PRINCIPLES FOR RESPONSIBLE BANKING

Self-Assessment Report

2022
# Table of contents

1. **Introduction**
   1.1. About this report 4  
   1.2. About AAIB 5  
   1.3. Purposes and values 7  

2. **Our VCMD statement** 8  

3. **Principle One: Alignment**
   3.1. Business model 12  
   3.2. Strategy alignment 15  

4. **Principle Two: Impact Analysis and Target Setting**
   4.1. Impact analysis 20  
   4.2. Target setting 21  
   4.3. Target implementation and monitoring 22  

5. **Principle Three: Clients and Customers**
   5.1. Clients' engagement 24  
   5.2. Business opportunities 25  

6. **Principle Four: Stakeholders**
   6.1. Stakeholder identification and consultation 30  

7. **Principle Five: Governance & Culture**
   7.1. Governance structure for implementation of the Principles 34  
   7.2. Promoting a culture of responsible banking 35  
   7.3. Policies and due diligence process 36  

8. **Principle Six: Transparency and Accountability**
   8.1. Assurance 39  
   8.2. Reporting on other frameworks 39  
   8.3. Outlook 40
1. Introduction
1.1. About this report

This is the second progress report of the Arab African international Bank (defined as “AAIB”, “the Bank”, or “We”) on its implementation of the United Nations Environment Programme Finance Initiative’s (UNEP-FI) Principles for Responsible Banking (PRB, the Principles).
AAIB along with 129 other international banks became a founding signatory of the Principles in 2019, to strengthen their contribution and align their business strategies with the UN Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

Reporting Period

The report indicates AAIB’s progress on the Six UNEP-FI Principles covering the period for the fiscal year 2022. Some Information before and after these dates may be included to emphasize relevant context to the reporting period.
In consideration of the environment, our report is published, as a downloadable PDF file from our website.

Scope of the Report

The Report highlights AAIB’s remarkable footsteps and progress towards aligning with key frameworks including; the United Nations Global Compact (UNGC), the Equator Principles (EP), and the UNEP-FI to enhance and guide its business activities.
Throughout this report, we will present how we addressed our stakeholders’ material topics and enhanced our sustainability performance, as well as the Bank’s approach to national, regional & global risks, challenges, and opportunities.
This Sustainability Report complements several other reports, including Financial Reports, Annual Reports, Governance, and Risk Reports.

Editorial Policy

This report summarizes PRB implementation at AAIB during the reporting period. It has been prepared in accordance with the UNEP-FI guidelines and using the official reporting template.

Forward-Looking Statements

This Sustainability Report may contain forward-looking statements on various future estimation and paramount considerations that are expected in the landscape of the banking industry, both nationally and regionally. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections or result expressed or implied by such forward-looking statements.

Mistakes and Typographical Errors

Any errors discovered following publication of the report shall be corrected and displayed on our website.
1.2. About AAIB

AAIB Key Milestones

1964
AAIB was established with USD 100mn paid up capital. The shareholders are Kuwait Investment Authority (KIA) and Central Bank of Egypt (CBE) each owning 49.37%

2003
AAIB began its journey with sustainability. AAIB was the first bank in Egypt to introduce the chip technology as both issuer and acquirer.

2005
AAIB became a member of UN Global Compact initiatives Sustainability Unit was formed within the Bank to manage our sustainability activities

2007
AAIB became a member of London Benchmarking Group

2008
AAIB established its main subsidiaries, to transform into a full-fledged financial group

2009
AAIB signed the Equator Principle (EP)

2010
AAIB was the first financial institution to publish the sustainability report in Egypt

2014
AAIB started an industry movement by launching MOSTADAM, the first platform to promote sustainable finance in Egypt and MENA region

2018
AAIB joined the UNEP-FI to develop and introduce the PRBs AAIB established ‘Sandah’ for Microfinance

2019
AAIB was one of the first banks around the globe to sign the Principle for Responsible Banking (PRB) implementation

2021
AAIB launched its 2021-2025 strategy, which aims to create value for its stakeholders

2022
AAIB made significant visible advances in its transformation agenda, strengthened its market position, and delivered solid financial results

AWARDS AND RECOGNITIONS RELATED TO BANKING AND FINANCE

2021
- Best Bank for Treasury Services Egypt 2021
- Best Digital Bank Egypt 2021
- Best Trade Finance Egypt 2021
- Best Corporate Bank Egypt 2021
- Best Wealth Management Bank Egypt 2021
- Best Investment Bank Egypt 2021

2022
- Best Employer Bank Egypt 2022
- Best Corporate Bank Egypt 2022
1.2. About AAIB

**AAIB Key Business highlights (2022)**

- **Total Assets**: USD 13.17bn
- **Total Deposits**: USD 8.81bn
- **Gross Loans**: USD 5.09bn
- **Net Profit**: USD 143.17m
- **Branches**: 97
- **ATMs**: 452
- **Customers**: 509k
- **POS count**: 12.9k

**FROM A BANK TO A FINANCIAL GROUP**

Enacting our vision to become a leading financial group extending its services to the entire region, AAIB established its subsidiaries to operate a vast array of financial sectors;

