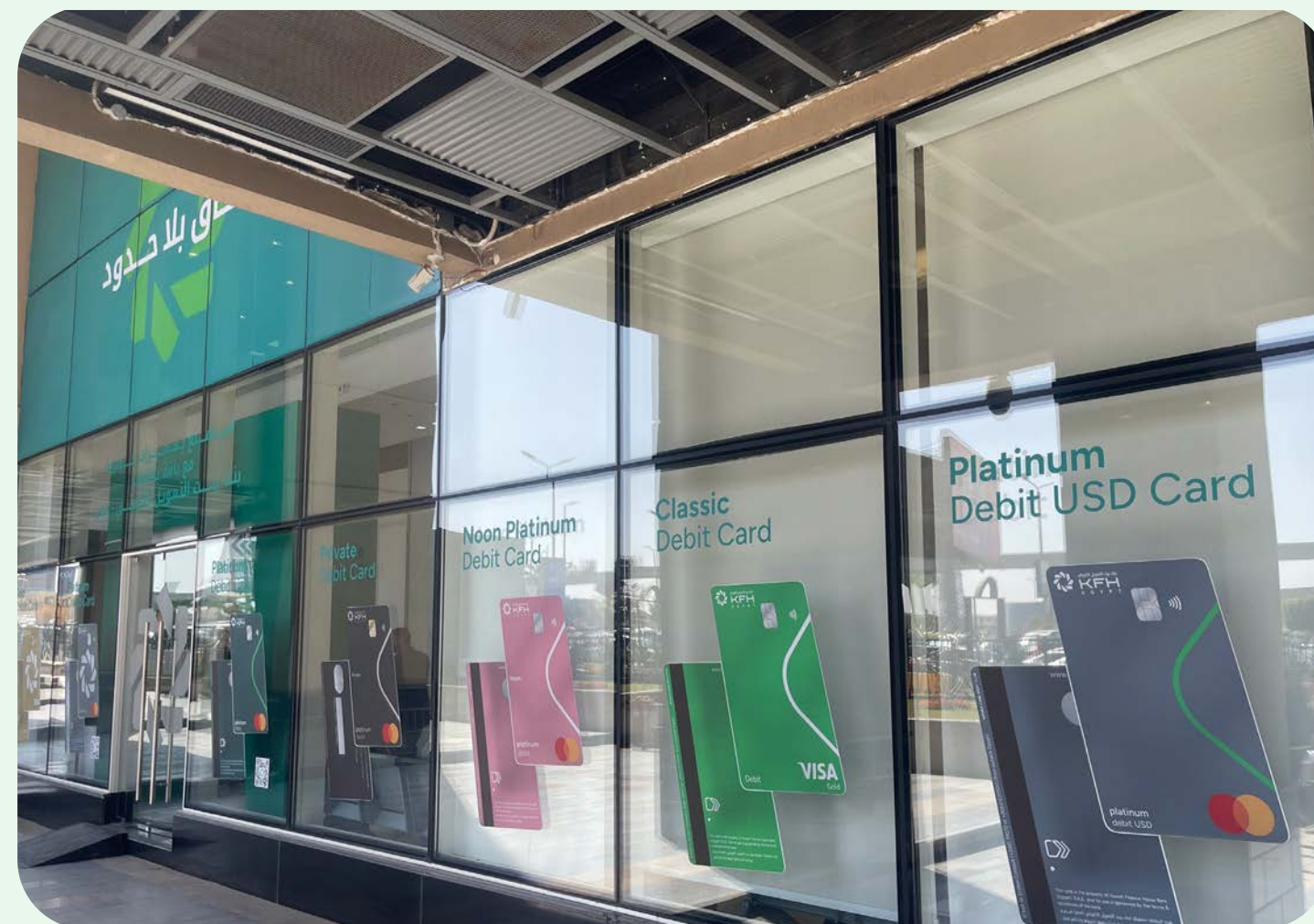
We prioritize workplace safety through our formal Occupational Health and Safety Management System, which is overseen by the dedicated Health and Safety Committee.

This system was established in accordance with the Egyptian Labor Law and is implemented based on recognized occupational risk-management standards and guidelines. It ensures compliance with legal obligations while fostering a safe, resilient, and proactive work environment.

KFH- Egypt provides in-class health and safety training to employees in collaboration with the National Institute

of Occupational Safety and Health and the Civil Defense Department. These training sessions cover an array of essential topics, such as emergency response, fire safety, and workplace risk prevention. These trainings are conducted regularly and supported by internal programs under the Health and Safety Committee.

In parallel, we provide employees with structured opportunities to upgrade their skills through soft skill development and technical training, empowering them through continuous growth and operational excellence.



Training and Career Development

At KFH- Egypt, we believe that the ongoing development and empowerment of our people is fundamental to building a future-ready Bank. We consider structured training and career advancement to be essential pillars of our sustainability and

performance. A skilled, knowledgeable, and ethically grounded workforce is central to how we deliver value to clients, ensure regulatory compliance, and pursue innovation.

Comprehensive Training Programs

We provide a wide range of training programs tailored to the evolving needs of our employees across all roles and levels. Our development offerings include:

- Technical programs aimed at enhancing job-specific expertise
- Leadership programs aimed at developing future managers and decision-makers
- Soft skills training focused on communication, teamwork, and customer engagement
- Professional certifications aimed at strengthening specialized knowledge and supporting lifelong learning

In 2024, KFH- Egypt delivered a total of 5,324 training sessions, including:

- 1,763 programs for female employees, totaling 11,145 training hours (averaging 400 hours per female employee)
- 3,561 programs for male employees, totaling 23,194 training hours (averaging 755 hours per male employee)

This distribution reflects our strong commitment to gender equality in professional development, ensuring that all employees—regardless of gender—have equitable access to learning and advancement opportunities.

