



# RESILIENCE TOWARD A DYNAMIC FUTURE

---

SUSTAINABILITY REPORT 2023

# ABOUT THIS REPORT

## The Organization

Throughout this report, "IDB," "the Bank," "our," and "we" refer to the Industrial Development Bank. IDB was established in 1947 by Law No. 131 of 1947. The Workers Bank was merged into the Industrial Development Bank in October 2008, and the name of the Bank became the Industrial and Workers Bank of Egypt. As part of an ambitious plan to expand its base and spread, the Central Bank of Egypt agreed to change the Bank's name to Industrial Development Bank (IDB) in October 2018.

## Scope of the Report Period and Cycle

This is the first annual Sustainability Report featuring one calendar year from January 2023 to December 2023. Some information before and after these dates may be included to emphasize context relevant to the reporting period.

## Referenced Reporting Guideline

The report is prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards 2021.

## Forward-Looking Statement

The Sustainability Report contains forward-looking statements that do not guarantee future performance, and undue reliance should not be placed on them. Such forward-looking statements involve known and unknown risks and uncertainties that may cause actual performance and financial results in future periods to differ materially from any projections or results expressed or implied by such forward-looking statements.

## Mistakes and Typographical Errors

Any errors discovered following the publication of the report will be corrected and displayed on our website.

## For Further Information please contact :

Mr. Abbas Chams

Abbas.Chams@IDBE.COM.EG

# CONTENTS

- **IDB at a Glance** >
- **Chairman Message** >
- **Sustainability Highlights** >
- **Aligning with International Frameworks for Sustainable Impact** >
  - United Nations Sustainable Development Goals
- **Governance** >
  - Corporate Governance
  - Stakeholder Engagement
  - Double Materiality
  - Risk Management
- **Portfolio Offerings and Business Solutions** >
  - Business Lines
    - » Corporate
    - » Retail
    - » Microfinance
    - » SMEs
- **Advancing Our Retail Services** >
  - Financial Inclusion
  - Digital Banking
    - » Global Transaction Banking
- **Sustainable Initiatives for a Greener Future** >
- **Building Organizational Capabilities** >
  - HR
- **Creating Corporate Shared Value** >
  - CSR
- **GRI Index** >
- **Assurance Letter** >



## IDB at a Glance

The Industrial Development Bank (IDB) is an Egyptian public bank dedicated to offering a range of financial products and services to diverse clients, including retail, corporate, and government entities involved in various economic and developmental activities, as well as facilitating the use of foreign currencies for imports.

Over the past three decades, the Bank has expanded and diversified its activities to meet the emerging financial needs of industrial projects, reaching an authorized issued and paid-up capital of EGP 500 million in compliance with the Central Bank of Egypt's (CBE) requirements.



### VISION

Our vision is to play a pivotal role in Egypt's Sustainable Development Agenda (Vision 2030) by revolutionizing the banking landscape. We are committed to actively contributing to key objectives related to financial inclusion and sustainable green projects. We focus on providing an unparalleled banking experience characterized by speed, simplicity, and efficiency.



### MISSION

Our mission is to empower the Bank's customers by delivering a diverse array of financial products and services that are fast, convenient, and innovative. This mission is realized through the following key pillars:

- » Continuous Empowerment of Economic Sectors: We are steadfast in our pledge to support Egypt's dynamic economic sectors. We focus on fostering growth, resilience, and sustainability, contributing to the nation's economic vitality.
- » Fulfillment of Shareholders' Aspirations: Recognizing that our success is linked to the prosperity of our shareholders, we are dedicated to supporting their financial and non-financial aspirations.
- » Nurturing Trust-Based Employee Engagement: By fostering a workplace where trust is paramount, we aim to unleash the full potential of our team, driving innovation and excellence.





# CHAIRMAN MESSAGE

Dear Shareholders,

As we reflect on the past year, it is with great pride that I share the strides we have made in reinforcing our commitment to sustainability and long-term value creation. Our 2023 Sustainability Report highlights the significant advancements and strategic shifts that underpin our journey towards a more sustainable and inclusive future.

Once the Sustainable Finance Policy is issued and procedures are revised, our operational efficiency will be enhanced, and our business practices will be closely aligned with our sustainability goals.

The strategic shift is not merely a strategic adjustment but a profound commitment to integrating sustainability into the core of our operations. Our focus on developing sustainable finance activities is a testament to this commitment. We are dedicated to supporting projects that prioritize the environmental dimension and social aspects, and by actively financing institutions that champion the green economy. This approach ensures that our financial investments align with our environmental values, supports the growth of the green economy, and provides us with robust opportunities for long-term, sustainable returns.

In response to the evolving needs of our customers, we have embraced digital transformation. By advanced technological applications, we are enhancing our service delivery, ensuring that we meet and exceed customer expectations in this digital age. Furthermore, we recognize the importance of collaboration in achieving our sustainability goals. This year, we cooperated with university professors and specialized environmental and social consulting firms. These collaborations have enriched our understanding and capability, enabling us to implement innovative solutions that drive sustainable progress.

At the heart of our organization is our human capital and we firmly believe that our employees are our most valuable asset. Their dedication, creativity, and resilience are pivotal to our success. As such, we have continued and will continue to invest in their growth and well-being, fostering an inclusive and supportive work environment.

”

— **Mrs. Ghada El Bialy**

Executive Chairman





# SUSTAINABILITY HIGHLIGHTS



## Economic

- » IDB ranked seventh in providing national mortgage loans, reflecting its commitment to facilitating affordable housing solutions and fostering homeownership opportunities for individuals and families across socioeconomic backgrounds.
- » IDB introduced the Electronic Corporate Payment Service (E-CPS) with 750 transactions amounting to EGP 470 million in 2023.



## Social

- » In 2023, 56.4% of new hires were aged under 30, highlighting IDB's keenness to provide opportunities for young workers in the Egyptian economy.
- » EGP 250,000 was donated to healthcare for the neediest groups in the Ibshway village, Fayoum Governorate. This impactful donation facilitated the delivery of medical examinations for 1,000 citizens, eye medications for 300 individuals, critical operations for 110 citizens, and medical glasses for 220 citizens.
- » We provided the low-income segment with tailored gas loans. This service is available in unprivileged areas that lack essential infrastructure, such as access to natural gas; we help households request loans to set up the essential infrastructure for accessing such services. This initiative aims to improve living standards and the quality of life.
- » IDB has supported well-known foundations in Egypt, including the Good Makers Foundation, with donations in the range of EGP 100,000 to EGP 200,000.



## Environmental

- » Finance for replacing 22 cars, totaling EGP 6 million. This reflects IDB's commitment to supporting sustainable initiatives that contribute to environmental conservation and reducing carbon emissions.
- » Switching all conventional incandescent bulbs with LED lights in all branches. This helps reduce electricity consumption by 70%, resulting in EGP 50,000 saved yearly costs.



# ALIGNING WITH NATIONAL AND INTERNATIONAL FRAMEWORKS FOR SUSTAINABLE IMPACT

## Sustainable Development Goal (SDG) Mapping

### SDG 3: Good Health and Well-Being



- » IDB's Corporate Social Responsibility (CSR) strategies focus on promoting a healthy life by sponsoring the annual football tournament cup.
- » Training employees on civil defense operations for 180 hours on annual basis and raising awareness of risk factors.
- » Donating EGP 250,000 to the Mervat Sultan Foundation to facilitate medical examinations for vulnerable groups.

### SDGs 4 and 8: Education and Decent Work and Economic Growth



- » Sponsoring a mold design center to encourage young entrepreneurs and SMEs and reduce dependency on mold imports.
- » Contributing to the launch of the XR Jigs and Fixtures program to drive innovation in local manufacturing.
- » Financing ten financial literacy campaigns covering diverse governorates.

### SDG 5: Gender Equality



- » Empowering women by providing financial services for 55 projects for female entrepreneurs.

### SDGs 7, 11, and 13: Affordable and Clean Energy, Sustainable Cities and Communities, and Climate Action



- » Providing loans of EGP 6 million to replace 22 cars with dual-fuel vehicles for a cleaner environment.

### SDG 8: Decent Work and Economic Growth



- » Dedicating 20% of the total credit portfolio to MSMEs.
- » Providing an Ana Masry economic account to support our clients by legalizing their businesses.
- » Providing microfinance loans with a total amount of EGP 620,499 to low-income individuals to finance their micro-projects.

### SDGs 1, 9, and 11: No Poverty, Infrastructure, and Sustainable Cities and Communities



- » Providing gas loans with a total amount of EGP 1.53 billion to ensure access to necessary services in unprivileged areas.

### SDG 10: Reduce Inequality



- » Serving 400 retail individuals with no income under our financial inclusion simplified segment.
- » Providing low-fee interest-bearing current account savings accounts (CASAs) for the unprivileged and unbanked.
- » Enhancing accessibility and promoting equal opportunities for people with disabilities through several initiatives, including the equipment of 36 ATMs with services for the visually impaired.

### SDG 17: Partnerships



- » Engaging with the Nile Pioneers initiative.
- » Collaborating with the Ministry of Youth and Sports.
- » Partnerships with Fintech companies.
- » Collaborating with the Egyptian Banking Institute.





# 01 GOVERNANCE

Corporate Governance >

Stakeholder Engagement >

Double Materiality >

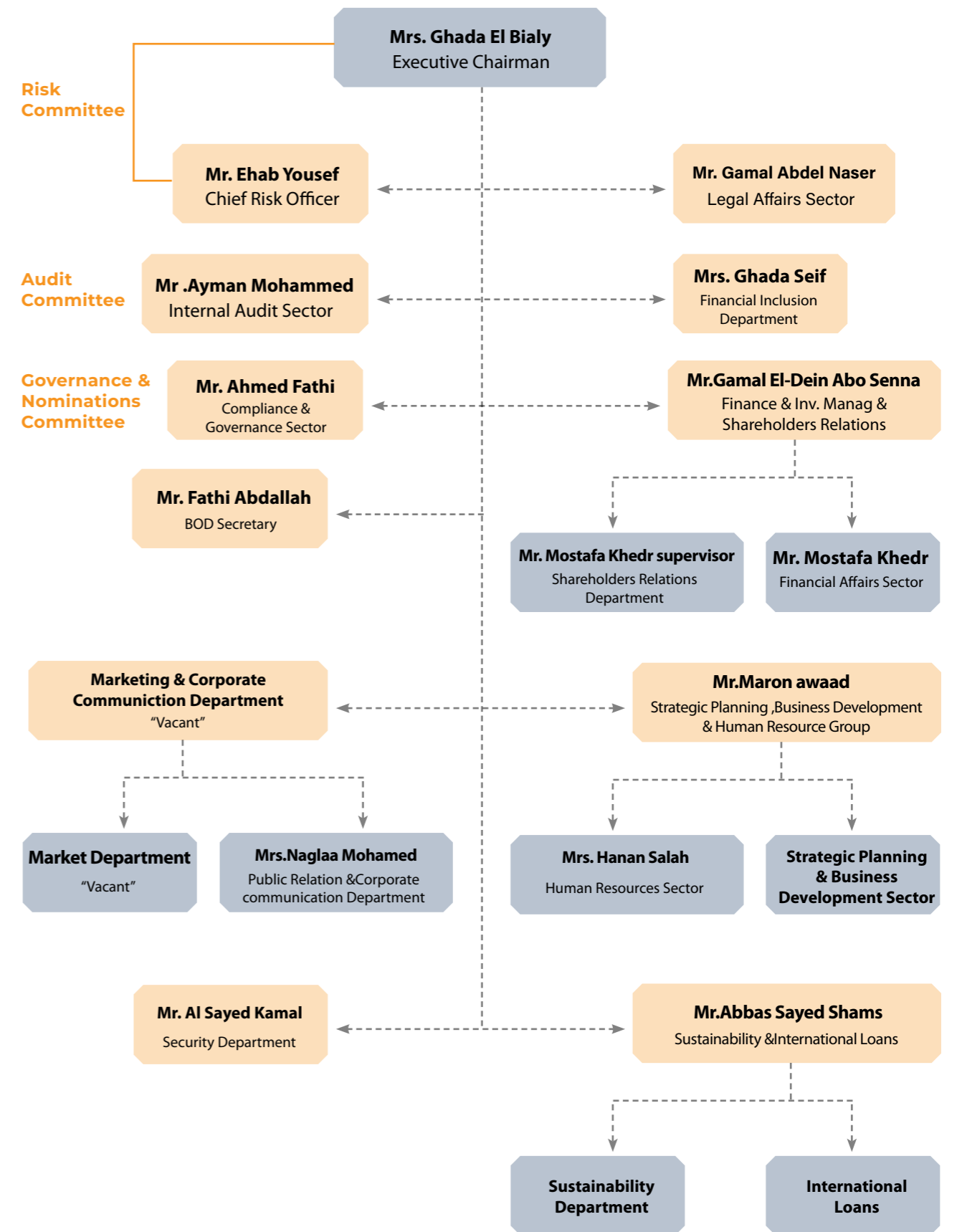
Risk Management >



# CORPORATE GOVERNANCE

Establishing robust governance is a priority at the Bank. We guarantee the embodiment of our principles and ethical standards across all organizational tiers. This is achieved by appointing a diverse Board of Directors (BoD) and establishing multiple auxiliary Board committees. Our resilient corporate governance framework has proven its durability in moments of uncertainty and ambiguity. During such times, we have upheld operational efficiency, met all client requirements, and consistently nurtured the skills and abilities of our highly talented workforce.