<table>
<thead>
<tr>
<th><strong>Arab African Investment Management (AAIM)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>AAIM covers different asset classes to enhance investors’ diversification and investment opportunities through its managed equity, money market and fixed income funds. AAIM also manages tailored portfolios that balance risk and return aspects for institutional and high-net-worth individuals depending on each client’s investment guidelines.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Arab African International Securities (AAIS)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>AAIS is the securities trading subsidiary of AAIB. Built on a heritage of proficient financial services and innovation with a powerful customer base, AAIS offers the ultimate safe and efficient online trading platform in the Egyptian stock market.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Arab African International Mortgage Finance (AAIMF)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>AAIMF is one of the fastest growing mortgage finance companies in Egypt and is highly ranked among its local peers. Offering tailor-made services, AAIMF offers a diverse product mix and an innovative lending platform.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Arab African International Leasing (AAIL)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>AAIL is the leasing arm of AAIB with FRA Registration number (280), one of the biggest financial pioneers in Egypt and the Middle East. As the major shareholder, AAIB owns 99% and 1% divided equally between Arab African International Holding (AAIH) and Arab African Employee Fund.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Sandah</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandah is Microfinance Company Initiated as Joint Venture By The AAIB (70%) And SANAD ESF (30%), to address the Egyptian micro and very small enterprises (MVESE) financing market.</td>
</tr>
</tbody>
</table>
1.3. Purposes and values

Across all our relationships with our stakeholders, AAIB will be inspired and guided by a set of values that will shape our mindset and behavior to ultimately define and distinguish our identity.

CUSTOMER DELIGHT
- We place our customers at the center of all our activities
- We provide benchmarks for exclusive standards of customer service

DISTINCTION
- We initiate to differentiate and innovate to lead
- We commit to distinguished performance across all our deliverables

DYNAMISM
- We embrace speed to deliver
- We endeavor to stay ahead of the market

EMPOWERMENT
- We encourage self development and individual initiatives
- We assume ownership and accountability

INTEGRITY
- We highly value our code of ethics
- We prize transparency, confidentiality and self discipline

PASSION
- We have passion for excellence in all our undertakings
- We put our heart into the business

PATRIOTISM
- We measure our performance not only by our financial growth, but also by our contribution to the Egyptian community

AAIB Strategic Focus

AAIB’s strategic focus lays on diversifying our business, customer base, and balance sheet while retaining our core strength in Corporate, SMEs, and Retail Banking. We continuously strive to enhance its client-facing and back-office capabilities to deliver a differentiated value proposition.
2. Our Vice Chairman & Managing Director Statement
Our Vice Chairman and Managing Director (VCMD) Statement

“Our commitment to effective stewardship in the realm of sustainability is driven by our purpose as an organization, to contribute to a thriving economy. We are guided by our ambition to build a legacy of industry leaders that set the premise for sustainable business practices underpinned by responsible banking.”

Dear Stakeholders,

Reflecting on 2022 and the preceding years, the world has navigated through a prolonged period dominated by global uncertainty and unrelenting economic headwinds, curtailing the growth of industries and the wellbeing of communities at large.

As we witness businesses stabilizing and progressing, we believe that corporations are being held to a higher standard than ever before to address the ever-growing challenges and needs of the community and environment beyond their walls — a commitment that I am proud to say we have upheld as an organization throughout the years.

Our journey with sustainability started in 2003 with our ambitious business growth strategy — with that growth came the realization that we need to rise to higher levels of corporate citizenship based on our capacity and ability to create value, making socioeconomic impact part of our daily operations. Our determination to achieve sustainable growth and act as a catalyst for positive change became a mission beyond banking as AAIB was one of the leading banks to set up the foundations of sustainable finance and one of the first banks to develop a social responsibility platform.

Achieving profit and honoring our commitment to the world around us are not mutually exclusive, a concept that has been at the core of our business purpose, engraved in our culture at AAIB and the foundation of our stakeholders’ trust. For the past decade we have proactively integrated principles of sustainability in our business practices through product innovation, supporting socially and environmentally sound investments and mitigating risks. In 2014, AAIB orchestrated an industry movement with the launch of “Mostadam” the first platform to promote sustainable finance in Egypt and the MENA region, placing ESG at the heart of everything we do.
Our position as a leading bank has enabled us to become an advocate for responsible banking as one of the first signatories of the PRB in 2019 and a co-lead of its implementation, aligning our business strategies with the UN SDGs and the Paris Climate Agreement and driving the advancement of its principles across all stakeholders.

Despite the underlying challenges leading up to the past year we have continued to achieve notable progress on our sustainability agenda, amplifying the voice of our governing bodies and actualizing the government’s vision in building a sustainable future, empowering communities through financial inclusion initiatives, endorsing financial literacy, availing microfinance solutions, and supporting SMEs as the backbone of our growing economy. The past year has also witnessed major developments in our digital transformation and tech-enablement — enhancing our accessibility, resource optimization and our ability to serve our customers.

As changes and challenges persist, we are determined to take a leading position in bringing about “A New Era of Finance”, we will continue to play our role in shaping a sustainable future, emulating international best practices, setting the standards for responsible banking amongst our peers and maintaining ongoing dialogues and engagement with our key stakeholders within the organization and beyond to address the most pressing issues and develop the policies, programs and services to create value for all.
3. Principle 1: Alignment
3. **Principle 1: Alignment**

3.1. Business model

*We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.*

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
</table>
| Describe (high-level) your bank’s business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank’s portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served. | Annual report  
Sustainability reports  
Financial statements |

AAIB business model is set towards the creation of shared value to all stakeholders through providing an extensive range of financial products and services. The Bank is committed towards adapting to the rapidly changing financial environment.

AAIB has been a leader in providing full-service banking in Egypt for more than 50 years, and one of the country’s fastest-growing banks in profitability over the past decade.

Through this model, AAIB has shown its determination to be the trusted partner of its customers and to meet all their financial and investment needs. We have built a strong franchise serving top-tier clients, which amounted to +509k clients in 2022 spread around 97 branches.

AAIB's extended its presence both in the local & regional markets, with our footprint reaching individuals and businesses across different regions, including; Egypt, UAE, and Lebanon.