As part of our commitment to fostering an ethical work environment, 100% of our employees have been formally acquainted with the Bank’s anti-money laundering (AML) policies and procedures through onboarding sessions as well as regular communication. Furthermore, the Bank offers structured AML training, ensuring that staff at every level are equipped with the knowledge and skills necessary to uphold our standards of integrity and compliance. Disciplinary action, including dismissal, is enforced when violations are confirmed—a key component of our zero-tolerance stance.

Reinforcing our culture of integrity, we dedicate over 600 hours annually to anti-corruption training. These sessions equip our employees with the tools and awareness needed to detect, prevent, and respond to unethical practices, forming part of our broader effort to ensure ethical conduct at all levels of the organization.

In addition, a dedicated proportion of our security personnel have received formal training on the Bank’s internal policies and security procedures to ensure that they are well-prepared to protect our people, clients, and operations in line with institutional protocols.

These training initiatives collectively bolster our human capital, risk culture, and operational resilience—key pillars of our long-term sustainability strategy.



Advancing Sustainability Capabilities

In line with our sustainability strategy, we prioritized developing internal expertise on climate finance, environmental and social risk management, and ESG reporting. In 2023–2024, a total of 143 employees participated in specialized

sustainability-focused training programs. These programs covered a wide range of critical themes, including sustainable finance, carbon neutrality, environmental and social risk management, climate policy, and sustainability disclosures.

Career Growth and Performance Management

To ensure that development leads to meaningful career progression, KFH-Egypt has developed the Success Factor System and a clearly defined succession-planning framework. These tools guide individual career paths, align development with business goals, and enable systematic performance evaluations and career reviews.

Employees are regularly assessed not only on their technical capabilities but also on their leadership potential, soft skills, and alignment with the Bank’s values. Through this approach, we foster an inclusive environment in which every employee is empowered to learn, grow, and contribute to our shared success.

Compensation and Remuneration

At KFH- Egypt, our approach to compensation is anchored in a transparent, fair, and governance-driven framework that is geared toward long-term sustainability while aligning with regulatory requirements. Our Compensation and Remuneration Policy is designed to reflect the Bank’s strategic objectives, ensure responsible reward practices, and ensure accountability at every level.

The Compensation Committee plays a central role in overseeing the Bank’s remuneration and reward structures. Most notably, it ensures that all compensation practices comply with CBE directives—

particularly those concerning employees classified as material risk-takers. For the sake of transparency, KFH- Egypt discloses the results of all shareholder votes on remuneration policies.

Remuneration for key roles is carefully structured to reflect each employee’s level of responsibility, decision-making authority, and contributions to the Bank’s performance. The Compensation Committee also approves the total annual fixed and variable compensation figures for the CEO, those who directly report to the CEO, and the heads of the Audit, Compliance, and Risk-Management Departments.



For the heads of the Audit and Compliance Departments, compensation proposals are made by the Chairman of the Audit & Compliance Committee.

The Bank’s Compensation and Remuneration Policy includes a clearly defined salary scale that outlines basic salaries, allowances, and benefits. This structure is designed to be competitive and market-aligned, ensuring that KFH- Egypt remains an attractive employer within the Banking sector.

While the salary scale is subject to periodic review to maintain alignment with external benchmarks, revisions do not automatically lead to direct salary increases for employees. Instead, salary adjustments are carefully considered based on individual employees’ performance, role changes, and market positioning.



For the head of the Risk-Management Department, compensation proposals are made by the Chairman of the Risk Committee.

Annual salary reviews and benefit adjustments are conducted through a balanced, performance-oriented approach. The Compensation Committee considers the Bank’s overall financial performance, market trends, and internal equity to ensure that rewards serve to motivate high performance and support the Bank’s long-term success and sustainability.

Where applicable, profit-sharing arrangements are reviewed and approved by the Compensation Committee to further align employee interests with organizational outcomes.

Employee Benefits and Wellbeing

At KFH- Egypt, we recognize that the success of our institution is deeply rooted in the well-being, satisfaction, and engagement of our people. In 2024, we upheld our comprehensive benefits structure that not only meets legal requirements but also reflects our values of care, equity, and shared prosperity.

Comprehensive Benefits Package

Our benefits packages are designed to support employees both personally and professionally, fostering a healthy, secure, and motivated workforce.

Fostering Inclusion and Accessibility

Medical Coverage: KFH- Egypt provides extensive healthcare coverage to permanent employees and their dependents (including a spouse and up to three children) through a carefully selected provider. The plan complies with the terms of our agreement and national medical insurance laws. To ensure accessibility, co-payments are required for certain outpatient services, medications, and medical procedures.

Parental Leave: In line with the Egyptian Labor Law, female employees are entitled to three months of maternity leave, while male employees are granted three days of paternity leave upon the birth of their child. In 2024, 25 female employees took maternity leave, and 4 returned to work following the end of their leave, according to HR records. No male employees were recorded as having taken paternity leave, though we continue to monitor this for future reporting.

Profit Sharing: As part of our commitment to recognizing employees’ contributions to KFH Egypt’s success, profit sharing is offered on an annual basis, subject to the Bank’s financial performance and the approval of both the Board of Directors’s Compensation Committee and the Shareholder General Assembly.

Retention Plan: KFH- Egypt employs a case-by-case retention strategy (involving individual evaluations and approvals by executive management) aimed at retaining top talent and maintaining operational continuity.

Volunteering and Community Engagement: We strongly encourage employee participation in volunteering activities, viewing such engagement as a key component of individual development and corporate social responsibility. Employees are supported in their participation in meaningful community initiatives aligned with the Bank’s sustainability values. Moreover, we believe that meaningful engagement not only strengthens organizational culture but also reinforces our shared values of community, compassion, and collaboration.