Environmental, social, and governance (ESG) principles are ingrained in our business operations and significantly influence our decision-making when evaluating risks and opportunities, ensuring that we address the concerns and needs of our stakeholders. Our dedication extends to upholding top-tier standards of corporate governance, business integrity, and professionalism in all our undertakings. We continuously assess the effectiveness of our governance processes, with active involvement from IDB's BoD and Board committees in the implementation of this unified governance approach.





## Board of Directors

IDB's BoD is the highest governance body responsible for formulating the Bank's strategic objectives, devising the methods to attain them, overseeing executive management activities, and ensuring the efficacy of control systems. This oversight includes the Audit, Compliance, and Risk Management functions.

Our BoD comprises six individuals: five men and one woman. The Board consists of one executive member and five non-executive members. Their strong banking and financial experiences contribute to the formation of a wide and diverse range of governing abilities.

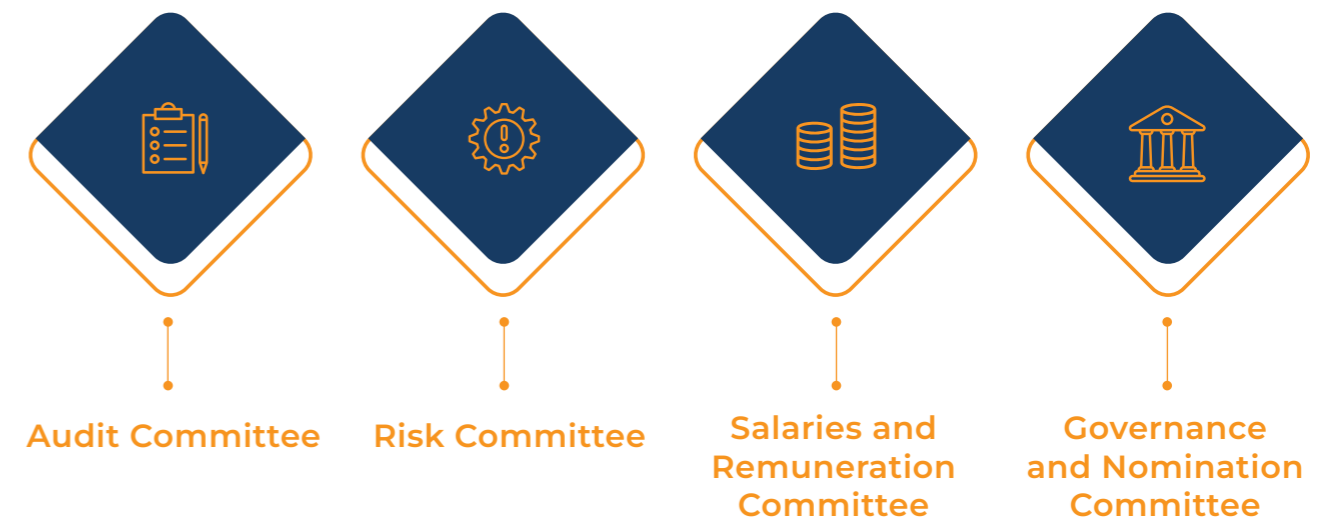
Name	Duties	Membership Started	Membership Type
Mrs. Ghada ElBialy	Chairman, Member of Risk Committee	09/25/2020	Executive
Mr. Abdel Halim Omar	Head of Audit Committee, Member of Risk Committee	05/19/2019	Non-executive
Mr. Yasser Hussein Assem	Head of Compensation Committee, Member of Audit Committee	12/20/2016	Non-executive
Mr. Ali Mahmoud Mohamed Shalabi	Head of Risk Committee, Head of Governance and Nomination Committee, Member of Compensation Committee	09/25/2020	Non-executive
Mr. Mohamed Mahmoud Fathi Mohamed	Member of Audit Committee, Member of Governance and Nomination Committee, Member of Compensation Committee	07/11/2021	Non-executive, independent
Mr. Major General Nashaat Mohamed Mortada	Member of Risk Committee, Member of Governance and Nomination Committee	07/11/2021	Non-executive

The Bank's BoD follows a specific system for conducting self-evaluations annually, collectively, and individually. The aim of evaluating the Board Members is to determine their effective participation and the extent of their commitment to performing their duties.

## Board Committees

The significance of the Board's Committees lies in their crucial contribution to the decision-making process, as they draw their roles and responsibilities from the assignments given by the Board. The Board is responsible for defining the scope, authority, and duration of each assignment and ensuring their appropriateness. Additionally, the Board holds the power to appoint Committee chairs and members, establish Committees' reporting mechanisms, and supervise their efficacy.

These Committees include:







### Audit Committee

The Audit Committee comprises three non-executive Board Members selected by the Bank's BoD. The Board may include a subject-matter expert as an external member after obtaining the approval of the CBE Governor.

The Committee shall hold a meeting every three months at most and be attended by the Bank's auditors. The Committee may seek the assistance of whomever it deems appropriate to carry out its work and make its recommendations to the Bank's BoD. The most important responsibilities of Internal Audit:

- » Assesses the adequacy of the internal control systems approved by the Bank's senior management and ensures that the appropriate review, development, and updating of the internal control, risk management, and compliance systems have been implemented properly in all internal and external branches.
- » Prepares an Annual Report on the Bank's internal control and presents it to the Committee that reviews it and presents it to the Board for approval. Also, follow-up the implementation of the corrective plans contained in the report



### Risk Committee

The majority of its members are the Board's non-executive Members, and the number of its members shall not be less than three. The Chairman of the Committee shall be a non-executive member, provided that the Chairman of the Bank's Risk Group shall be invited to attend the Committee meetings.

- » Reviews the periodic reports from the Risk Department on the nature and magnitude of the risks to which the Bank is exposed and the risk management activities.
- » Provides proposals on strategies and policies for the Bank's risk management (including strategies for capital, liquidity management, operational risks, liability, and reputational risks, and any other risks to which the Bank may be exposed).
- » Reviews the quarterly assessment prepared by the Risk Department for all the Bank's risks, especially those related to the Bank's Investment Portfolio and Credit Portfolio, the measures taken in this regard, and the necessary measures to be taken to face any new risks, and this evaluation shall be presented to the BoD at the first meeting of this assessment.
- » Holds periodic meetings with the departments concerned with the implementation of the IFRS9 standard and obtain quarterly periodic reports at most on the results of the application, its stages, and the difficulties facing the implementation process.



### Salaries and Remuneration Committee

The Salaries and Remuneration Committee is composed of three non-executive Board members whose roles and responsibilities include:

- » Adopting a clear and written policy regarding salaries and bonuses in the Bank, which is reviewed periodically every three years at most and re-evaluated in line with the level of risk to which the Bank is exposed.
- » Analyzing the results of the market study on the level of salaries and bonuses granted by the Bank and comparing them with those applicable to other banks to verify the Bank's ability to attract and retain the best items.
- » Directing responsibility for determining the remuneration of the Bank's senior executives, provided that this includes all financial transactions, including salaries, allowances, in-kind benefits, incentive shares, and any other elements of a financial nature, taking into account the objectives expected to be achieved



### Governance and Nomination Committee

The Governance and Nomination Committee shall be composed of three non-executive members of the Board whose responsibilities include:

- » Reviewing the periodic report of the executive position of the Bank's governance procedures and rules prepared by the Compliance and Governance Department.
- » Periodically reviewing the decisions and instructions issued by the regulatory authorities regarding governance rules and practices and submitting recommendations to the BoD regarding the necessary changes to develop and implement new standards and practices.
- » Studying the observations of the CBE on the governance system, taking them into account, and supervising its application.
- » Keeping and documenting the follow-up of reports on the evaluation of the performance of the Council.

## Executive Level Responsibilities:

The Chairman of the Board's main duties are outlined in our Governance Manual and annually disclosed in our governance reports. Key responsibilities include overseeing the Board's overall functioning, providing guidance and leadership, and ensuring its effectiveness. Additionally, specific duties fall under the Chairman's authority, including:



Guaranteeing that decisions are made on a solid foundation, with the necessity for an appropriate mechanism to ensure the timely and effective implementation of those decisions through a follow-up process.



Promoting open discussion and constructive criticism, ensuring the opportunity to express and deliberate divergent opinions within the decision-making framework.



Ensuring the Board's dedication to fulfilling its responsibilities in the Bank's best interests and avoiding conflict of interests.



Fostering trust among all Board Members, particularly between executive and non-executive Members, and strengthening the overall relationship between the Board and the Bank's senior management.



Ensuring timely availability of sufficient and accurate information to Board Members and shareholders.



Ensuring the efficacy of the applied corporate governance system at the Bank and the effectiveness of the Board's Committees.



Mandating that all Board members undergo self-assessment, evaluating their commitment to job duties, and identifying areas for improvement to enhance efficiency.





### Our ESG Approach

IDB has consistently upheld its reputation as a reliable financial, embodying responsible practices within the industrial market. In maintaining this trust, our stakeholders have come to depend on our ability to stay updated on evolving operational and market dynamics, assess emerging risks and opportunities, and pioneer insights and services that foster financial security and prosperity. While navigating the intricate landscape of Environmental, Social, and Governance (ESG) challenges, we acknowledge that there is continual room for improvement.

We firmly believe that advancing ESG considerations aligns with IDB's overarching business and ESG-related strategic objectives. Recognizing the importance of integrating ESG into our framework, we are dedicated to incorporating ESG risks and opportunities into every aspect of our strategy, governance, managerial processes, and the development of products and services. Our decision-making process prioritizes the implementation of optimal

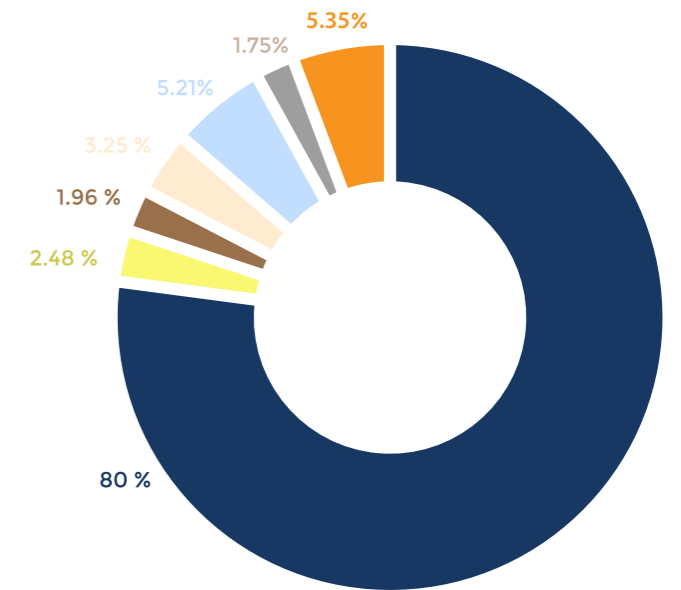
strategies to mitigate environmental impacts, uphold diversity, empower societies, and fully comply with emerging laws and regulations. The commitment to embedding ESG principles at the core of IDB underscores our dedication to sustainable and responsible financial practices.

We have a responsibility to prioritize the well-being of our customers, employees, shareholders, communities, and the ecosystem, which we refer to as Corporate Social Value. Our strategy considers the social and environmental impacts of our business operations nationwide and adheres to international standards. By incorporating sustainability into our endeavors, we ensure the enforcement of robust governance practices.



### Our Stakeholders:

- Share of Public Money
- Social Insurance Fund for Government Sector Workers
- Bank Misr
- Insurance Fund for Workers in the Public and Private Business Sector
- General Federation of Egyptian Trade Unions
- Individuals
- Others



**Disclaimer**

This shareholders structure changed after participation registering in Capital increase in 2024 to be EGP 5 Bn

It is crucial for us to maintain regular and effective communication with our investors in order to give an overview of the Bank's performance, share the most significant income statement indicators, and receive as well as respond to inquiries. Therefore, we announce the convening of the ordinary General Assembly meeting each year in the newspapers. We also communicate with our investors through social media platforms and published reports.