AAIB also maintains a large network of correspondent Banks globally in Europe, the US, and the GCC & that can positively contribute to supporting trade finance operations, promoting domestic SMEs, and bolstering the renewable energy sector.
3. **Principle 1: Alignment**

3.1. Business model

We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

The Bank offers a broad range of banking and financial services, including; Corporate Banking, Small & Medium Enterprises (SMEs), and Retail Banking.

**Corporate Banking**

Since our establishment in 1964, we have been the market-leader in corporate and commercial services in Egypt and the Gulf region.

The Bank offers an array of products and services ranging from short- and medium-term working capital financing products to tailored, structured solutions for more complex short and longer-term financing needs, available in both local and foreign currencies.

**SMEs**

The SMEs division is responsible for providing financial services tailored specifically to small and medium-sized enterprises.

During the past year, AAIB made remarkable advances in SME lending reinforcing its position as an indispensible pillar of support for these vital engines of economic development. A quarter of our balance sheet, an extraordinary EGP 14.7 billion (USD 935 million) is allocated to small and medium-sized enterprises, which is the greatest indicator of our dedication. This transformational shift represents a tripling of our portfolio of SMEs beginning in 2019, marking a significant milestone in our journey.

**Retail Banking and Wealth Management Service**

AAIB provides a full suite of innovative consumer Products & Services ranging from; Personal, Pension, Governmental, and Mortgage loans, in addition to competitive pricing on customer deposits through segmented programs.

Retail sales experienced exponential growth in 2022. Capitalizing on the successes of the transformation program, we significantly improved our retail proposition. This expansion occurred across retail segments including the retail network, the product offering, and the operational systems.
3. **Principle 1: Alignment**

3.1. Business model

We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

**Treasury and Capital Market**

The Treasury and Capital Market Group at AAIB oversees the management of liquidity and market risks associated with the Bank’s balance sheet. It also offers expert advisory and trading services to AAIB’s clients in global markets. The group’s main activities include trading in government debt instruments, trading in foreign exchange, money markets, financial derivatives, and hedge products, as well as managing the Bank’s liquidity, product development, and market research.

**Investment Group**

The Investment Group has made significant investments to support its activities and strategic direction. This includes seizing new investment opportunities by investing in existing enterprises to mitigate risk and earn faster revenues. Additionally, the Bank has five subsidiaries; Arab African Investment Management (AAIM), Arab African International Securities (AAIS), Arab African International Mortgage Finance (A AIMF), Arab African International Leasing (AAIL) and Sandah for Microfinance.

**Financial Institutions and International Financial Services**

The Financial Institutions & Correspondent Banking division’s (FI) primary role is to build and maintain a network of global credit institutions and banks. The broad scope of the division’s correspondent network has been a major factor driving the Bank’s growth, providing cross-selling opportunities for clients at a significant competitive advantage. The division communicates regularly with its network of correspondents, evaluates opportunity risks, monitors major developments in international markets, and initiates strategic alliances that have grown the Bank’s market share significantly over the years.

Through FI’s network of correspondents, the Bank has closed a number of important financing agreement with major banks in Europe, the US, and the GCC, along with Afrexim, (IFC) and the European Bank for Reconstruction and Development (EBRD). The agreements allow AAIB’s customers to benefit from financing packages that can positively contribute to supporting trade finance operations, promoting domestic SMEs, and bolstering the renewable energy sector.
3. **Principle 1: Alignment**

3.2. Strategy alignment

We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society’s goals, as expressed in the SDGs, the Paris Climate Agreement, and relevant national and regional frameworks.</td>
<td>Annual report</td>
</tr>
<tr>
<td></td>
<td>Sustainability reports</td>
</tr>
<tr>
<td></td>
<td>Financial statements</td>
</tr>
</tbody>
</table>

AAIB is committed to imbedding the UNGC principles within its strategy, as we constantly focus on building a culture of sustainability into the DNA of our bank through applying sustainable strategies that integrate the ESG pillars into the business:

- **Environmental Aspects;** such as climate change and resource scarcity, as well as
- **Social Aspects;** such as human rights, financial inclusion, and data privacy,
- **Corporate Governance Aspects,** such as board composition, anti-corruption, and ethical business practices.

Collectively, these ESG (Environmental, Social and Governance) factors shape our approach and priorities.

AAIB is aligned with the **UN Global Compact (UNGC),** [the London Benchmarking Group (LBG)], UN SDGs, the **Paris Climate Agreement,** Egypt Vision 2030, the **Equator Principal** and the CBE’s **Financial Inclusion Strategy 2022–2025** as part of its growth strategy.

AAIB’s strategic focus lies on diversifying our business, customer base, and balance sheet while retaining our core strength in corporate and business Banking.

AAIB continuously strives to enhance its client-facing and back-office capabilities to deliver a differentiated value proposition.