KFH Egypt is committed to building an inclusive workplace that reflects the diversity of the communities we serve. As of 2024, 1.42% of our workforce consists of employees with disabilities, all of whom are employed locally.

We have set a clear objective to increase this rate of representation among employees to 5%, ensuring that individuals with disabilities have greater access to employment at multiple levels of Bank operations. In support of this ambition, KFH Egypt ensures that selected candidates are assigned to roles suitable to their capabilities, such as clerical and administrative positions, while also continuing to enhance workplace accessibility and inclusivity.

Through targeted recruitment, inclusive hiring, and role-specific accommodation, we aim to offer equitable opportunities and empower all employees to thrive.

Celebrating Culture and Fostering Belonging

We organize a variety of employee-engagement programs and events throughout the year that celebrate our culture and nurture a strong sense of communal belonging among our staff. These events include:

- Ramadan Iftar gatherings
- Festive bazaars
- The distribution of seasonal and religious gifts, including tokens for Eid and the Prophet's Birthday

These activities are designed to foster unity, recognize contributions, and maintain high levels of morale across the Bank. Through such efforts, KFH Egypt works to create a workplace in which employees feel valued, connected, and motivated to contribute to the Bank's long-term success.

Structured Volunteering and Community Involvement

KFH Egypt proudly encourages and recognizes employee participation in volunteering initiatives as an extension of our CSR efforts and our people-first approach.

To support these initiatives, we have established a dedicated volunteering hub, which serves as a central platform for the coordination of charitable activities in collaboration with various partners. Employees are actively encouraged to invite family and friends to these experiences, making volunteering a shared, meaningful experience.

Key features of our volunteering program include:

- The quarterly recognition of top-performing volunteers, announced as volunteering champions based on their contributions and hours served
- A volunteering kit designed to enhance participants' experiences and foster a shared sense of purpose
- Regular internal communication of information on volunteering events (e.g., location, date, time, registration details)
- At least 12 planned activities per year, with a particular emphasis on initiatives during Ramadan to reflect the cultural and spiritual significance of giving back

Feedback and Satisfaction Monitoring

In addition, employees have access to a structured grievance mechanism that ensures that concerns may be raised, reviewed, and addressed in a transparent and respectful manner.

Through a combination of inclusive engagement programs, volunteering opportunities, and open feedback channels, KFH Egypt fosters a work environment in which people feel appreciated, heard, and empowered to make a difference—within both the organization and society at large.



Community Engagement

KFH Egypt’s CSR strategy is deeply rooted in our values and our long-term commitment to social equity, financial inclusion, and environmental sustainability. Our approach to community engagement

is guided by a structured framework designed to empower underserved groups, support national development priorities, and create a lasting impact.

CSR Strategy and Governance

The Bank’s CSR strategy is built on three main pillars:

Women’s Empowerment:



KFH Egypt supports initiatives that promote the social and economic participation of women by providing them with access to financial services, capacity-building programs, and partnerships that promote gender equality and financial independence.

Youth Empowerment:



The Bank invests in programs that develop the skills, knowledge, and entrepreneurial potential of Egypt’s young people, empowering them to become active contributors to the Egyptian economy and drivers of innovation.

Environmental Sustainability:



KFH Egypt integrates environmental responsibility into all operations and community initiatives, supporting awareness campaigns, clean-up drives, and green investments that align with Egypt Vision 2030 and the UN SDGs. Oversight of the Bank’s CSR initiatives rests with the Board Committee, which is responsible for assessing their effectiveness and alignment with the pillars of its Financial Inclusion Strategy. KFH Egypt also aligns its CSR efforts with Egypt Vision 2030 and the UN SDGs in coordination with the CBE.

Key Initiatives and Community Investment

KFH- Egypt tailors its community-development programs to the specific needs and priorities of local communities, actively leveraging stakeholder mapping to inform engagement strategies. Project design is informed by both ongoing evaluations and direct community input.

CSR investment reached EGP 5 million in 2024.



The Bank’s development programs put a particular emphasis on the needs of vulnerable groups, including women, young people, and people with disabilities. Environmental and social risk assessments are conducted for all development programs, and regular evaluation reports

serve to track programs’ impacts and compliance.

KFH Egypt demonstrates its commitment to CSR through tangible investments in local organizations and initiatives. Notable community-engagement activities include:

- Misr El Kheir Ramadan: Partnership that includes Iftar boxes, tent, village and Eid clothing for kids, under the umbrella of zero hunger and poverty.
- Ministry of Water Resources and Irrigation: Project tackling youth awareness of natural resources preservation through conscious water consumption.
- Mn Qomash: This project supports women economic empowerment, waste management and sustainable practices.
- Enactus: Youth empowerment and capacity building through entrepreneurial, innovative and sustainable projects, tackling the triple bottom line.
- Baheya Breast Cancer Hospital and Zayed Hospital: Promoting women’s health and access to critical healthcare.



KFH Egypt at Mn Qomash



KFH Egypt at Enactus



KFH Egypt at Baheya Breast Cancer

Volunteering and Social Impact

At the heart of KFH Egypt’s community engagement lies a strong culture of volunteerism, reflecting the Bank’s commitment to having a meaningful, hands-on impact beyond mere financial contributions. Employee-led initiatives serve as a critical extension of the Bank’s CSR strategy, demonstrating its emphasis on fostering social solidarity and inclusive development.

Over the past year, KFH- Egypt has significantly scaled up its volunteering activities to support vulnerable communities, especially during high-need periods like Ramadan and winter. Employees from across the Bank actively participate in a wide range of community service initiatives, contributing their time, effort, and expertise to improve the well-being of underserved groups.

Initiated the “Get Ready for the Green” campaign to promote energy-efficient home appliances.