In the general assembly meeting of 2022, the Bank gained approval to increase the authorized capital from two billion to five billion Egyptian pounds. This step is pivotal for our Bank's growth, providing the resources needed to drive our aspirations for IDB. On 2023/10/15 the Board of the Bank approve the increase of the issued capital to be 5 billion and Shareholders paid their participation share in December 2023 noting that registration procedures of the new structure of shareholders occur in 2024.

**Stakeholder Engagement:**

Aligning our strategies and business plans with the Bank’s objective is among our most important targets; we strive to create a sustainable and resilient future within our operations and services by developing an innovative business model that meets our shareholders’ financial and non-financial goals. At the heart of our business model is our relationship with our stakeholders where we aim to achieve market share growth and profitability that ensure sustainable financial growth.

In this regard, we conduct thorough market research as a pivotal step to understand and analyze the market dynamics and our product performance. We focus on assessing our Bank’s performance to analyze the competition, explore future opportunities, and identify strategic risks we aim to mitigate.

Our research team is responsible for the Bank’s internal and external publications, ensuring their quality and issuing them on time. Its responsibility extends beyond diffusing information; we also deliver comparative studies to address the specific needs of the sectors involved.



Stakeholders	How we engage	What we discuss
<b>CBE</b>	<ul style="list-style-type: none"> <li>Public Disclosures</li> <li>Corporate Governance Report</li> <li>Group Compliance &amp; Audit Teams</li> <li>Financial Inclusion Team</li> <li>Annual meetings</li> <li>Daily and Periodic emails and direct communication between CBE and several departments</li> </ul>	<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Governance and Compliance</li> <li>Anti-corruption and Bribery Measures</li> <li>Strong Risk Management</li> <li>Socio-Economic Impact</li> <li>Sharing Marketing actions towards Initiatives and Activities</li> <li>Financial Inclusion Performance</li> <li>Financial Literacy</li> <li>Innovation and Digital Banking</li> <li>Digital Services approval</li> <li>Ownership Structure</li> </ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Board Meetings</li> <li>Board Committee Meetings</li> <li>Board Strategy Meeting</li> <li>Annual Report</li> <li>Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Reputation Management</li> <li>IDB Corporate Strategy</li> <li>Digital Leadership</li> <li>Financial Literacy</li> <li>Access to Finance</li> <li>Environmental Practices</li> <li>Community Commitments</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Annual Meetings</li> <li>Performance Reviews</li> <li>Human Resources</li> <li>Training and Workshops</li> <li>Award Ceremonies</li> <li>Internal Newsletters</li> <li>Internal Committees</li> <li>Volunteering Programs</li> </ul>	<ul style="list-style-type: none"> <li>Career Development</li> <li>Non-discrimination</li> <li>Safe Working Environment</li> <li>Health &amp; Wellbeing</li> <li>Benefits packages</li> <li>Code of Conduct</li> <li>Conflict of Interests</li> <li>Core Values</li> </ul>



Stakeholders	How we engage	What we discuss
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Annual Meetings</li> <li>Investor Relations Department</li> <li>Board of Directors Meetings</li> <li>Press Conferences and Press Releases</li> </ul>	<ul style="list-style-type: none"> <li>Business Continuity</li> <li>ROI</li> <li>Risk Management</li> <li>Clear strategy, Mission, and Vision</li> <li>Strong Corporate Governance</li> <li>Digital Transformation</li> <li>Strategy Implementation</li> <li>Financial Inclusion</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Website &amp; Social Media</li> <li>Conferences &amp; Events</li> <li>Customer Service</li> <li>Surveys</li> <li>Annual Reports</li> <li>Banking Channels</li> <li>Branches and Service Centers</li> <li>Complaint Systems</li> </ul>	<ul style="list-style-type: none"> <li>Seamless Banking Experience</li> <li>Digitalization Services</li> <li>Cyber Security and Data Privacy</li> <li>New Products and Services</li> </ul>
<b>Suppliers, Business and Sustainability Partners</b>	<ul style="list-style-type: none"> <li>Contracts</li> <li>Meetings</li> <li>Supplier Audits</li> <li>Monthly direct communication with Suppliers, Businesses, and Sustainability Partners</li> <li>Daily/Weekly engagement with Digital Service Providers</li> </ul>	<ul style="list-style-type: none"> <li>On-time Payments</li> <li>Fair selection Process</li> <li>Providing Top Services to Clients</li> <li>Adequate Pricing</li> <li>Investment in Local Suppliers by 100%</li> <li>Ethical Practices (human rights, forced labor, or child labor)</li> <li>Digital Solutions</li> <li>Sustainability Reports</li> </ul>

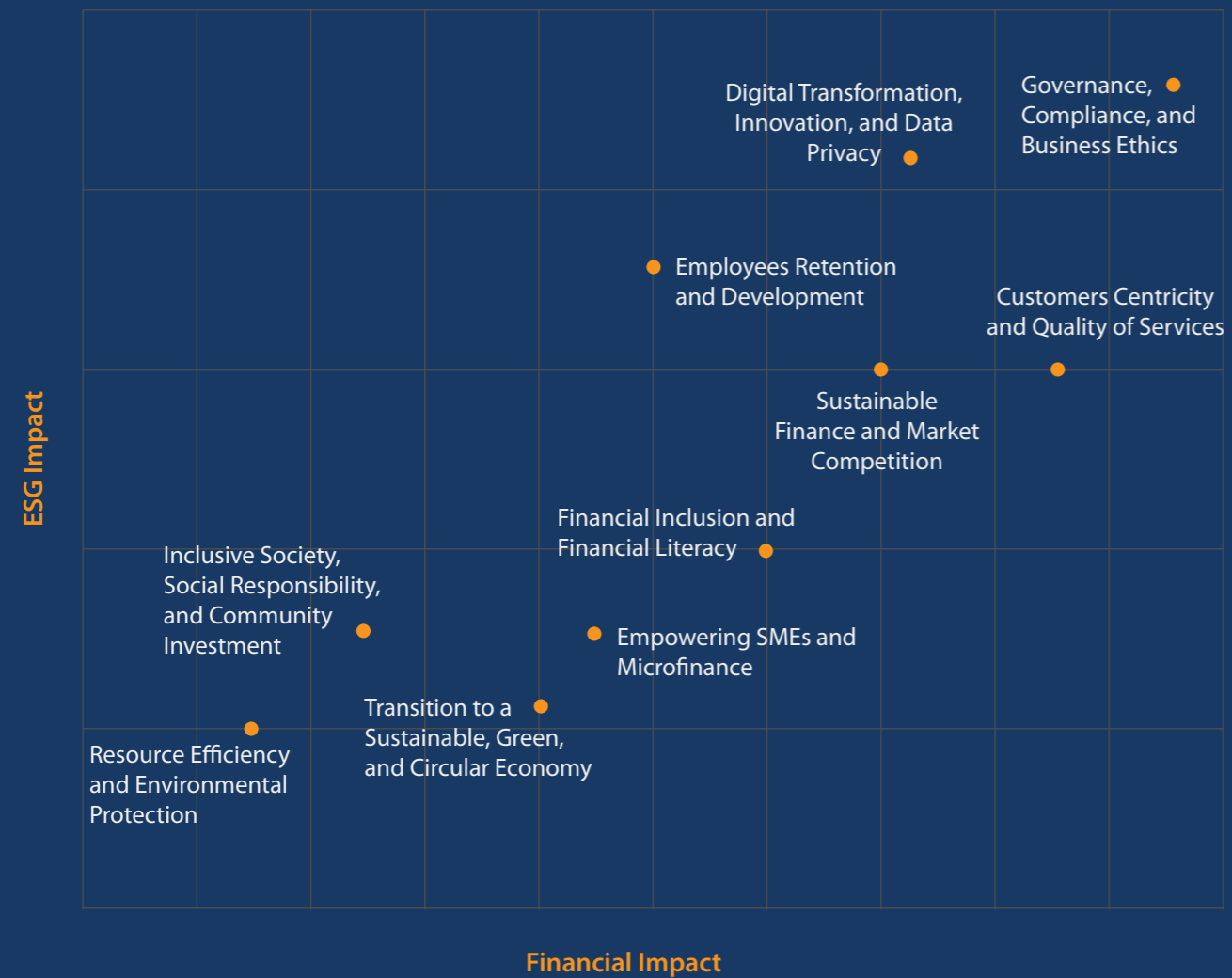
Stakeholders	How we engage	What we discuss
<b>Regulators</b>	<ul style="list-style-type: none"> <li>Regulations</li> <li>Monthly Reporting to Regulatory Authorities</li> <li>Annual and Quarterly Reporting to Auditors</li> <li>Audit and Compliance Report</li> <li>Regulatory Reviews</li> <li>Direct Communication with the General Authority for Investments (GAFI)</li> </ul>	<ul style="list-style-type: none"> <li>Compliance and Ethical Conduct</li> <li>Initial Public Offering projects</li> <li>GAFI's approval to increase IDB's capital</li> <li>Financial Statements Auditing</li> </ul>
<b>The Community</b>	<ul style="list-style-type: none"> <li>Volunteering Campaigns</li> <li>Social Media</li> <li>IDB Website</li> <li>Sustainability and Annual Reports</li> <li>Sponsorships, Donations, Events, and Initiatives (CSR activities)</li> </ul>	<ul style="list-style-type: none"> <li>Support for the Social Needs of the Community</li> </ul>
<b>The Environment</b>	<ul style="list-style-type: none"> <li>Green Finance</li> <li>Alignment with the SDGs and Climate Change</li> <li>Restoration Initiatives</li> <li>Operational Improvements</li> </ul>	<ul style="list-style-type: none"> <li>Reducing the Environmental Footprint of Operations</li> <li>Energy, waste, and Water Management</li> <li>Paper Recycling</li> <li>Monitoring of Resource Consumption</li> </ul>

## Materiality Assessment

Environmental, social, and governance (ESG) considerations are given top priority by IDB, which is dedicated to carrying out its activities in a sustainable and responsible way. IDB aims to obtain a thorough grasp of its most important sustainability issues, realizing the value of a double materiality assessment that assesses not only financial considerations but also the effects of its activities on stakeholders and external factors on the Bank itself. With this strategy, the Bank can create plans that deal with these problems in a way that benefits all stakeholders in the long run.

Furthermore, the notion of double materiality—which is supported by international standards like GRI—emphasizes the necessity of evaluating materiality from two angles: impact materiality, which assesses the effects of the Bank’s operations on society and the environment, and financial materiality, which takes into account how ESG and climate issues affect financial performance. This dual approach—which emphasizes both internal and external considerations—is crucial for effective sustainability reporting and plan execution.

### IDB Materiality Assessment



After an extensive review, we've successfully pinpointed 10 topics as material for our organization. Our stakeholder engagement process has not only underscored our priorities but also brought to light emerging concerns. Notably, Governance, Compliance, and Business Ethics have seen a marked surge in significance. Equally the prominence of Digitalization and Customer Centricity resonates strongly with both internal and external stakeholders. IDB senior management has thoroughly reviewed, verified, and endorsed the final selection of topics outlined in the Materiality Matrix, along with their respective rankings.

## Risk Management

A robust risk management system is crucial for attaining increased returns, effectively meeting stakeholders' needs, and maintaining organizational resilience. We utilize various tools to aid continual performance enhancements, employing prudent supervision and constant adaptation and development to address challenges in our business environment. Our risk management is enhanced through data analytics and reporting facilitated by our digital transformation.

At IDB, our accomplishments are backed by a Risk Management division that adheres to global standards and follows best practices. The first vital step in our approach involves identifying the various types of risks before selecting appropriate control strategies. Proactive risk management is carried out across multiple departments, with the Risk Committee comprising independent non-executive Board Members responsible for overseeing risk activities.







### Credit Risk

Mainly tasked with overseeing, assessing, controlling, and constraining risks related to credit throughout the Bank's diverse business segments (Corporate, SMEs, FIs, Retail, and Microfinance). Positioned as the second line of defense after the business lines, it works alongside our Credit Administration, which monitors and reports on credit facilities. To mitigate credit risk, we conduct inquiries to gather market information on borrowers and generate investigation reports as integral components of the credit assessment process.