In 2022, the bank aims to sustain its growth momentum by tapping into our new and enhanced mobile and online banking benefits. This digital transformation will strengthen our market position and drive customer acquisition. AAIB will continue to deepen its penetration in Business Banking and wealth, focusing on customer value proposition to suit the requirements of businesses of all sizes.
3. **Principle 1: Alignment**

3.2. Strategy alignment

We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

<table>
<thead>
<tr>
<th>Product/Service/ Initiative</th>
<th>Value Creation to SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Digital Transformation</strong></td>
<td></td>
</tr>
<tr>
<td>AAIB 2021-2025 strategy revolves around digital transformation, which will lead to increasing accessibility and better resource optimization. Among our most noteworthy accomplishments was the launch of our new mobile application, a significant milestone in our digital transformation journey. We offer a variety of other digital services and solutions, including internet banking, digital wallets, cash flow management, and POS services.</td>
<td><img src="https://via.placeholder.com/150" alt="Image" /> <img src="https://via.placeholder.com/150" alt="Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Supporting SMEs</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AAIB has developed solutions for SMEs, nurturing their growth and operational efficiency as they strive to become tomorrow’s larger companies. In 2022, SME business stood at 25% of the balance sheet. AAIB SME dedicated team aims to expand AAIB’s market share through the implementation of the SME transformational strategy. The Bank has dedicated business centers across Egypt offering financial and non-financial services to clients.</td>
<td><img src="https://via.placeholder.com/150" alt="Image" /> <img src="https://via.placeholder.com/150" alt="Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Micro Finance</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandah, AAIB’s microfinance subsidiary, started operations in 2018. It is a pillar in our corporate social responsibility framework, as it contributes to financial inclusion, reduces poverty and unemployment, and enhances broader economic well-being. In 2022, Sandah’s portfolio amounted to USD 140 million, across 30 branches, with 512 employee.</td>
<td><img src="https://via.placeholder.com/150" alt="Image" /> <img src="https://via.placeholder.com/150" alt="Image" /></td>
</tr>
</tbody>
</table>
3.2. Strategy alignment

<table>
<thead>
<tr>
<th>Product/Service/ Initiative</th>
<th>Value Creation to SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Inclusion</strong></td>
<td></td>
</tr>
<tr>
<td>Throughout the years, AAIB has developed numerous services and</td>
<td></td>
</tr>
<tr>
<td>initiatives that promote financial inclusion in Egypt.</td>
<td></td>
</tr>
<tr>
<td>In June 2022, AAIB launched the Business Banking segment for</td>
<td></td>
</tr>
<tr>
<td>all non-borrowing companies under consumer banking division,</td>
<td></td>
</tr>
<tr>
<td>which increased our portfolio by 6% till end of 2022. This</td>
<td></td>
</tr>
<tr>
<td>segment aims to increase our portfolio composition, to be</td>
<td></td>
</tr>
<tr>
<td>more relying on cheap fund, and attract NTB segment.</td>
<td></td>
</tr>
<tr>
<td>Additionally, We offer a wide range of services to facilitate</td>
<td></td>
</tr>
<tr>
<td>companies’ daily operations, including; money transfers,</td>
<td></td>
</tr>
<tr>
<td>online transactions, trade financing, electronic payroll,</td>
<td></td>
</tr>
<tr>
<td>governmental payments, and fully secured facilities which</td>
<td></td>
</tr>
<tr>
<td>generate fees and commission.</td>
<td></td>
</tr>
<tr>
<td>Quality Education and Financial Illiteracy Elimination</td>
<td></td>
</tr>
<tr>
<td>AAIB believes in empowerment through knowledge, and one of the</td>
<td></td>
</tr>
<tr>
<td>key aspects is to promote financial literacy and raise</td>
<td></td>
</tr>
<tr>
<td>awareness of the unbanked population segments on how to</td>
<td></td>
</tr>
<tr>
<td>access financial products and services in the Egyptian formal</td>
<td></td>
</tr>
<tr>
<td>financial sector.</td>
<td></td>
</tr>
<tr>
<td>AAIB launched education loan, this loan is designed for</td>
<td></td>
</tr>
<tr>
<td>customers to pursue their career goals, provide a better</td>
<td></td>
</tr>
<tr>
<td>education for their children. It covers the financing of</td>
<td></td>
</tr>
<tr>
<td>educational courses, diplomas, MBA, Masters, PHD, and</td>
<td></td>
</tr>
<tr>
<td>university/school fees.</td>
<td></td>
</tr>
<tr>
<td>Reducing our carbon footprint</td>
<td></td>
</tr>
<tr>
<td>In 2022, we took a significant step towards reducing our</td>
<td></td>
</tr>
<tr>
<td>carbon footprint with the inauguration of our new eco-friendly</td>
<td></td>
</tr>
<tr>
<td>head office.</td>
<td></td>
</tr>
<tr>
<td>encapsulates our core values of environmental responsibility.</td>
<td></td>
</tr>
<tr>
<td>The building’s eco-design incorporates sustainability into the</td>
<td></td>
</tr>
<tr>
<td>everyday work environment, from energy-efficient systems and</td>
<td></td>
</tr>
<tr>
<td>lighting to optimized water usage.</td>
<td></td>
</tr>
</tbody>
</table>
3.2. Strategy alignment

<table>
<thead>
<tr>
<th>Product/Service/ Initiative</th>
<th>Value Creation to SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Green Finance</strong></td>
<td></td>
</tr>
<tr>
<td>AAIB offers financing solutions to its customers such as providing loans that support in enhancing and sustaining the environment.</td>
<td></td>
</tr>
<tr>
<td>AAIB succeeded in financing environmentally sound projects including renewable energy and energy efficiency projects across Egypt.</td>
<td></td>
</tr>
<tr>
<td>AAIB signed a long-term loan agreement worth EGP 200m with Enara Group’s subsidiary Libra Capital to finance renewable energy projects in March 2021</td>
<td></td>
</tr>
</tbody>
</table>

By benchmarking its efforts against national and international guidelines and practices, the Bank aims to continue delivering value to its beneficiaries and the environment, while generating maximum value for its customers and shareholders. We will continue to ensure that our strategy is consistent with and contribute to society's goals, as expressed in the SDG.