Some of KFH Egypt’s key initiatives include:

- Environmental Clean-Up Campaigns:

Organized in collaboration with local NGOs and municipal bodies, these campaigns promote public environmental awareness while contributing to cleaner, healthier urban and rural spaces. These campaigns align with the Bank’s pillar of environmental sustainability and serve to educate local youth and residents on waste management and eco-conscious living.

- Ramadan Food Packing and Distribution:

Each year, KFH- Egypt mobilizes employee volunteers to prepare and distribute food packages to families in need across various governorates, promoting food security during the holy month of Ramadan. In 2024, this initiative was implemented in collaboration with the Misr El-Kheir Foundation, expanding the Bank’s outreach and deepening its social impact. Beyond meeting immediate needs, this initiative also fosters empathy, solidarity, and a shared sense of purpose among employees and community partners.

- Capacity Building and Vocational Training:

KFH- Egypt actively supports training sessions aimed at developing job skills among women and young people, with employees frequently volunteering as mentors and facilitators. These sessions are centered on the promotion of financial literacy, professional readiness, and overall employability. In 2024, the Bank expanded its support to youth-focused initiatives like KFH- Egypt at Aqua Grotto Garden, promoting skill development in a community-centered setting, and partnered with Children’s Cancer Hospital 57357 to deliver capacity-building activities that empower young patients.

- Planned Budgeted Initiative:

“Growing Together” Since Corporate Social Responsibility (CSR) represents the social dimension of the Bank’s broader sustainability values, the Sustainabili-

ty and Sustainable Finance Department works in close coordination with the CSR Department to ensure alignment between environmental and social priorities. In 2024, the Sustainability and Sustainable Finance Department launched the “Growing Together” initiative, in collaboration with the CSR Department, to be implemented in early 2025.

This initiative combines CSR engagement with climate action by involving employees, including senior management, in planting climate-resilient trees in New Cairo’s Banks District. Expected to offset around 748 kg of CO₂ annually, the initiative supports the bank’s carbon reduction

strategy while promoting environmental stewardship and employee involvement. It reflects how cross-departmental collaboration can drive impactful programs that align with both social and environmental goals.

All volunteering activities are designed with clear objectives, executed in partnership with credible community organizations, and evaluated in terms of their impact through a beneficiary-centered approach. Projects are prioritized based on their social relevance, scale of outreach, and alignment with national and Bank-specific development priorities.



KFH- Egypt at Misr El-Kheir Foundation



KFH- Egypt at Aqua. Grotto Garden for youth



KFH- Egypt at 57357

Supplier Responsibility

KFH Egypt's commitment to environmental and social responsibility is reflected in its approach to procurement, through which suppliers are considered key enablers of sustainable value creation. The Bank adheres to its robust Procurement Policy, which guides the acquisition of goods, services, and outsourced solutions, ensuring that procurement efforts are timely, efficient, and in line with the highest standards of ethics and professionalism, as defined in KFH Egypt's Code of Conduct.

Procurement Policy & Ethical Standards

The Procurement Policy establishes clear governance and accountability mechanisms to ensure that operations are cost-effective while still promoting integrity and transparency. It mandates that all procurement activities be conducted in a diligent and fair manner that aligns with KFH Egypt's sustainability values, including through adherence to anti-corruption standards and the active communication of relevant policies to suppliers.

Supplier Selection & Due Diligence

KFH Egypt's supplier-selection and -payment processes are governed by the Procurement Policy, which insists that only reputable and compliant vendors be engaged. The Bank employs a rigorous due diligence process that entails:

- Screening all suppliers and associated personnel using international compliance platforms, such as Fircosoft, to assess potential exposure to money laundering and terrorist activities.
- Conducting site visits and vendor investigations through an internal investigation team to validate operational integrity.
- Ensuring that no children are employed in the provision of services—including cleaning, catering, security, and maintenance—by collecting the national IDs of all service personnel.
- Verifying that suppliers do not pose any significant actual or potential negative social impact, including risks associated with child labor or forced labor.

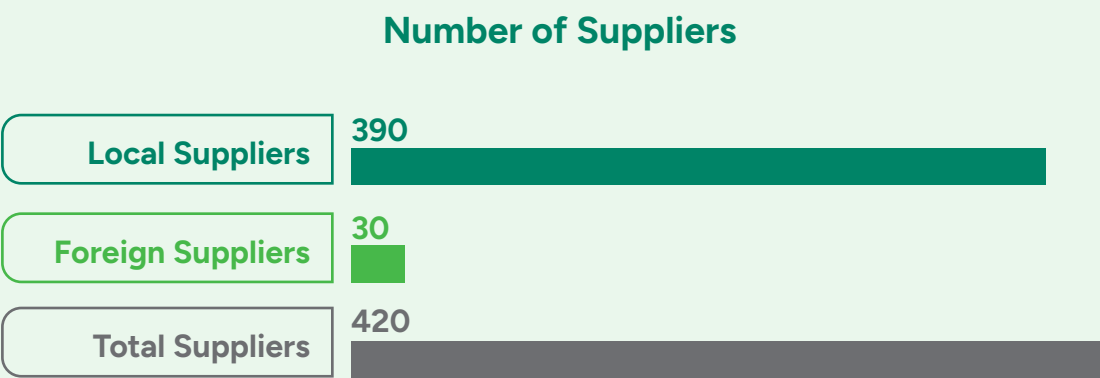


Moreover, as part of its internal controls, the Bank's Delivery Unit—in coordination with the Procurement Department—prepares comprehensive vendor-documentation files. These files enable the Procurement Committee to prepare, review, update, and validate shortlists of contractors and suppliers. This multi-stakeholder oversight process ensures that vendor selection is done in a manner that meets the Bank's operational needs and its policies while still meeting its ESG criteria.