### Operational Risk

The Bank's approach focuses on recognizing fraudulent activities, business disruptions, cybersecurity threats, non-compliant employee conduct, violations of applicable laws and regulations, or vendor failures to fulfill contractual obligations. Such events directly affect our operations and our capacity to provide products and services to stakeholders. The Department implements a systematic risk and control self-assessment process to mitigate the risk of financial losses, legal actions, regulatory penalties, and other significant damages.



### Market Risk

Tasked with overseeing, measuring, and supervising all positions susceptible to market risks and establishing essential limits to mitigate and constrain risks associated with the Treasury Group, money market, investment sector, and securities.



### Enterprise Risk

Upholding effective governance within risk functions through the quarterly implementation of numerous IFRS 9 Expected Credit Losses (ECL) assessments for Corporate, Small, FI, Sovereign, and Corporate Bonds portfolios. This includes computing ECL for proposed transactions submitted by business lines and furnishing reports or requested data for external rating agencies, investors, and external borrowers.



### Cybersecurity/Information Security

Safeguarding the Bank's data and overseeing the security of digital systems.

## Compliance

IDB upholds a culture of integrity and accountability, recognizing the importance of adhering to regulations and established norms to maintain a strong and sustainable Bank. The compliance team ensures that the Bank operates with transparency and in accordance with applicable laws, fostering trust and confidence among its stakeholders. We have a set of policies designed to ensure consistency in decision-making processes, mitigate risks, and establish a foundation for responsible and sustainable business practices.

### Conflict of Interests

IDB's conflict-of-interest policy safeguards its decision-makers from prioritizing personal interests or succumbing to external pressures, leading to diverging from the Bank's best interests. Our conflict-of-interest policy is essential to our governance framework, promoting transparency and ethical conduct and protecting the Bank's interests and reputation.

### Financial Crime Policy

To safeguard our Bank against crimes relating to money laundering, corruption, and fraud, IDB has instituted a comprehensive financial crime policy, overseen and implemented by its dedicated financial crime team. Its main function is to detect, prevent, and mitigate risks associated with financial crimes within our Bank. All financial crime team employees are independent from other executive functions to ensure they can fulfill their responsibilities freely and independently. We also update our (Know Your Client) KYC forms every three years to prevent fraud and enhance security.

### AML and Anti-Corruption

#### 0 Complaints against the bank

Our compliance department regularly emails all employees to remind them of the mandated procedures and to spread the compliance and anti-money laundering culture. Our specialized AML and ATF unit receives all reports on suspicious activity through the automated Global Open Network for Anti-money Laundering (GoAML). Three kinds of reports are submitted to the unit: the Suspicious Transaction Report (STR), the Suspicious Activity Report (SAR), and the Additional Information File (AIF). The STR reports all suspicious transactions accepted or rejected, given that enough data is present. The SAR is also useful in reporting suspicious transactions for which insufficient data is present. Additionally, the AIF provides the unit with data regarding all non-suspicious financial transactions.

#### 0 Customer Privacy Complaints

To ensure greater compliance, we conduct training to ensure employees are equipped to monitor and track incidents of AML or corruption. In 2022, 508 of our 786 employees received internal training from our financial crimes team as well as external training in collaboration with the Egyptian Banking Institute, marking 65% of our workforce.

### 0 Corruption Incidents

In 2023, the number of employees grew to 624 trained employees, forming 75% of our workforce that year and highlighting our keenness to foster a culture of financial integrity within the Bank. Such training is provided quarterly to ensure employees stay informed of the latest regulatory requirements and effectively contribute to the prevention of financial crimes. We update all customer data for retail clients regularly, where the rate of our customer data updates increased from 58% to 71.5% in 2022 compared to previous years. In testimony to our strong compliance culture, we proudly share that we received zero complaints against the Bank and its nature and recorded zero corruption incidents in the reporting period.

### Whistleblowing

Our whistle-blowing policy ensures the protection of employees who seek to report misconduct, unethical behavior, or illegal activities encountered by other employees within the Bank. The whistle-blower sends an email to the head of the compliance department anonymously if they wish. By protecting whistleblowers from retaliation, the policy encourages individuals to come forward, allowing for early detection and intervention, and ensures the Bank's commitment to accountability and integrity. No whistleblowing incidents were recorded in 2022, and only five were recorded in 2023, all related to workflow.

### Grievance Mechanism

At IDB, we have a grievance committee that investigates all grievances submitted. It is an independent committee composed of the director, who is the head of control, heads of departments, and a secretary. It plays a pivotal role by providing a structured and fair avenue for employees to address their concerns and disputes. Employees who believe they have been wrongfully disciplined present their grievances to the committee for investigation within 15 days of the discipline. The committee investigates and resolves grievances, ensuring that conflicts are addressed promptly and equitably. Moreover, it helps prevent potential escalation of disputes, thereby contributing to the overall harmony and productivity of the workplace.

### Socio-Economic Compliance

#### 0 Socio-Economic related monetary and non-monetary fines

IDB abides by all regulations, Laws, and obligations related to socio-economic status issued by national and global regulatory bodies. The compliance team applies a compliance monitoring program approved by the BoD and audit committee to monitor, assess, and ensure that all the Bank operations and transactions comply with the relevant regulations and obligations. We proudly report zero monetary and non-monetary fines relating to social and economic issues in the reporting period.

### Non-Discrimination

At IDB, we are against all forms of discrimination; we have strong policies to ensure that all employees are treated fairly, fostering an inclusive and healthy work environment. Our discrimination policy prohibits gender, age, racial, color, religious, and disability discrimination. It provides a reporting mechanism for incidents and outlines the steps to investigate and resolve them.

**We are proud to report zero incidents of discrimination during the reporting period.**

## Customer Privacy

Customer privacy is among IDB's fundamental responsibilities; it is critical to the Bank's reputation to ensure and sustain customers' trust. In this regard, we protect the personal information of our customers entrusted to us by complying with the corresponding laws and regulations. In addition, we encourage our customers to express concerns about our services or products, as their feedback is valuable for continuous improvement.

We are proud to affirm that our Bank has maintained an exemplary track record with **Zero** reported breaches concerning customer privacy.

Complaints are effectively and independently addressed by providing appropriate solutions. To facilitate communication, we offer complaint forms in our branches and on our website, ensuring accessibility for all our customers.

We provide a dedicated referral number for complaints, enabling customers to track the progress of their grievances. We review and report all complaints to our Audit Committee quarterly to implement corrective measures to prevent recurrence and uphold our commitment to excellence. We are committed to addressing concerns proactively, ensuring our valued clients' utmost satisfaction and trust.

As a result, the number of valid complaints received from our clients decreased from 693 to 616 from 2022 to 2023. Similarly, regulatory bodies-related grievances decreased from 518 to 41 complaints.







# 02

## PORTFOLIO OFFERINGS AND BUSINESS SOLUTIONS

- Business Lines: >
- Corporate
  - Retail
  - Microfinance
  - SMEs

# PORTFOLIO OFFERINGS AND BUSINESS SOLUTIONS

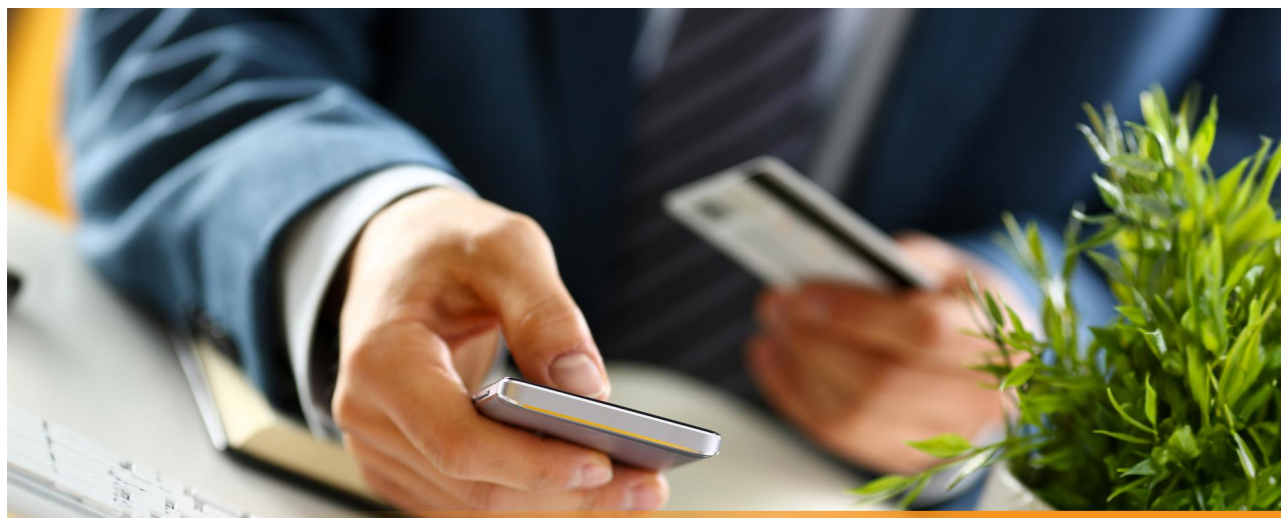
## Business Lines

Expanding our services and products to encompass all business lines, including retail, small and medium enterprises, and corporates, remains an important goal of our business development efforts. Our objective is to develop and implement plans that empower our customers to enhance their profitability and responsible business growth. This commitment extends to potential and current customers as we continuously innovate and develop our offerings to meet their evolving needs. Implementing initiatives that increase and diversify the Bank's services and products will increase customer penetration by moving the potential accounts and potential customers in the sales cycle and increasing the cross-selling ratio.

## Corporate Banking

IDB offers a diverse range of financial products and services tailored to meet the specific needs of various businesses. These include business loans, lines of credit, treasury management services, trade finance, and various cash management solutions. Additionally, the Bank provides advisory services, risk management, and investment products to support businesses' financial requirements.

Through revenue generation and effective customer relationship management, IDB's corporate banking is the core aspect of the Bank's strategy and objectives, significantly contributing to the Bank's success. In this regard, diversification of services, wide market presence, and cross-selling opportunities enhance IDB's strategic positioning. Accordingly, our corporate operations play a significant role in the overall economic prosperity of the communities we operate in.



## Our Business Model

Our corporate banking business model is designed to cater to the distinctive needs of businesses, offering a comprehensive suite of financial products and services. The following aspects are the cornerstones of our business model:

### Tailored Financial Solutions

We offer businesses a wide range of financial solutions. From loans and lines of credit to specialized financial instruments, the Bank ensures that each offering is customized to meet our corporate clients' unique requirements.

### Risk Management Expertise

IDB's corporate banking risk management meticulously assesses the credit-worthiness of corporate clients, manages credit risks, and develops robust risk mitigation strategies. This involves in-depth analyses of financial indicators, market conditions, and industry trends, ensuring a vigilant approach to risk.

### Client Relationships as Key Assets

IDB's Relationship Managers within the Corporate Banking Department play a significant role in building and maintaining these relationships. The Bank fosters enduring partnerships by working closely with businesses, understanding their financial goals, and providing personalized solutions, the Bank fosters enduring partnerships.

### Strategic Advisory Services

Going beyond traditional banking, IDB's corporate banking extends advisory services to include expert advice on capital structure, mergers and acquisitions, and other financial decisions. The advisory role positions IDB as a trusted financial partner, assisting businesses in making well-informed choices.

### Unlocking Cross-Selling Opportunities

The Bank leverages its strong client relationships to benefit from core financial products and additional services such as treasury management, investment banking, and international banking solutions.

### Compliance for Integrity

Maintaining the highest standards of integrity, IDB strongly emphasizes compliance with financial regulations and industry standards. This commitment is integral to upholding the integrity of financial transactions and nurturing trust with clients.



### Networking Opportunities for Meaningful Connections

IDB organizes and participates in networking events, industry conferences, and business forums, creating platforms for clients to engage with peers, potential partners, and industry experts.

### Supply Chain Support for Operational Excellence

IDB contributes to operational excellence and resilience in supply chain management by assisting clients in optimizing their supply chains through efficient financing solutions, inventory management advice, and technology integration.

### Trade Facilitation Services for International Commerce

Addressing the complexities of international trade, IDB's Corporate Banking offers expert guidance on export-import regulations, currency risks, and bespoke trade finance solutions, ensuring that corporate clients can confidently navigate the intricacies of global commerce.

### Digital Transformation Support for Innovation

Recognizing the increasing importance of digital technologies, the Bank assists corporate clients in adopting cutting-edge solutions for financial management, online transactions, and cybersecurity measures. This forward-looking approach aligns with IDB's broader transformational journey, reflecting the Bank's commitment to staying at the forefront of innovation and supporting its corporate clients in navigating the digital age.