**Achieved SDGs within our organization practice**

- **End poverty in all its forms everywhere**
- **Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**
- **Achieve gender equality and empower all women and girls**
- **Ensure access to affordable, reliable, sustainable and modern energy for all**
- **Promote sustained, inclusive and sustainable economic growth, full and productive employment**
- **Build resilient infrastructure, promote inclusive sustainable industrialization and foster innovation**
- **Reduce inequality within and among countries**
- **Make cities and human settlements inclusive, safe, resilient and sustainable**
- **Ensure sustainable consumption and production patterns**
- **Take urgent action to combat climate change and its impacts**
4. Principle 2: Impact Analysis and Target Setting
4. **Principle 2: Impact Analysis and Target Setting**

4.1. **Impact Analysis**

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
<tbody>
<tr>
<td>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</td>
<td>Sustainability reports</td>
</tr>
<tr>
<td>a) <strong>Scope</strong>: What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.</td>
<td></td>
</tr>
<tr>
<td>a) <strong>Portfolio composition</strong>: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope</td>
<td></td>
</tr>
</tbody>
</table>

We acknowledge the role of the banking sector in accelerating creating positive impacts in societies where they operate. The most significant impact results mainly from its financing and lending activities, which entails broadening risk management interpretation beyond the traditional risk management definition including credit risk, market risk, operational risk and liquidity risk to include E&S risks. In 2009, we started reporting to the EP, as the first bank in Egypt, to integrate key ESG aspects in our project lending operations.

AAIB’s EP report published in 2021 broadened the risk management scope to include E&S risks in project-related transactions such as; climate change, income inequality, and more constituting sources of major financial tremors and instability. The Bank is taking active steps towards further consolidating a solid infrastructure built around the E&S Policy, Organizational Structure, and Capacity Building.

In the upcoming year, AAIB will perform detailed impact analysis to consider the composition of its portfolio in the analysis.
### Principle 2: Impact Analysis and Target Setting

#### 4.2. Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
<tbody>
<tr>
<td>Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.</td>
<td>NA</td>
</tr>
<tr>
<td>a) Alignment: Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.</td>
<td></td>
</tr>
<tr>
<td>a) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.</td>
<td></td>
</tr>
</tbody>
</table>

In the upcoming year, the Bank will select key impact areas to set targets on. The Bank will select qualitative and quantitative indicators to assess its performance in these two impact areas.
4. **Principle 2: Impact Analysis and Target Setting**

4.3. Target Implementation and Monitoring

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
<tbody>
<tr>
<td>For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Report on your bank’s progress since the last report toward achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.</td>
<td>NA</td>
</tr>
</tbody>
</table>

In the coming year, the Bank will select qualitative and quantitative indicators to assess its performance in the targeted impact areas.
5. Principle 3: Clients and Customers
5. **Principle 3: Clients and Customers**

5.1. **Client Engagement**

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
</table>
| Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on relevant policies, actions planned/implemented to support clients’ transition, selected indicators on client engagement, and, where possible, the impacts achieved. | Annual report  
Sustainability reports |

As part of AAIB’s sustainable finance strategy, client engagement and sustainability advocacy are considered as an enabler for client awareness and supporting their transition towards a more sustainable business model. We seek through an active and transparent dialogue with our clients to listen, analyze and develop our operations to enhance the level of client satisfaction and meet their expectations. Serving clients well isn’t limited to delivering superior client service and experience, We want our clients to make better financial decisions that enable them to satisfy their needs and reach the best possible financial wellbeing.

The Central Bank of Egypt (CBE) has attached high priority to developing the banking sector through the application of international best practices and has considered protecting the rights of customers is one of the main elements to achieving financial inclusion. The general concept of protecting the rights of customers revolves around:

- Creating a clear regulatory framework that defines the relationship between the banking service providers and their users; in addition to,
- Raising customers' banking awareness and enabling them to make sound decisions.
5. **Principle 3: Clients and Customers**

5.2. Business Opportunities

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe what strategic business opportunities in relation to the increase of</td>
<td>Annual report</td>
</tr>
<tr>
<td>positive and the reduction of negative impacts your bank has identified and/or</td>
<td>Sustainability reports</td>
</tr>
<tr>
<td>how you have worked on these in the reporting period. Provide information on</td>
<td></td>
</tr>
<tr>
<td>existing products and services, information on sustainable products</td>
<td></td>
</tr>
<tr>
<td>developed in terms of value (USD or local currency), and/or as a % of your</td>
<td></td>
</tr>
<tr>
<td>portfolio, and which SDGs or impact areas you are striving to make a positive</td>
<td></td>
</tr>
<tr>
<td>impact on (e.g. green mortgages – climate, social bonds – financial inclusion,</td>
<td></td>
</tr>
<tr>
<td>etc.).</td>
<td></td>
</tr>
</tbody>
</table>

AAIB’s Sustainable practices includes; engaging clients in sustainable business, fostering clients’ financial literacy, and enhancing their experience. In light of that, the Bank has shown a noticeable progress towards maintaining these aspects:

**Engaging Clients in Sustainable Practices**

We aim to support our clients with the transition plans to achieve a more sustainable future through sustainable economic activities. To this end, We are developing products and services that meets environmental and financial needs.

- **Green finance**

  AAIB offers financing solutions to its customers such as providing loans that support in enhancing and sustaining the environment.

  In 2020, the Bank introduced its Solar Energy Loan to empower its customers to move to sustainable practices and behaviors, part of our broader effort to create a market for renewable energy in Egypt.

  The product was designed in recognition that energy efficient homes have reduced utility bills and therefore will have lower ongoing costs, thus are lower risk investments because they reduce the financial burden on home-owners on the long-run. It was also designed with the perspective of encouraging clients to help in the transition to a low carbon economy.
5. Principle 3: Clients and Customers

5.2. Business Opportunities

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Fostering client education

Consumer education also buttressed our reputation for looking out for our customers’ best interests. For example, we ran a campaign to raise consumer awareness of electronic fraud.