KFH Egypt is committed to ensuring ethical conduct throughout its supply chain. More than 90% of the Bank's vendors are informed of its anti-corruption policies and procedures. Over 50% of these vendors—on whom the Bank spends more than EGP 50,000—receive this information via the Request for Quotation document; the others are informed through direct communication channels. Support for Local Suppliers

Supporting localeconomicdevelopment is a core principle of KFH Egypt's Procurement Policy. The Bank works predominantly with local suppliers, with 390 local suppliers representing 93% of

its total supplier base, far outweighing its 30 foreign suppliers. This heavy focus on local sourcing reinforces the Bank's commitment to promoting national development and community resilience.



Environmental Stewardship

<u>Energy Management</u>	<u>132</u>
<u>GHG Emissions (Head Office)</u>	<u>134</u>
<u>Water Use & Efficiency</u>	<u>136</u>
<u>Waste Management</u>	<u>137</u>
<u>Biodiversity</u>	<u>138</u>
<u>Green Buildings</u>	<u>139</u>

As part of KFH Egypt’s commitment to responsible banking and sustainable development, we actively work to uphold environmental stewardship across all operations. Aligning with the CBE’s

Energy Management

Throughout 2024, the Bank maintained its focus on tracking and reducing GHG emissions. We continue to build on our emissions inventory (by monitoring and

Throughout the year, we implemented several energy-saving initiatives:

- LED retrofitting has been rolled out across all branches
- Smart air conditioning control via BMS systems has been adopted to automatically adjust usage based on timing, reducing the significant share of energy attributed to HVAC systems
- Pilot solar generator use at select branches continues to inform future renewable energy integration
- Electric vehicle infrastructure is being planned through the installation of EV charging plugs at headquarters
- Electricity Intensity in 2024 equated to 5,921 kWh/employee

Figure 3. Energy Initiatives

sustainability directives and advancing Egypt’s national climate goals, our efforts encompass emissions management, energy efficiency, water conservation, and waste reduction.

tracking our emissions) while staying aligned with the Greenhouse Gas Protocol, ISO 14064-1:2019, and the IPCC guidelines.

Total electricity consumption reached 7,898,670.34 kWh across 44 branches, with no consumption reported outside the organization. Despite not engaging in the consumption of renewable electricity in 2024, we achieved a 2.99% reduction in energy use, following the 1.5% decrease achieved in 2023. This reduction brings us closer to our 2023 target of a 5% overall energy reduction by 2027.

In 2023, we invested EGP 44 million to enhance the thermal performance and

climate resilience of our Head Office Building façade. Additionally, the Board approved a further EGP 25 million to support the transformation of our office buildings and branch network to be more energy-efficient. These initiatives are already delivering results. Our New Cairo headquarters, for example, has achieved a 12% reduction in energy consumption and a 17% decrease in diesel usage compared to 2021, clear evidence of our progress toward sustainable operation



GHG Emissions (Head Office)

KFH Egypt’s GHG accounting approach remains consistent from our previous carbon footprint report, maintaining our methodology to align with the Greenhouse Gas Protocol (GHGP), ISO 14064-1, and the 2005 Intergovernmental Panel on Climate Change (IPCC) standards. Since the publishing of our last sustainability report, we have published a 2023 carbon footprint report that included more accurate calculations that built on our previous reporting on GHG emissions disclosures. Additionally, this report includes our preliminary calculations for our 2024 emissions. The base year for our calculations and emission reduction targets is 2023.

Looking forward, starting 2025, KFH Egypt will begin to calculate its financed emissions as part of its scope 3 emissions accounting, recognizing that financed emissions are an essential pillar of GHG emissions accounting in the Banking sector.

Below are the emission factor values, following the aforementioned standards, for our calculations and their results. Noting that Scope 2 emissions factors are based on the 2022–2023 values provided by the Ministry of Electricity and Renewable Energy.

Stationary and Mobile Combustion Emission Factors

EMISSIONS SOURCE	EF (tCO2e/Lit)
Diesel Stationary Combustion	0.002709009
Natural Gas	1.81356 x 10 ⁻⁶
Diesel Mobile Combustion	0.00274281
Gasoline	0.002340203

Electricity Emission Factor

EMISSIONS SOURCE	EF (tCO2e/ kWh)
Electricity	0.0003767

Emissions intensity for 2024 equated to 2.75 mTCO2e/employee

Refrigerants, Fertilizers, and Fire Suppressants Emission Factors

EMISSIONS SOURCE	EF (Kg CO2e/ Kg)
R404A	4,728.00
R410A	2,255.50
R407A	2,262.20
R22	1,960.00
R134A	1,530.00
Urea	5.0193
Nitrogen	0.733333333
FM200 (HFC-227ea)	3600
Carbon dioxide	1

Breakdown of GHG Emissions

SCOPE 1	(tCO2e)
Stationary Fuel Combustion	4.35
Mobile Fuel Combustion	320.98
Fertilizers	0.043
Refrigerant Leaks	278.70
Fire Suppressants	63.98325
Total Scope 1 Emissions	668.05
SCOPE 2	(tCO2e)
Purchased Electricity	3,003.86
Total Emissions	3671.91

GHG Emission-Year-on-Year Progress		
	2023 (tCO2e)	2024 (tCO2e)
Scope 1	582.9	668.05
Scope 2	3,067.1	3,003.86
Total Emissions	3,650	3,671.91

Water Use & Efficiency

Water is a key resource that we are working to use more efficiently across all operations, through the following smart infrastructure solutions:

Photovoltaic-controlled bathroom faucets and automated beverage dispensers have been installed across headquarters and branches.

A dedicated consulting partnership has been established to enhance water efficiency across all locations.