One of the noteworthy changes in 2023 was the substantial investment in and implementation of advanced digital platforms such as Internet banking. These platforms facilitated smoother interactions for clients and provided real-time insights, elevating the overall user experience.

Recognizing the escalating cyber-attack threat, we intensified our focus on cybersecurity measures. The protection of sensitive client information and ensuring secure financial transactions became of particular importance. Robust measures were put in place to safeguard against potential threats, reinforcing the resilience of the banking infrastructure.

These measures encompassed a comprehensive approach to information security, from the formulation of policies to the training of employees and incident management protocols. Security policies, standards, and guidelines were formulated to ensure data security. In implementation of those policies and standards, a dedicated IT risk vulnerability program is being established to identify and mitigate risks to data and information assets, with a reporting mechanism to apprise key stakeholders of potential vulnerabilities. Critical systems are undergoing stringent security controls and testing to ensure uninterrupted availability and effective disaster recovery management.

Moreover, flexible identity and access management systems are being implemented to facilitate secure collaboration and adaptability to evolving technological and business needs. The network and system security architecture are being fortified with a tiered approach, incorporating Defense in Depth (DiD) principles to provide comprehensive protection against cyber threats. Concurrently, information security awareness training initiatives aim to educate employees on their roles in safeguarding information assets and foster a culture of security consciousness. Measures to prevent data loss and manage security incidents are also being instituted to mitigate potential damages to the bank's reputation and operations in the event of a breach or crisis.

### ESG Portfolio

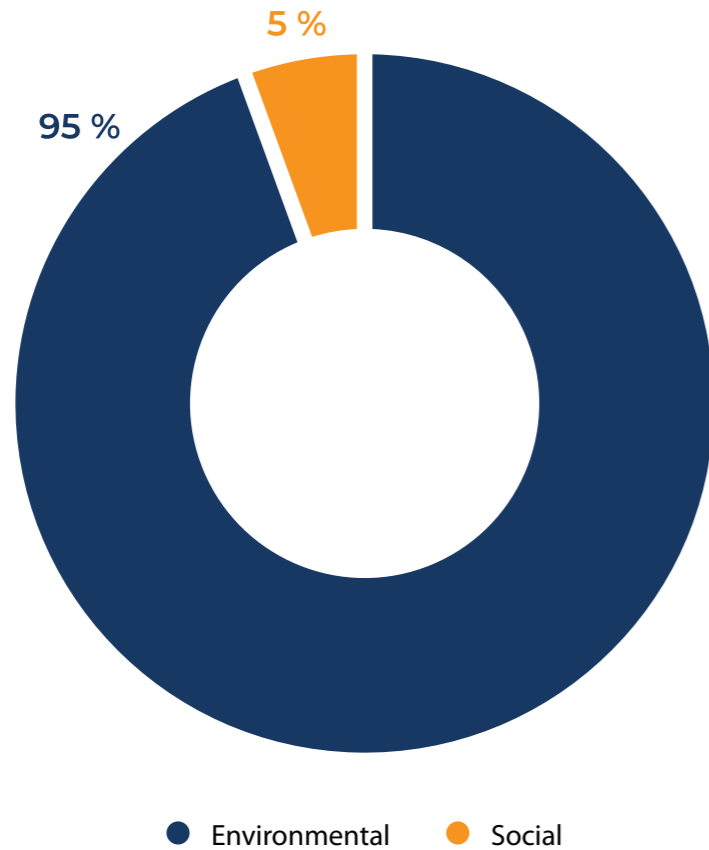


Figure W elaborates on our ESG Corporate portfolio. In 2023, our provided ESG corporate loans amounted to a staggering EGP 890 Million. This amount contains 670Mn for large cooperate loans and 220mn for SMEs loans. Given our role as an industrial development bank, a predominant focus was placed on financing industries that contribute to environmental sustainability, reflecting our dedication to fostering responsible industrial development.



### Our Corporate Portfolio

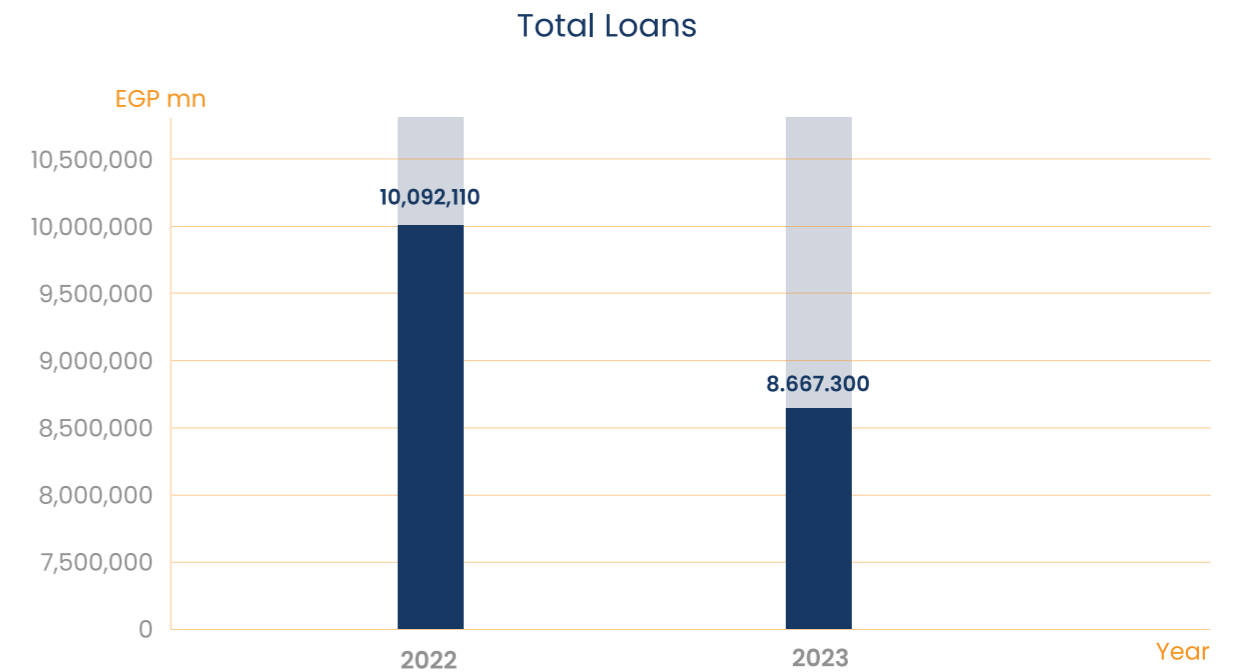
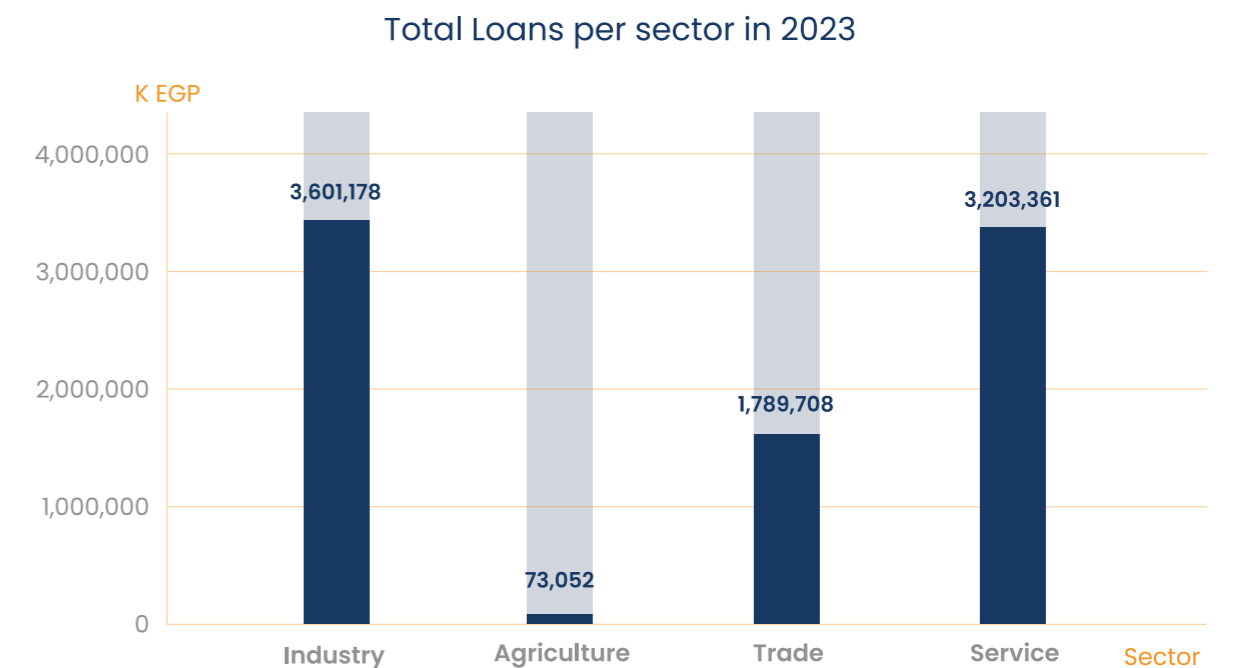


Figure Z elaborates on the total volume of corporate loans in 2022 and 2023. The decrease in the volume is attributable to macroeconomic circumstances witnessed in Egypt during the last year.

Despite these challenges, our robust risk management approaches and proactive strategies positioned us to effectively navigate the changing economic landscape effectively. As we continue to adapt to the changing environment, we remain dedicated to supporting our clients and ensuring the resilience of our corporate loan portfolio. We anticipate a gradual recovery in the corporate loan landscape, driven by economic stabilization and the implementation of strategic initiatives to enhance financial sustainability.

Figure X elaborates on the total corporate loans by sector in 2023.



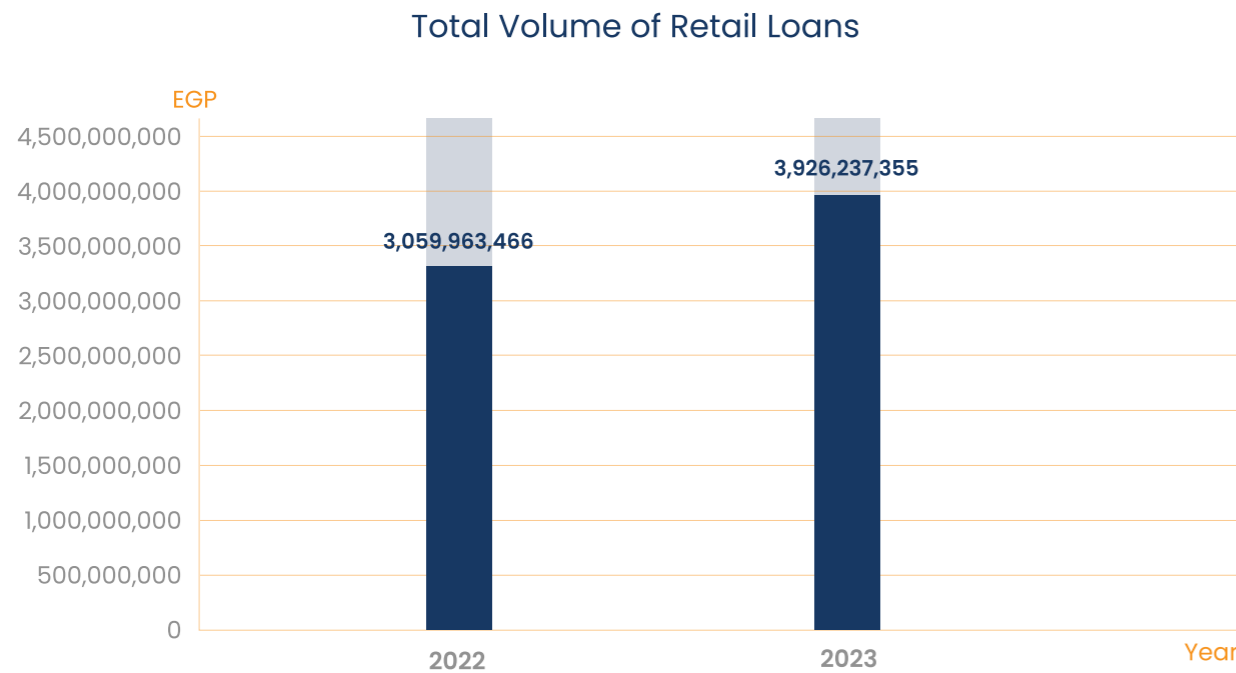


## Retail Banking

IDB offers diversified financial products and services tailored to meet the various needs of our client base. In retail banking, we offer personal loans, credit cards, educational loans, auto loans, mortgage loans, and Financial Inclusion Loans which is a Lending program of up to EGP 500 K tailored specifically for financial inclusion customers with a record of dealing with IDB agent banking for at least 6 months (freelancers & POS merchants). In this manner, we aim to facilitate credit access to unbanked segments and align with Egypt's financial inclusion goals.