Finally, we invested significant time in preparation for the launch of a new core banking system, which will strengthen the foundation for our digital service strategy now and onward.

Enhancing Clients’ Experience

Meeting customer expectations starts with understanding what matters to them most. Accordingly, we have redesigned our retail banking value proposition, launched new products and service strategies in order to address our clients’ needs and improve their experiences. Putting this into action, we completely restructured our HR systems and policies in line with our revamped service delivery model and made key hires to support our goals as well as our clients’.

• Complaints General Department:
  The department responsible for collecting and forming complaints from all channels of internal or external communication with the Bank, as it conducts a preliminary study of the complaint and forwards it to the concerned party and determines the time period required to answer it.

• Follow-up General Department:
  It is provided with human cadres with appropriate expertise, as it is provided with elements from the middle management (two banking expertise and two legal affairs) available in the Bank, and it is responsible for studying the responses received from the concerned authorities, so that the complainant is answered according to the procedures.

• Quality Assurance and Data Confidentiality General Department:
  It is responsible for analyzing the nature of complaints and taking the necessary measures to ensure their non-recurrence (which may require an amendment to the applicable procedures), educating clients about the mechanism for submitting complaints, as well as making sure to include all correspondence and account statements addressed to clients.
5. **Principle 3: Clients and Customers**

5.2. Business Opportunities

*We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.*

---

**Financial inclusion**

Financial inclusion is at the top of AAIB agenda in accordance with the CBE direction. We aim to include the unbanked segments in the formal economy by providing them with customized solutions and services to cater their needs and include them into the banking sector.

In June 2022, AAIB launched the Business Banking segment for all non-borrowing companies under consumer banking division. This segment aims to increase our portfolio composition to be more relying on cheap fund hence increase the existing portfolio and to attract NTB that will lead to increase profitability. Portfolio acquisition increased by 6% since launching till end of 2022.

Throughout the years, We have developed numerous services and initiatives that increased the level of financial literacy and financial inclusion in Egypt. We offer wide range of services to facilitate companies’ daily operations as these companies generate more profits which aligned with bank strategy to grow on this segment, Such as; money transfers, online transactions, trade financing, electronic payroll, governmental payments, and fully secured facilities which generate fees and commission.

**Digital Transformation**

Our strategic approach to digital development has propelled product innovation, segment diversification, and channel expansion, thereby positioning us as a financially progressive organization.

In 2021 the Digital Factory launched:

- **The AAIB Mobile Banking Application**, its first product, which allows retail customers to view their accounts and transfer funds;
- **Whatsapp Banking**, a service for retail customers to answer queries and refer prospects;
- **Business Online Banking**, an online service for companies to execute payroll, pay suppliers, make governmental payments, and complete domestic transfers online.
5. **Principle 3: Clients and Customers**

5.2. Business Opportunities

*We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.*

In the first year of launch, We reached a digital penetration ratio of 16% of our customer base and achieved 82% migration ratio of transfers done digitally. In addition, our customer engagement and transaction increased by 243% YoY.

In 2022, the launch of our mobile application was a significant milestone. The initiative not only expanded our digital footprint but also strengthened our consumer engagement by putting a variety of services at their fingertips. In addition, we implemented multiple alternative channels, marking a substantial expansion of our customer engagement capabilities.

The Bank created dedicated social media accounts for customer service, marketing, community engagement and regularly posted updates and content that resonated with its audience. In addition to developing new and alternative channels for engaging with our customers, AAIB Digital Factory now has dedicated squads to build and enhance the end-to-end customer journey for profitable segments including Wealth Management & Business Banking Platinum.

Bank branch transformation is also a significant part of AAIB’s modernization. To kickoff our branch transformation endeavors, We are revamping the queuing flow in the branches by upgrading the customer experience and launching Qmatic, a global system for queuing within our bank branches. This system will permit the Bank to monitor the branches’ flow minute by minute, customize the branches’ operational model at any minute, and extract insights helping the organization enrich AAIB branches’ experience and understand our workforce’s efforts in serving our customers.

In addition, We have replaced 200 ATMs with new upgraded machines, revamped 21 branches with automation tools (including sales digitization), and launched six Commercial Service Hubs in Cairo and Alexandria with dedicated trade specialists for companies across Corporate, SME, and Business Banking.

AAIB’s transformation also includes implementing digital workflow processes, including an automated account opening process with same-day service (reducing the account opening process time by 80%), retail and SME credit digitized process to fast-track lending and collections processes, and credit collections optimization models. And as a part of building an enterprise resource planning (ERP) system, We have launched an upgraded HR system and legal affairs management application for automated internal legal processes.

AAIB_Internal_Use
6. Principle 4: Stakeholders
6. **Principle 4: Stakeholders**

6.1. Stakeholder identification and consultation

*We will proactively and responsibly consult, engage, and partner with relevant stakeholders to achieve society’s goals.*

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.</td>
<td>Sustainability reports</td>
</tr>
</tbody>
</table>

Believing in the importance of SDG 17 “Partnership for the Goals”, We have been joining forces with civil society, public sector and peer banks worldwide to pave a way for responsible banking. Our corporate social responsibility initiatives and sustainable business practices all for regular and active dialogue with internal and external stakeholders.

Stakeholders’ engagement and collaboration is a key and has been recognized as a standalone goal among the SDGs to achieve environmental and social goals. AAIB maintains dialogue with stakeholders who strongly impact or are strongly impacted by its business activities and operations, particularly, clients, employees, regulator, shareholders, civil society and the media. Key stakeholders have been identified through analysis of our mandate, scope of offering by market and parties impacted by the group’s commitments.