A centralized monitoring system now tracks water orders and usage.

Figure 4. Our Water-Reduction Solutions



In 2024, our total water consumption was 41,788 m³. We obtained these measurements through meter readings and receipts throughout the reporting year.

Water Consumption			
	2023 AMOUNT	2024 AMOUNT	MEASUREMENT UNIT
Water Consumption	35,950	41,788	m³

Although we have yet to implement water-recycling systems or discharge-management policies, we are actively assessing our water-related impacts. In 2024, the increase in water consumption by 16% was attributed to the increase in branches and staff onboarding throughout the reporting year.

Waste Management

We remain committed to improving our waste footprint through digitalization and improved operational efficiency. We are already seeing positive results, but more action is underway to further improve our waste management.

As part of our push for greener paper consumption, paper waste was reduced by 65% over the past three years, reaching 22 tons in 2024.

Due to shifting from plastic to paper cups across offices, plastic use decreased by 90%.

Supporting circular resource use, we have engaged a specialized third-party for secure document destruction and paper recycling.

Figure 5. Waste-Management Results

While we do not currently measure or report specifically on metal, glass, plastic, or hazardous waste, the Bank is in the process of contracting a certified partner to develop a comprehensive recycling and waste-tracking system. The values for paper waste and cups were obtained through purchasing and procurement functions.

Biodiversity

Our operations do not intersect with protected areas, and no negative biodiversity impacts have been identified. At this stage, we have not established

formal partnerships for habitat restoration, but we continue to monitor the situation and ensure that our ecological footprint remains minimal.

Green Buildings

While we have yet to obtain any green building certifications, we are targeting EDGE certification for 2025 as part of our roadmap toward sustainable

infrastructure. At the same time, we continue to audit and upgrade our physical assets in pursuit of further alignment with international green building standards.



Appendices

<u>GRI Index</u>	<u>142</u>
<u>Integrated Reporting Index</u>	<u>162</u>
<u>SASB Commercial Banks Index</u>	<u>164</u>
<u>United Nations Global Compact</u>	
<u>(UNGC) Principles</u>	<u>166</u>
<u>List of Abbreviations</u>	<u>168</u>
<u>CBE Reporting Guidelines</u>	<u>169</u>
<u>Limited Assurance Statement</u>	<u>170</u>

GRI Index

Statement of Use

Kuwait Finance House- Kuwaiti Shareholding Company Public (K.S.C.P) has reported in accordance with the GRI Standards for the period January 1, 2024, to December 31, 2024.

GRI 1 Used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

There are no GRI Sector Standards available for the financial services sector.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 8				Not Applicable
	2-2 Entities included in the organization’s sustainability reporting	Page 4-5				
	2-3 Reporting period, frequency and contact point	Page 4-5				
	2-4 Restatements of information	Page 4-5				
	2-5 External assurance	Page 170-171				
	2-6 Activities, value chain and other business relationships	Page 8, 9, 18, 19				
	2-7 Employees	Page 100, 101				
	2-8 Workers who are not employees			Not Applicable		
	2-9 Governance structure and composition	Page 40-52				
	2-10 Nomination and selection of the highest governance body	Page 40-52	b	Confidentiality Constraints		
	2-11 Chair of the highest governance body	Page 40-52				
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 40-52				
	2-13 Delegation of responsibility for managing impacts	Page 40-52				
	2-14 Role of the highest governance body in sustainability reporting	Page 40,41				
	2-15 Conflicts of interest	Page 54				
	2-16 Communication of critical concerns	Page 59, 109				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	Page 41-49				Not Applicable
	2-18 Evaluation of the performance of the highest governance body			Information Incomplete/ unavailable		
	2-19 Remuneration policies	Page 40-52	a	Information Incomplete/ unavailable		
	2-20 Process to determine remuneration	Page 40-52	b	Information Incomplete/ unavailable		
	2-21 Annual total compensation ratio			Confidentiality Constraints		
	2-22 Statement on sustainable development strategy	Page 6, 7				
	2-23 Policy commitments	53-55	B, c	Information Incomplete/ unavailable		
	2-24 Embedding policy commitments	Page 59, 109				
	2-25 Processes to remediate negative impacts	Page 59, 109				
	2-26 Mechanisms for seeking advice and raising concerns	Page 59, 109				
	2-27 Compliance with laws and regulations	62,63				
	2-28 Membership associations	KFH Egypt is a Member of the Federation of Egyptian Banks				
	2-29 Approach to stakeholder engagement	Page 22-25				
	2-30 Collective bargaining agreements				Not Applicable	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 24-37	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	Page 24-37				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	68-93				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	18, 19				
	201-2 Financial implications and other risks and opportunities due to climate change		Information Incomplete/ unavailable			
	201-3 Defined benefit plan obligations and other retirement plans		Information Incomplete/ unavailable			
	201-4 Financial assistance received from government		Legal Prohibitions			
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	100-111				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	1:1				
	202-2 Proportion of senior management hired from the local community	100%				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	85, 86, 120-125				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	85, 86, 120-125				
	203-2 Significant indirect economic impacts	85, 86, 120-125				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 126				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	P. 128				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 53				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption			Information incomplete/unavailable		
	205-2 Communication and training about anti-corruption policies and procedures	P. 53				
	205-3 Confirmed incidents of corruption and actions taken	P. 10				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Zero				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 130				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P. 132				
	302-2 Energy consumption outside of the organization			Not Applicable		
	302-3 Energy intensity	P. 132				
	302-4 Reduction of energy consumption	P. 132				
	302-5 Reductions in energy requirements of products and services			Information Unavailable/ Incomplete		
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 130				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	P. 136				
	303-2 Management of water discharge-related impacts	P. 136				
	303-3 Water withdrawal	P. 136				
	303-4 Water discharge	P. 136				
	303-5 Water consumption	P. 136				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 130				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P. 135				
	305-2 Energy indirect (Scope 2) GHG emissions	P. 135				
	305-3 Other indirect (Scope 3) GHG emissions			Information Unavailable/ Incomplete		
	305-4 GHG emissions intensity	P. 135				
	305-5 Reduction of GHG emissions	P. 136				
	305-6 Emissions of ozone-depleting substances (ODS)			Information Unavailable/ Incomplete		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			Information Unavailable/ Incomplete		
	Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 130				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	P. 137				
	306-2 Management of significant waste-related impacts	P. 137				
	306-3 Waste generated	P. 137				
	306-4 Waste diverted from disposal	P. 137				
	306-5 Waste directed to disposal	P. 137				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics			Information Unavailable/ Incomplete		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria			Information Unavailable/ Incomplete		
	308-2 Negative environmental impacts in the supply chain and actions taken			Information Unavailable/ Incomplete		
Employment						
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P. 100				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P. 103				
	401-3 Parental leave	P. 100, 116				
Labor/management relations						
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	P. 109				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 111				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P. 111				
	403-2 Hazard identification, risk assessment, and incident investigation			Information incomplete/ unavailable		
	403-3 Occupational health services	P. 111				
	403-4 Worker participation, consultation, and communication on occupational health and safety			Information incomplete/ unavailable		
	403-5 Worker training on occupational health and safety			Information incomplete/ unavailable		
	403-6 Promotion of worker health			Information incomplete/ unavailable		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			Information incomplete/ unavailable		
	403-8 Workers covered by an occupational health and safety management system			Information incomplete/ unavailable		
	403-9 Work-related injuries			Information incomplete/ unavailable		
	403-10 Work-related ill health			Information incomplete/ unavailable		
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 112				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P. 112				
	404-2 Programs for upgrading employee skills and transition assistance programs	P. 112				
	404-3 Percentage of employees receiving regular performance and career development reviews	P. 112				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 41-47, 108.				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P. 41-47, 108.				
	405-2 Ratio of basic salary and remuneration of women to men	1:1				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 53				
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken			Information incomplete/ unavailable		
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 53				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Zero				
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Zero				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Zero				
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures			Information Incomplete/ unavailable		
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 120				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessment, and development programs	P. 120				
	413-2 Operations with significant actual and potential negative impacts on local communities			Information Incomplete/ Unavailable		
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 126				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P. 126				
	414-2 Negative social impacts in the supply chain and actions taken	P. 126				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 60				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	P. 60				