### Our Portfolio

Figure N elaborates on IDB's total volume of retail loans in 2022 and 2023.



In 2023, our retail portfolio witnessed a significant increase in lending volume with a substantial 28.31 % growth rate, as loans increased from EGP 3,059 Million in 2022 to EGP 3,926 Million in 2023. This increase reflects our continued success in providing accessible and tailored financial solutions.

Figure X elaborates on the Number of Retail Clients.

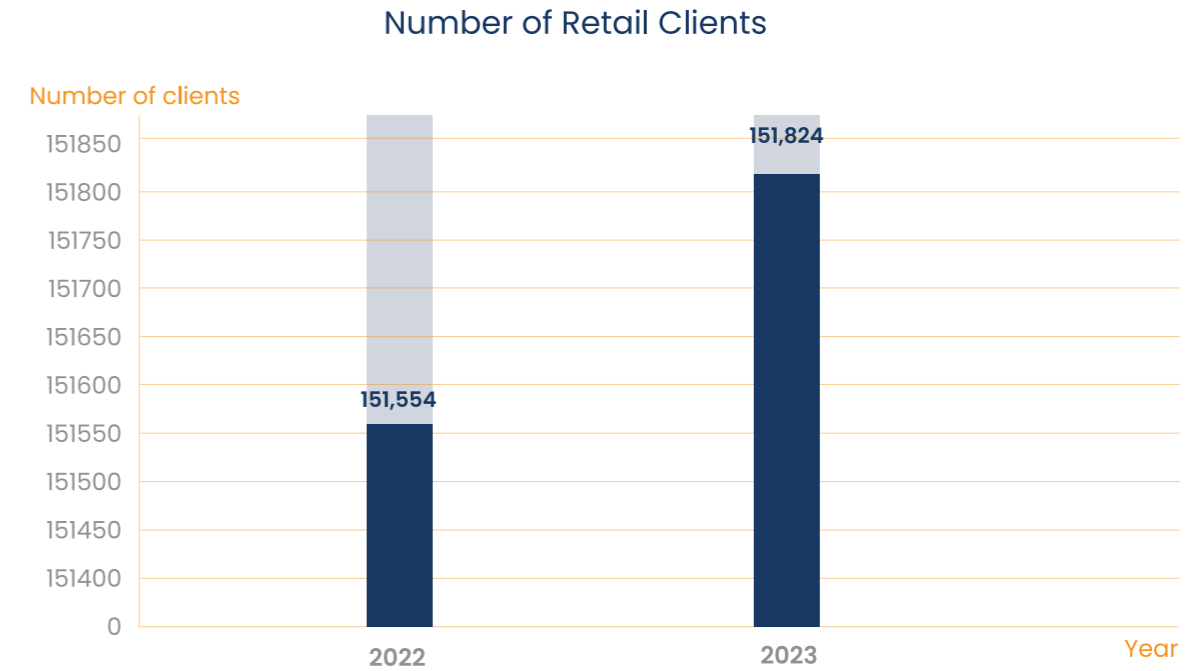
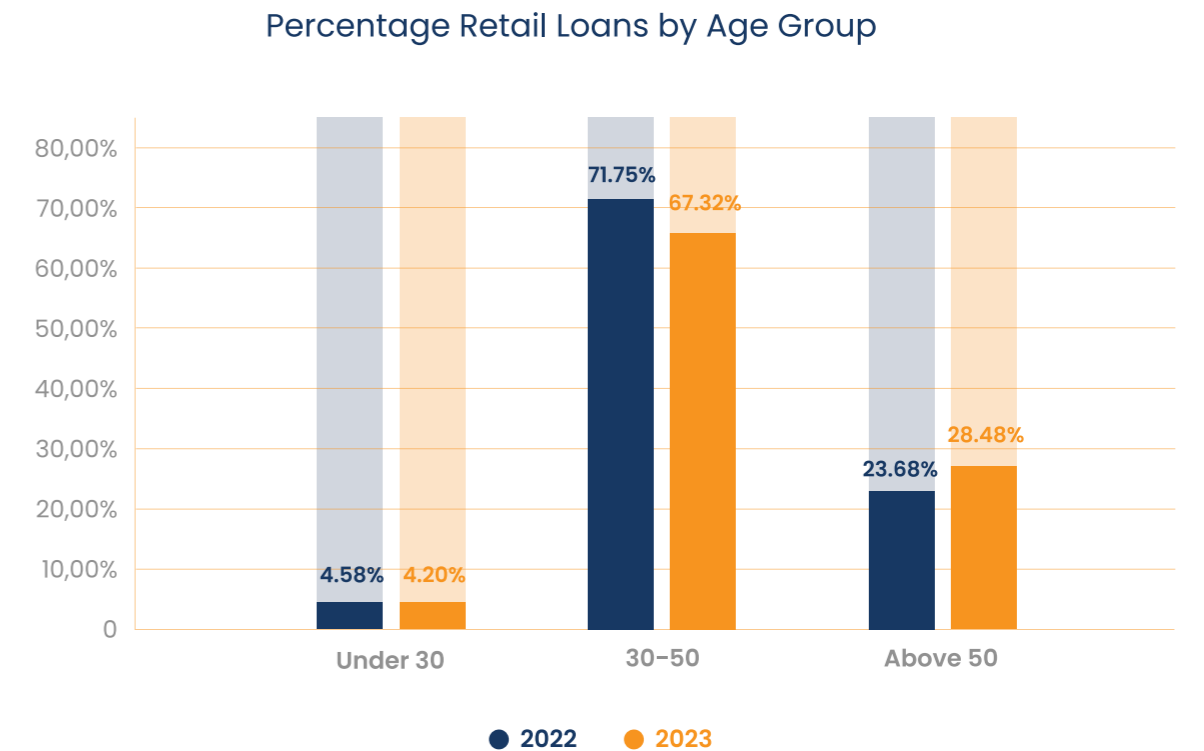


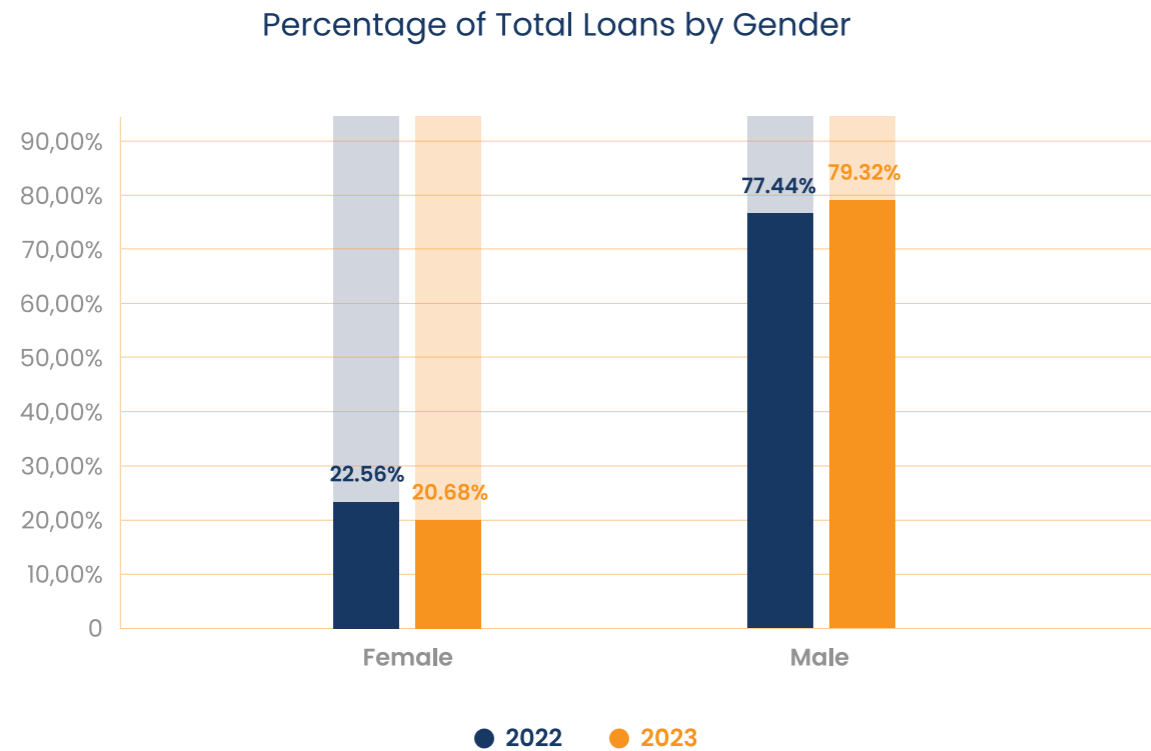
Figure X illustrates a slight increase in the total number of retail clients by 0.18%. This is considered a slight increase, and we are aiming to increase our client base in the future.

Figure X illustrates IDB's Percentage of retail loans in 2022 and 2023 by age group.



The overall retail loans increased in every age category. The majority of loans are targeted towards individuals between 30 and 50 years old as this is the segment that occupies most of the Egyptian market. This trend can be attributed to several factors, including the higher financial needs typically associated with individuals in their prime working years, such as home purchases, education expenses, and investments in business ventures.

Figure X elaborates on the percentage of total volume of loans by gender.

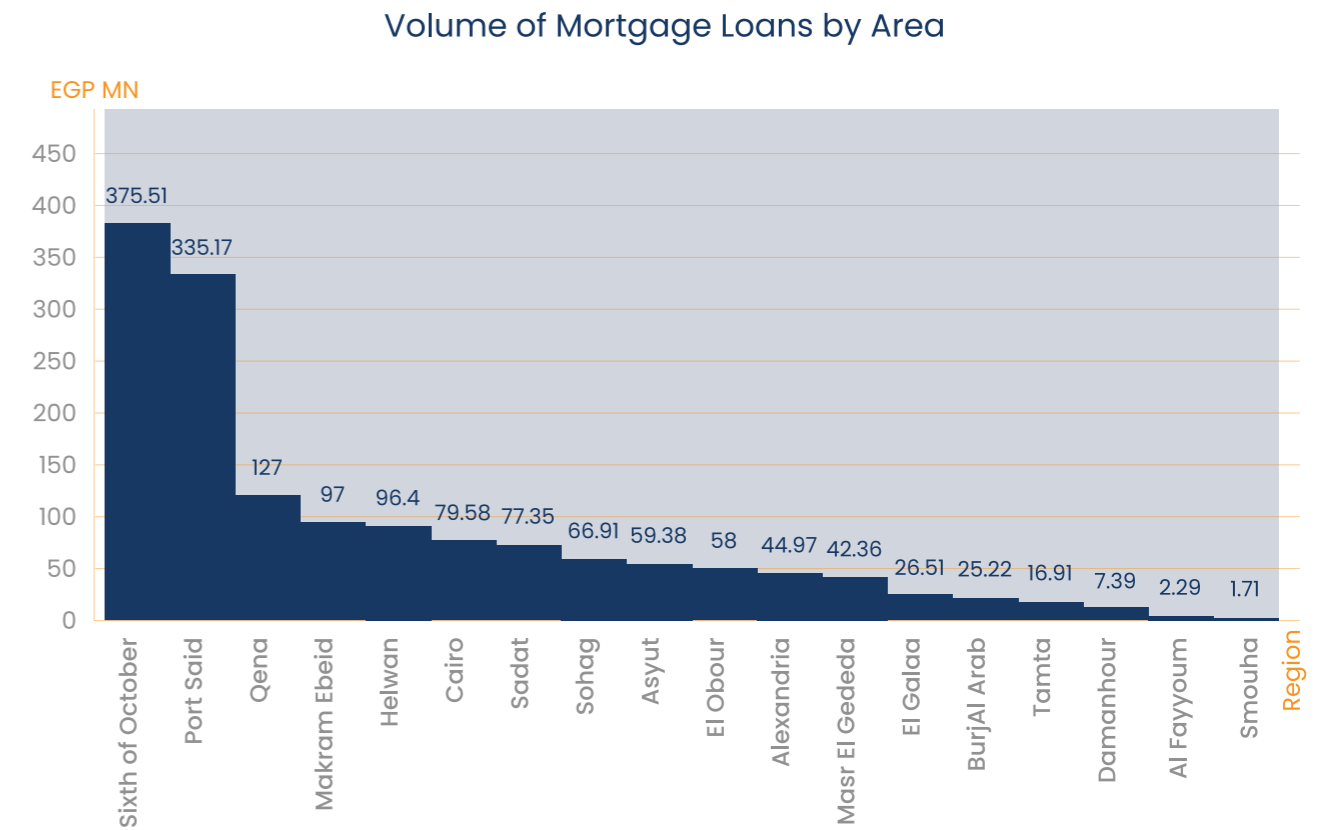


Retail loans by Geographical Location

Name	Total Loans Value (EGP)		(% of Region's Total Loans to Retail Total Loans**)	
	2022	2023	2022	2023
Cairo	613,110,098	625,228,880	20.04%	17.05%
Alexandria	371,382,244	360,975,399	12.14%	9.84%
Giza	369,922,135	295,914,166	12.09%	8.07%
Bahira	250,220,154	300,109,877	8.18%	8.18%
Port Said	195,569,286	164,115,010	6.39%	4.48%
Other	1,259,759,551	1,920,751,077	41.18%	52.38%

The table above shows our five leading governorates in Egypt with the highest percentages of retail loans in Cairo, which accounted for 17.05 % in 2023, followed by Alexandria, Giza, Bahira, and Port Said. The remaining 24 governorates collectively accounted for 52.38% of our retail loans in 2023.