We prioritize social responsibility in our products and services, as a result We form many partnerships to drive diversity and inclusion. Meanwhile, the channels, frequency, and engagement topics are revisited annually for each reporting cycle. The Bank’s communication channels maintained their course regarding compliance with national laws, contractual terms, policies and regulations, and sustainability commitments.
AAIB maintains its responsibility toward its stakeholders and is committed to creating value and generating returns. AAIB stakeholders include, but are not limited to:

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Purpose of Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Green Economy Financing Program (GEFF)</strong></td>
<td>AAIB collaborated with GEFF to finance environmental compliance projects, energy efficiency projects, new and renewable energy, water and wastewater rationalization and reuse, as well as sustainable land management.</td>
</tr>
<tr>
<td><strong>Ahl Masr Foundation</strong></td>
<td>AAIB joined forces with Ahl Masr Foundation to withstand the pandemic through three mega projects; 1. The first project was to fully purchase and install four intensive care units featuring state-of-the-art equipment. 2. The second project involved providing medical staff in nine hospitals with 6,480 units of medical gear (known as personal protection equipment, or PPEs) 3. The third initiative was to inaugurate a new, fully equipped quarantine hospital with the capacity of 150 beds to complement the initiatives and precautions undertaken by the Government to manage this crisis.</td>
</tr>
<tr>
<td><strong>Micro, Small, and Medium Enterprises Development Agency (MSMEDA)</strong></td>
<td>The Bank received an EGP-200-mn grant from MSMEDA to finance SME business and enhancing AAIB portfolio during the coming years.</td>
</tr>
</tbody>
</table>
6. **Principle 4: Stakeholders**

6.1. Stakeholder identification and consultation

> *We will proactively and responsibly consult, engage, and partner with relevant stakeholders to achieve society’s goals.*

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Purpose of Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFC</td>
<td>AAIB joined forces with IFC to provide financial support of USD 100 million; credit Line to be used as follows (i) USD 50 million exclusively to finance Medium Enterprises and (ii) USD 50 million exclusively to finance Eligible Sub-projects of energy efficiency and renewable energy.</td>
</tr>
</tbody>
</table>
| EBRD and Agence Française de Développement (AFD) | AAIB joined forces with AAIB joined hands with EBRD & AFD signing a Sustainable Energy Financing Facility to support the SMEs Sector.  
On the 5<sup>th</sup> of November, AAIB, EBRD & AFD signed a 5 years Sustainable Energy Financing Facility of USD 30 million to facilitate, improve and promote the use of green and sustainable energy in Egypt. The Sustainable Energy Financing Facility represent the third and last tranche of the $ 110 Million EBRD package of Facilitates granted to AAIB, where during 2018 AAIB signed a $ 50 Million Revolving Credit Agreement to Finance Foreign Documentary and Trade related business and on 2017 another $ 30 million for the Small and Medium Enterprises facility. |

AAIB is keen to strengthen and expand its network of stakeholders, leveraging their expertise to scale the Bank’s sustainability agenda and create value nationwide.
7. Principle 5: Governance and Culture
7. **Principle 5: Governance and Culture**

7.1. Governance Structure for Implementation of the Principles

*We will implement our commitment to these Principles through effective governance and a culture of responsible banking.*

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe the relevant governance structures, policies, and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles.</td>
<td>Sustainability reports</td>
</tr>
</tbody>
</table>

• **Serving Stakeholder Interests with Solid Governance**

AAIB operates under the firm belief that good governance lays the foundation for sustainable growth. Creating sustainable value is a common goal shared by everyone at AAIB and this precept is supported by a strong corporate governance structure, which is a key to AAIB’s success story from how We run our business to how We form and nurture partnership with our stakeholders.

AAIB’s solid governance framework is designed to protect the interests of all stakeholders, ensure compliance with regulatory requirements, and enhance organizational efficiency. This framework includes a healthy organizational structure that clearly segregates the roles and responsibilities of all parties. The framework also provides clear mandates for the board and its sub-committees, management, and management committees for running the business. End of 2020, the Board of Directors (BoD) consisted of eight qualified members: seven non-executive directors, and one executive director. This separation of the chairman and chief executive functions is consistent with best practices and CBE directions.

• **Fostering Sustainability Culture**

AAIB continued to establish a strong structure with systematic roles and responsibilities to integrate sustainability in the Bank’s functions. The Sustainability Department has been recognized as an active department in the Bank that facilitates cross-functional coordination among all departments. The unit ensures the seamless integration of ESG across all functions as well as diligent reporting.
7. **Principle 5: Governance and Culture**

7.2. Promoting a culture of responsible banking

*We will implement our commitment to these Principles through effective governance and a culture of responsible banking.*

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe the initiatives and measures of your bank to foster a culture of</td>
<td>Sustainability reports</td>
</tr>
<tr>
<td>responsible banking among its employees (e.g., capacity building, e-learning,</td>
<td></td>
</tr>
<tr>
<td>sustainability trainings for client-facing roles, inclusion in remuneration</td>
<td></td>
</tr>
<tr>
<td>structures and performance management and leadership communication, amongst</td>
<td></td>
</tr>
<tr>
<td>others).</td>
<td></td>
</tr>
</tbody>
</table>

To embed sustainability within our bank’s business, we support socially responsible business management and the integration of social and environmental criteria in everything we do. To ensure sustainability permeates our practices, we are currently developing sustainability and ESG-related training projects for our staff.

AAIB partnered with the American University in Cairo (AUC) School of Business to form the AUC Venture Lab in 2013 to support young entrepreneurs and their business ideas. The Venture Lab has grown into the leading university-based startup incubator in the MENA region and has launched more than 271 startups with more than 10,000 jobs.