Integrated Reporting Index

IR CONTENT ELEMENTS	LOCATION
Organizational overview and external environment	Page 8
Governance	Page 40 - 65
Business model	Page 14 - 19
Risks and opportunities	Page 24 - 37
Strategy and resource allocation	Page 14 - 19
Performance	Page 10, 11
Outlook	Outlook statements are mentioned throughout the report to respond to material issues to KFH Egypt and its management approach and future plans.
Basis of preparation and presentation	page 4

IR GUIDING PRINCIPLES	LOCATION
Strategic focus and future orientation	Page 14 - 19
Connectivity of information	This report connects KFH Egypt’s strategy to its material topics as well as the 6 capitals.
Stakeholder relationships	Page 22 - 25
Materiality	Page 24 - 37
Conciseness	The report used the double materiality approach to determine the most important issues to approach in its strategy as well as the report.
Reliability and completeness	This report represents the progression of the Bank’s sustainability reporting. The Bank tried to improve data completeness by building on the previous report’s foundation.
Consistency and comparability	The Bank tried to maintain structural consistency with its previous report’s comprehensive disclosure standards.

SASB Commercial Banks Index

TOPIC	METRIC	LOCATION
Data Security	Number of data breaches, percentage that are personal databreaches, (3) number of account holders affected	P. 60
	Description of approach to identifying and addressing data security risks	P. 60
Financial Inclusion & Capacity Building	(1) Number and (2) amount of finances outstanding that qualify for programmes designed to promote small business and community development	P. 84
	(1) Number and (2) amount of past due and nonaccrual finances or finances subject to forbearance that qualify for programmes designed to promote small business and community development	P. 84
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	N/A
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	N/A
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	P. 87
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	In Progress
	Gross exposure for each industry by asset class	In Progress
	Percentage of gross exposure included in the financed emissions calculation	In Progress
	Description of the methodology used to calculate financed emissions	In Progress
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	None
	Description of whistleblower policies and procedures	Page 53
Systemic Risk	Global Systemically Important Bank (G- SIB) score, by category	N/A
Management	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities	N/A

United Nations Global Compact (UNGC) Principles

UNGC PRINCIPLE	STATEMENT	LOCATION
Human Rights		
Principle -1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Page 96 - 119
Principle -2	Make sure that they are not complicit in human rights abuses.	Page 126 - 129
Labor		
Principle -3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Page 100 - 119
Principle -4	The elimination of all forms of forced and compulsory labor;	Page 126 - 129
Principle -5	The effective abolition of child labor; and	Page 126 - 129
Principle -6	The elimination of discrimination in respect of employment and occupation.	Page 100 - 119, 120
Environment		
Principle -7	Businesses should support a precautionary approach to environmental challenges;	Page 132 - 137
Principle -8	Undertake initiatives to promote greater environmental responsibility; and	Page 120 - 125, 132 - 137
Principle -9	Encourage the development and diffusion of environmentally friendly technologies	Page 64, 65
Anti-corruption		
Principle -10	Businesses should work against corruption in all its forms, including extortion and bribery.	Page 40 - 65, 126 - 129