Figure X elaborates on the volume of mortgage loans by geographical region.



IDB has ranked seventh in providing mortgage loans, reflecting its commitment to facilitating affordable housing solutions and fostering homeownership opportunities for individuals and families across various socioeconomic backgrounds. We offer specialized real estate financing solutions designed specifically for low- and middle-income individuals, providing them with access to affordable housing options at preferential interest rates.



Table X elaborates on the number of mortgages financed by geographical area.

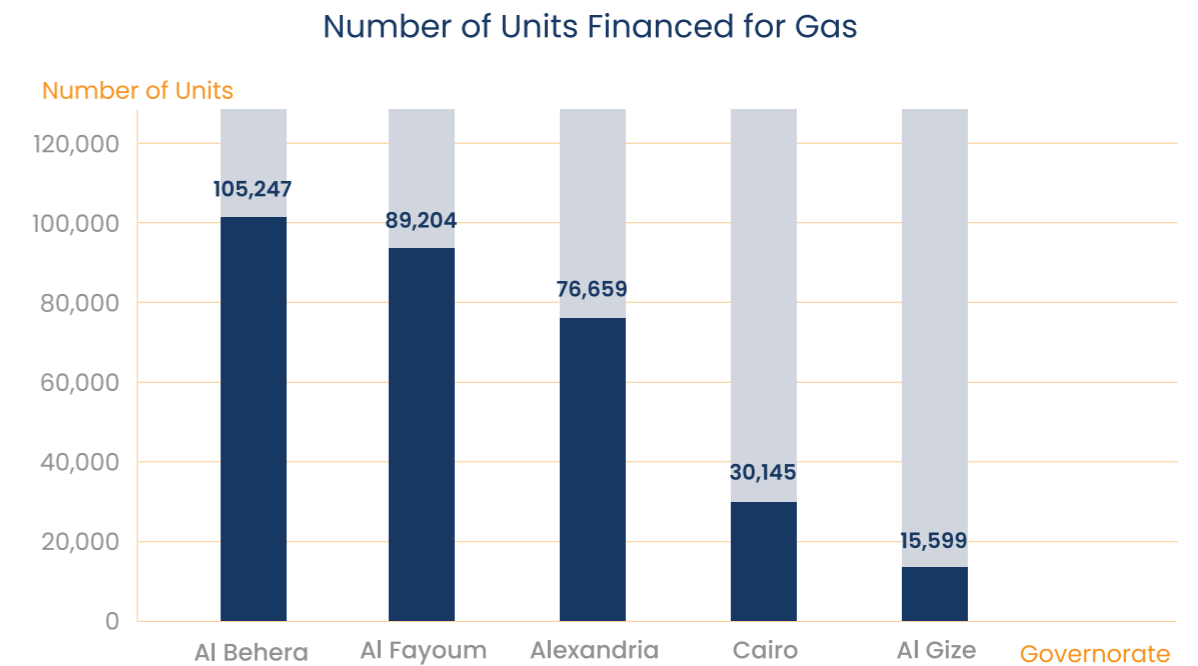
Sales areas	Number of Units
Asyut	655
Alexandria	418
Sadat	752
Sixth of October	4,304
Tenth of Ramadan	1,335
Fayoum	16
Cairo	885
Burj Al Arab	216
Port Said	3,405
Helwan - May 15	1,084
Damanhour	35
Sohag	599
Tanta	198
Qena	1,520

Mortgage loans are notably concentrated within Sixth of October, reflecting the area's prominence as a residential hub. This trend underscores the appeal of the Sixth of October City as a desirable location for property investment and homeownership. Following closely behind is Port Said, indicating a growing interest in real estate ventures within this coastal city. The concentration of mortgage loans in these areas suggests a dynamic real estate market, with both buyers and lenders recognizing the potential for growth and stability in these regions.

### Sustainable Infrastructure

IDB provides the low-income segment with tailored "Gas Loans." This service is available to unprivileged areas that lack essential infrastructure, such as access to natural gas, where we facilitate households' ability to request loans to set up the essential infrastructure for accessing such service. This initiative aims to improve the living standards and quality of life for residents in such areas by providing them with access to clean and affordable energy sources, thereby fostering sustainable development and environmental conservation.

Figure X elaborates on the total number of units financed within the Gas Loans program by governorate



### Vehicles Replacement Initiative

The Ministry of Finance and the CBE have jointly introduced an initiative to replace cars manufactured two decades earlier with environmentally friendly dual-fuel vehicles. As part of this initiative, IDB provided financing for replacing 22 cars, totaling EGP 6 Million. This reflects IDB's commitment to supporting sustainable initiatives contributing to environmental conservation and reducing carbon emissions.





## Microfinance

In alignment with our vision of providing innovative banking products that suit all customer segments and in line with our slogan, “We make the difference,” IDB is committed to providing microfinance to its customers in order to promote financial inclusion and empower those with limited access to traditional banking services.

Establishing long-term business relationships with Microfinance enterprises, we support their business through various products and services that aim to unlock their full potential and guide them to achieve growth and success.

The Bank attaches great importance to the micro enterprises sector because of its vital and strategic role in the national economy. We expanded the MSME financing portfolio by 10%, reaching 20% of the total credit portfolio in alignment with the state's strategy for this sector.

We allocated 4.7% of our microfinance portfolio to micro-credit, which extends loans to individuals to foster the growth of their enterprises.

In addition to offering financial support to microenterprises, IDB actively promotes their development through business development service centers. These centers deliver advisory services to assist aspiring entrepreneurs and facilitate the establishment, operation, and access to financing for those venturing into self-employment.

Clients Served and Loans provided in EGP	2022		2023	
	Total Clients	Total Loans	Total Clients	Total Loans
Micro Enterprises	93	781,207 K	28	532,411 K

As shown in the table above, total micro enterprises clients have fallen in 2023 as a result of client’s repayments of loans. However, it can be seen that the total loans that the Bank has granted to micro enterprises has not fallen as significantly, marking our keenness to continue supporting that sector.

## Diversity of Microfinance

IDB seeks to partner with micro-entrepreneurs of all ages and genders, accompanying them on their path to success. We have been working to remove financing obstacles to women entrepreneurs' work during the development stages of their projects.

## Microfinance Sectors

IDB seeks to accompany micro enterprises across different industries on their journeys to success. In both 2022 and 2023, our microfinance initiatives targeted the industrial, services, and trade sectors. In 2022, the services sector received the largest share of microfinance, accounting for 93% of the total loans. Despite this, the industrial sector boasted the highest number of microfinance clients, constituting 35% of the overall client base. The same trend was shown in 2023, with the services sector receiving 98% of microfinance. However, in 2023, the highest number of microfinance clients belonged to the services sector at 46% of total clients.

Main Industries	% of clients		% of Total Loans	
	2022	2023	2022	2023
Industry	35%	10%	4%	1 %
Services	31%	46%	93%	98 %
Trade, etc.	34 %	44%	3%	1 %

Location	% of clients		% of Total Loans	
	2022	2023	2022	2023
Greater Cairo	47 %	40%	46 %	47%
Suez and canal	5 %	3%	1 %	1%
Lower Egypt	25 %	23%	13 %	4%
Upper Egypt	23 %	34%	40 %	48%



## Non-Performing Loans

IDB has a low risk in microfinance as the percentage of non-performing loans is only 6.04% in 2023, falling from 6.19% in 2022. Still, in support of defaulters and adopting fair treatment of borrowers in payment difficulty, we implemented several proactive measures to foster fair treatment and assist those facing financial challenges. The Bank has extended the duration of facilities, restructured installment plans, and instituted grace periods tailored to each client's unique circumstances. This comprehensive approach reflects IDB's dedication to ensuring a supportive and equitable financial environment for its borrowers.



## Empowering Small and Medium Enterprises

At the Industrial Development Bank, our commitment lies in actively facilitating Egypt's financial inclusion strategy. We strive to accomplish this by establishing a robust network of Small and Medium Enterprises (SMEs). Through a range of products and services, our goal is to support their current endeavors and unlock their untapped potential, guiding them toward sustained growth and ultimate success. We aim to amplify the portfolio volume by 25% compared to the fiscal year 2022. We firmly believe that by nurturing small and medium enterprises, we contribute to their financial prosperity and create substantial value at national and individual levels.

### Our Approach:



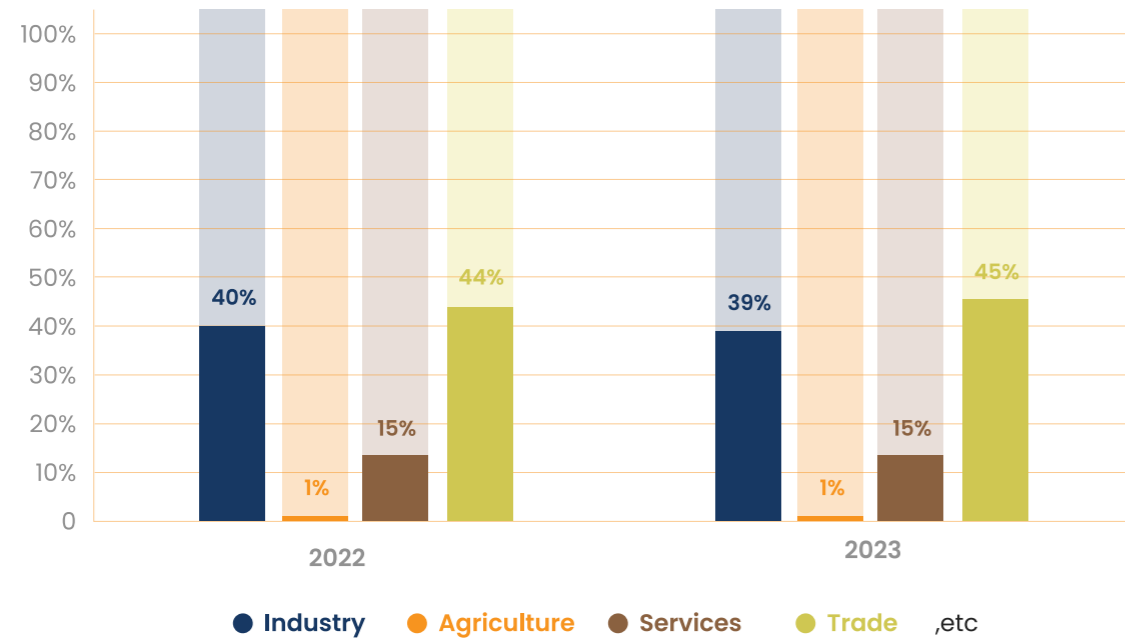
Our unwavering commitment to SMEs is in harmony with the CBE guidelines. The mandates imposed by the CBE focus on achieving specific percentages of SME lending as a portion of the total unsecured bank portfolio. In 2021, 29% of the total Bank portfolio met the required percentage for our SMEs portfolio, while 23% was met in 2023. Also, we have made deals with other foundations to present soft loans, such as the "Saudi Fund."

The fund, under the management of the Egyptian Ministry of International Cooperation, sent a grant to Egypt to target SMEs projects. Finally, for the sake of women's economic empowerment, the Bank financed 55 small enterprise projects with an 8% women entrepreneurs.