Furthermore, increasing AAIB’s staff awareness of operational risks and operational efficiency is important to us. To raise the level of corporate loyalty among AAIB’s staff, the Bank has introduced various types of awareness programs such as:

- Developing trainings to introduce the sustainability practice.
- Encouraging AAIB staff to lead the transformation and align with AAIB’s development plan through creating reward programs; “Transformation Lead of the Quarter” an award aims to recognize one employee per quarter who is a positive change agent, leading the AAIB transformation journey & making the ideas happen. This award is presented each quarter to 1 employee. In 2021, We had four winners.
- Adopting environment friendly initiatives “Paperless Award” The purpose of this award is to encourage teams to use less paper to support the environment and during 2021, We recognized two teams.

The goal of such initiatives is to increase the level of recognition, respect and appreciation which indirectly influences the best use of the Bank’s facilities towards a higher level of corporate sustainability.
7. **Principle 5: Governance and Culture**

7.3. Policies and due diligence processes

*We will implement our commitment to these Principles through effective governance and a culture of responsible banking.*

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.</td>
<td>Annual report Sustainability reports</td>
</tr>
</tbody>
</table>

AAIB is committed to applying a Sustainable Finance Policy and a Sustainable Finance Strategy. The key target of the policy and strategy is to create synergies between the Bank’s diverse departments and mainstream sustainability Bank-wide.

- **Policies that support our responsible banking strategy**
  - **A. Environmental and Social (“E&S”) Policy:**
    To safeguard its portfolio, the Bank has adopted an Environment and Social Policy, integrating environmental and social risks into its overall credit risk assessment framework. It is a robust policy that acts as a reference to review transactions We finance, helps staff advice clients, and promotes responsible ways of doing and financing business.

  - **B. Sustainability Policy:**
    In 2020, We started drafting our Sustainability Policy, which will apply to all AAIB’s staff and subsidiaries. This policy is based on the UNEP FI’s PRB. It revolves around aligning AAIB’s strategy and business activities with the SDGs, the Paris Climate Agreement, and relevant national and regional frameworks, including Egypt Vision 2030.
7. **Principle 5: Governance and Culture**

7.3. Policies and due diligence processes

*We will implement our commitment to these Principles through effective governance and a culture of responsible banking.*

---

**Main International Frameworks We support**

Our sustainability performance has been assessed by major sustainability rating frameworks. We use these assessments as guidelines to improve our future decisions, businesses, and operations. In addition, these assessments along with our rankings and ratings compared to our local and international peers serve as a benchmark clarifying where we stand.

Since 2005, we have been forerunners opting to several international frameworks to assess our practices. AAIB is a signatory to the UN Global Compact (UNGC) which acts as the guideline for human rights, labor rights, environment, and anti-corruption; the Equator Principles which act as the main guideline for determining, assessing and managing social and environmental risks in project-related transactions and the United Nations Environmental Programme Finance Initiative (UNEP FI) under which AAIB collaborated with 29 banks around the globe to introduce the Principles for Responsible Banking (PRBs).

The PRBs delineate the banking sector’s roles and opportunities in pursuing national and global goals articulated by Egypt Vision 2030, the Sustainable Development Goals, and the Paris Climate Agreement.

- **UNEP FI PRBs:** AAIB is a founding signatory of the UNEP FI’s PRBs.
- **UNGC:** AAIB is committed to responsible business practice in line with the 10 Principles of the UNGC, which are categorized under four principles of human rights, labor standards, environment and anti-corruption.
- **EP:** AAIB analyzes the E&S risks of its financing activities under the scope of the EP
8. Principle 6: Transparency & Accountability
8. **Principle 6: Transparency & Accountability**

8.1. Assurance

*We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.*

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?</td>
<td>NA</td>
</tr>
</tbody>
</table>

A central part of our disclosure is this annual PRB reporting. We have been undertaking many actions to support our commitment to responsible banking.

This report has been prepared in accordance with the Guidance for Assurance Providers: Providing Limited Assurance for Reporting

8.2. Reporting on other frameworks

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does your bank disclose sustainability information in any of the listed below standards and frameworks?</td>
<td>Sustainability reports</td>
</tr>
</tbody>
</table>

A central part of our disclosure is this annual PRB reporting. We have been undertaking many actions to support our commitment to responsible banking.

AAIB has issued standalone sustainability reports since 2015, and its approach to reporting has continuously evolved. For the year 2022, AAIB is transitioning to integrated reporting to make disclosures more accessible to all stakeholders.

In addition, We are commitment to the EP and the Ten Principles of the UNCG, our commitment to the PRB was an important step to ensure that We address the key areas that matter the most to our stakeholders.
8. ** Principle 6: Transparency & Accountability **

8.3. **Outlook**

*We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.*

<table>
<thead>
<tr>
<th>Section scope</th>
<th>Reference links</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the next steps your bank will undertake in the next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly</td>
<td>NA</td>
</tr>
</tbody>
</table>

Since becoming a signatory, AAIB has been working diligently internally with all bank departments and board of directors, and externally with its clients and stakeholders, to advance towards responsible banking and enhance its business model where sustainability practices are improved and adopted.

- **Impact Analysis**
  In the upcoming reporting cycle, AAIB will prepare an exhaustive impact analysis for its customers portfolio in order to cover a wider scope of data and safeguard the quality and accuracy of its impact assessment results.

- **Target Setting and Implementation**
  AAIB will continue to define and publish its targets and road map, to support the Bank in its journey towards growing its positive impacts and achieving its commitment to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.