CBE Reporting Guidelines

N#	PRINCIPLE OF SUSTAINABLE FINANCE	LOCATION
Principle 1	Capacity-Building and Necessary Knowledge	<ul style="list-style-type: none">P. 112 (Total Training Hours: 34,339) Page 87 (capacity building for ESMS, training sustainability ambassadors)
Principle 2	Enhancing Sustainable Finance	<ul style="list-style-type: none">P. 84-85, 87 Finance (green finances, SME financing, ESMS application) Page 85 - 86 (sustainable project financing) 84 (CBE-mandated SME ratio)
Principle 3	Involvement of the Stakeholders	<ul style="list-style-type: none">P. 22-25, 120. Engagement (mapping, material topics, feedback channels) Page 120 - 125 (CSR, financial literacy, social inclusion)
Principle 4	Managing Climate Change Risks	<ul style="list-style-type: none">Environmental P. 56, 130. (Energy Management, GHG Emissions, Water, Waste, Biodiversity) 56 - 59 (integration of ESG/ climate risks into ERM)
Principle 5	Applying the Principles of Sustainability to the Bank's Internal Activities and Operations	<ul style="list-style-type: none">Environmental P. 64-65, 130. (resource efficiency: energy, water, waste) Page 135 (HQ and branches sustainability upgrades) Page 64 - 65 (reducing paper, e-services)
Principle 6	Reporting	<ul style="list-style-type: none">P. 4, 142-169. (GRI, IR, UNGC, SDGs, CBE compliance) Page 24 - 25 (double materiality approach) Page 142 - 169 (GRI Index, SASB Index, UNGC Principles, CBE Guidelines Index)

List of Abbreviations

ABBREVIATION	DEFINITION
AUBE	KFH- Egypt (formerly Ahli United Bank - Egypt)
CBE	Central Bank of Egypt
CDP	Carbon Disclosure Project
CSR	Corporate Social Responsibility
E&S	Environmental and Social
E&S DD	Environmental and Social Due Diligence
EGP	Egyptian Pound
ESG	Environmental, Social, and Governance
FSC	Forest Stewardship Council
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HSE	Health, Safety, and Environment
IFRS	International Financial Reporting Standards
IR	Integrated Reporting

ABBREVIATION	DEFINITION
ISO	International Organization for Standardization
KPI	Key Performance Indicator
KFH	Kuwait Finance House
KFHE	KFH Egypt
KYC	Know Your Customer
LEED	Leadership in Energy and Environmental Design
SD	Sustainable Development
SDG	Sustainable Development Goal
SME	Small and Medium Enterprise
SPT	Sustainability Performance Target
SSB	Shari'a Supervisory Board
TCFD	Task Force on Climate-related Financial Disclosures
UAE	United Arab Emirates
UN	United Nations
UNGC	United Nations Global Compact
USD	United States Dollar

Limited Assurance Statement

To the Board of Directors

KFH Egypt

DCarbon is a sustainability and environmental consultancy firm registered under Egyptian law no. 159 for the year 1981 and its executive regulation. DCarbon is certified by the Global Reporting Initiative (GRI) as a global training partner and a GRI Gold Community member. Our primary focus is to assist public and private organizations in understanding and mitigating their economic, environmental, and social impacts.

KFH Egypt’s Board of Directors engaged DCarbon to perform a Limited Assurance review of its 2024 Sustainability Reporting process (the Report).

Scope, Boundary, and Limitations

The scope of assurance has included data and information for operations in Egypt from 01 January 2024 to 31 December 2024, in accordance with the Global Reporting Initiative’s (GRI) Standards for 2021.

The report’s boundary comprises data and information captured across its operational and business functions. The boundary includes the Company’s Head Office support functions, Corporate Governance, business lines, and stakeholders’ engagements as part of this assurance and as indicated in the report.

The Assurance scope excludes:

- Data and information in the Report outside this reporting period indicating historical data to establish context for the reporting period disclosures or forward-looking statements by *KFH Egypt*.
- Verification statements indicating testimonials, opinions, success stories, and/or aspirations.
- Verification of claims (limited to data and information presented)

Responsibilities of the Bank’s Management

Management was responsible for preparing and fairly presenting the selected information included in this report in accordance with the GRI Standards. It was responsible for asserting that the internal controls enabled the preparation of information free from material misstatement. Through our prolonged engagement with KFH Egypt, we have observed that the leadership and management that governed the release of this report have actively proven their periodical oversight of the process, as well as the departmental focal persons involved in the process.

Responsibilities of the Assurance Provider

The Assurance Provider was responsible for aligning the reported data in accordance with the GRI Standards 2021. It was also responsible for assessing the materiality and stakeholders’ engagement process, as well as the Sustainability Governance structure.

Assurance Methodology

The assurance methodology included procedures to obtain evidence about the reliability of disclosures in terms of:

- Evidence of internal policies, procedures and strategy documents provided by the Bank.
- Processes to determine material topics, and stakeholders’ engagement framework deployed at the Bank
- Assessment of the systems used for data collection and reporting on the standard.
- Alignment with GRI Standards for 2021
- Review of the report to ensure that there is no misrepresentation of disclosures as per the scope of assurance and our findings.

Limited Assurance

Limited Assurance was obtained for disclosures on stakeholder engagement, materiality assessment, and governance.

We advise stakeholders to review the annual report for assurance of financial performance and other standards of practice.

Conclusion

We have reviewed KFH Egypt’s 2024 Sustainability Report. Based on the activities performed and evidence received, the Sustainability Report has been compiled, in all material’s respect, in accordance with the GRI Standards 2021.

DR. *Ehab Shalaby*

Ehab Shalaby, Ph.D.

Chairman & CEO



TRAINING PARTNER

2025





All rights reserved.

No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher, except in the case of brief quotations used in reviews or scholarly work, or other noncommercial uses permitted by applicable copyright laws.