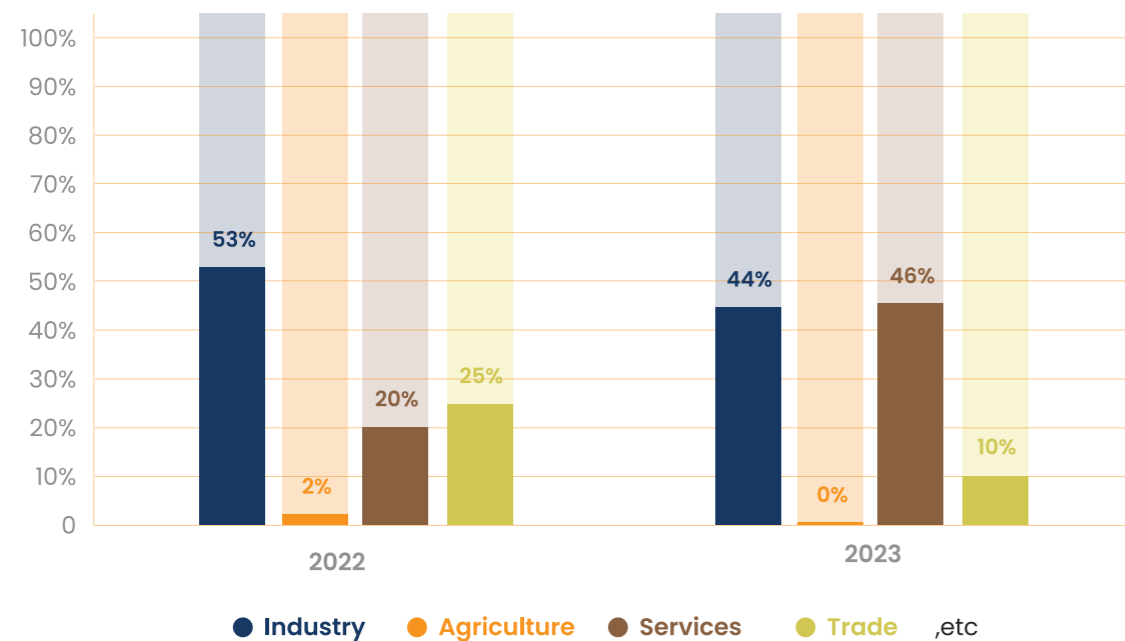
### Industrial Development Bank has applied the following segmentation to SMEs:

- ✓ Very Small Segment by capital (Microfinance), Less than EGP 50 K.
- ✓ Small Segment by capital, from EGP 50K to EGP 5 Million for industrial Firms.
- ✓ Small Segment by capital, from EGP 50K to EGP 3 Million for non-industrial Firms.
- ✓ Medium Segment by capital, from EGP 5 Million to EGP 15 Million for industrial Firms.
- ✓ Medium Segment by capital, from EGP 3 Million to EGP 5 Million for non-industrial Firms.

Total Clients by Industry in Small Enterprises



Total Clients by Industry in Medium Enterprises



For small enterprises, the Bank has directed the majority of its finance to clients in the trade and industrial sectors. However, the Bank has had a strong impact on the services and industrial sectors through medium enterprises, constituting 46% and 44% of its client base in 2023.

MSME Total Loans by Industry in 2023		
Sector	Small	Medium
Industrial	1,013,834,000	584,000,000
Commercial	376,153,000	134,000,000
Service	247,322,000	609,000,000
Agricultural	9,153,000	0
<b>Total</b>	<b>1,646,462,000</b>	<b>1,327,000,000</b>

In terms of loan portfolio for small enterprises, the Bank has directed the majority of its finance to the industrial and commercial sectors. However, in alignment with the number of clients financed, the services and industrial sectors received the greatest share of finance in the medium enterprises sector. As shown in the table above, the Bank strategically focuses on expanding its financial support for industrial and services projects as part of its commitment to implementing the country's directives to provide assistance and funding for the SMEs sector. However, our total SMEs' portfolio experienced a decrease due to the reclassification of clients whose revenue exceeded 200 Million pounds, necessitating a shift to the corporate segment. The impact of CBE rates and policies on the capacity of SMEs further contributed to the changes in the portfolio dynamics.

One of our competitive advantages is our outreached decentralized network in Greater Cairo, Suez, Canal, Lower Egypt, Upper Egypt, etc. Regarding small enterprises, we have the highest number of clients and loans in Lower Egypt followed by Greater Cairo. On the other hand, in medium enterprises, we have greater loans and client volume in Greater Cairo than lower Egypt.



## Key Achievements:



### Small Enterprises:

- » Finance products and programs at supportive prices for small projects.
- » Facilitating procedures for obtaining financing.
- » The easiest payment methods.
- » A repayment period commensurate with the customer's ability to pay.



### Medium enterprises:

- » Long experience dealing with SMEs
- » Long experience dealing with the industrial sector
- » Long experience dealing with international foundations concerned with SMEs

## Forward Strategies for SME Department Advancement:

In 2024, the SME department is set to embark on a transformative journey, aligning with our commitment to sustainable finance and green initiatives. For small enterprises, our focus will be on increasing and incentivizing financing for projects that embody the principles of sustainable finance. To this end, we are dedicated to innovating and introducing green banking programs that adhere to sustainable financing standards, with a specific emphasis on Renewable Energy, Energy Efficiency, Clean Transportation, and Sustainable Water and Wastewater Management. Simultaneously, the IDB's strategic plan for medium enterprises aims to bolster the SME portfolio by an impressive 25% - 30% in the coming year, concentrating on the industrial sector, particularly emphasizing green projects to foster sustainability. This forward-looking approach underscores our commitment to fostering environmentally responsible practices and supporting the growth and resilience of SMEs in the future.

### Advancing Financial Inclusion

In manifestation of our dedication to promoting financial inclusion and reaching unbanked clients, even those in the informal sector, we have partnered with different entities to finance diverse segments of MSME clients across Egypt.

Entity	Targeted Segments	Number of Clients	Total Loans in Million EGP
Industrial Development Authority	Clients interested in obtaining industrial units	73	106
Damietta Furniture City	Owners of small and medium workshops	15	15
Industrial Zone-South Al Raswa	Young people and small investors interested in obtaining industrial units	29	188
Tenth of Ramadan City Development Authority	Clients interested in obtaining industrial units	45	84
Roubiki Leather City	All clients and companies in the Roubiki region, whether they are micro, small, or medium-sized	4	36

As shown in the table, our partnerships have facilitated the transition of 166 clients from the informal to the formal sector. This impactful collaboration has empowered these businesses to secure loans of EGP 429 Million.

### Digital Outlook

We are dedicated to expanding and refining our offerings to ensure smooth and accessible financial services for our valuable clients by digitalizing the process. In this manner, we provide online banking services such as "Instapay." This mobile application facilitates transferring and receiving cash transactions directly by linking cell phone numbers to bank accounts.

Similarly, in 2023, we introduced a convenient phone-based loan service to enhance the lending experience. This service simplifies the process into a few easy steps. Our dedicated tele sales team proactively reaches out to clients to explain the eligibility criteria and required documentation. Once these are provided, clients visit IDB premises to complete the necessary paperwork. Thanks to our streamlined procedures, loan disbursement typically takes only a few days, ensuring swift access to funds.







# 03

## ADVANCING OUR RETAIL SERVICES

Financial Inclusion >

Digital banking >



# ADVANCING OUR RETAIL SERVICES

## Financial Inclusion at IDB

The central bank released the financial inclusion strategy for 2022-2025, which envisions “Economic empowerment for all segments of society through an inclusive, formal financial sector that provides fair, quality, and affordable products and services, thus contributing to sustainable growth.”

IDB recognizes its vital role in achieving such a vision and has been working towards it. Our role manifests in reaching the difficult-to-reach customer segments in rural and remote areas and supporting individuals and businesses with access to useful and affordable financial products and services that can cater to their needs.

*Economic empowerment for all segments of society through an inclusive, formal financial sector that provides fair, quality, and affordable products and services, thus contributing to sustainable growth*



Our financial inclusion strategy was launched by the end of 2021 to guide our bank through its efforts, programs, and initiatives towards financial inclusion. Its scope encompasses six segments we aim to financially support by providing facilitated services and products.



Each of those financial inclusion (FI) segments targets specific customer types. FI Simplified targets retail clients with no source of income, such as housewives. It also targets corporate clients with FI simplified KYC for those seeking to open accounts with simplified documentaries, requiring only the commercial register or license. FI Economic is for individually owned enterprises, specifically startups, with the benefit of requiring limited data for services. For instance, the “Ana Masry” economic account targets individual customers running private businesses, micro-enterprises, handicrafts, or self-employed clients. It is a value offering for clients who do not have licenses to practice their professions or those who practice an economic activity that is difficult to prove, such as carpenters. This account has far-reaching impacts, allowing clients to legalize and transform their business into an official activity qualified for micro-enterprise financing programs.

For young people aged 16 to 21, IDB has embedded FI youth in its strategy. The youth account does not require guardian consent and signature on the opening forms, and it allows youth to fully operate their account. FI Accounts targets real estate and mortgage finance with diverse loans for low- and middle-income clients. The loans provide several additional advantages, including no inquiry fees, free life insurance, opening an account for free, and unit insurance against fire risk. FI client specifically targets Gas finance clients. The financial inclusion segment existed before implementing the financial inclusion strategy and targeted small enterprises, aiming to accommodate their growth and expansion.

2022							
FI Product/ Service	# of Clients Below 30		# of Clients 30-50		# of Clients above 50		Total
	Male	Female	Male	Female	Male	Female	
FI Simplified	16	5	9	16	4	4	54
FI Economic	3	2	5	1		2	13
FI Youth	11	1					12
FI Accounts	57	24	700	164	57	32	1034
FI Clients	3550	658	13219	5492	7301	3710	33930
2023							
FI Simplified	64	41	121	102	29	43	400
FI Youth	5						5
FI Accounts	101	32	569	141	74	54	971
FI Clients	2366	471	6022	2878	3311	2018	17066

It can be seen that the greatest number of clients among all financial inclusion segments goes to FI Client, targeting gas finance clients, with 33930 clients in 2022 and 17066 clients in 2023.

### The Unbanked and Underprivileged

At least 67% of the Egyptian population remains unbanked, placing a strong responsibility on all banks in Egypt to reach out to such people through innovative financial inclusion products and services and facilitate the processes for them. At IDB, we take our part in that responsibility by ensuring ways to financially include the underbanked and underprivileged across Egypt.

We believe that complicated administrative processes and high costs are the main reasons that prevent underprivileged and unbanked people from having bank accounts. Therefore, we are on a path to supporting the unbanked and underprivileged clients seeking access to the financial sector. In that regard, we have provided facilitations for such clients to improve their onboarding process and enhance the products and services provided to them. All clients under the financial inclusion segments are onboarded through simplified KYC and using very limited documentation to make it easier and more accessible for them to access financial services. They also provided digital onboarding services through Instapay allowing customers to execute instant transfers to different bank's accounts, wallets and doing multiple types of payments.

- CASA
- MICRO FINANCE
- MEEZA DEBIT CARDS
- SIMPLIFIED KYC
- AGENT BANKING

Unbanked and underprivileged clients also have access to products such as interest-bearing current account savings accounts (CASA), which are more convenient and may provide low interest and low fees. An added proposition for such clients is the Meeza debit card issuance, which allows clients to make payments and access funds wherever, whenever, and however they choose. Microfinance is another tool that helps unbanked and underprivileged, low-income clients access the financial system, providing them with benefits and low-interest rates to finance their micro projects.

IDB's forward-looking financial inclusion plan involves adopting agent banking to efficiently serve clients in remote and rural areas. Agent banking, a channel for delivering financial services through third-party agents instead of traditional branches, is a key element. In early 2022, IDB obtained a license from CBE, enabling outreach to regions where IDB is not physically present, thereby expanding regional coverage. The approved partners for agent banking include Fawry Plus, Paytabs, Opay, El Fayoum for Gaz, and Netgas. This strategic approach enables IDB to provide diverse benefits to clients by reaching remote areas through entities such as Fawry.





### Financial Literacy

We wish to expand financial literacy by increasing understanding of financial concepts to help the targeted clients to manage their money better and enhance their financial well-being. In light of that, IDB has financed ten financial literacy campaigns in 2023, spanning diverse governorates. All campaigns focused on providing awareness and knowledge about bank account benefits and other financial information and were held in partnership with diverse associations. Some of the most notable were the following:

- » Qena’s Civil Association
- » Social Affairs Directorate in Fayoum
- » Nasr City’s Youth Center
- » Local Society and Family Development Association in Fayoum

The Bank has also spread financial literacy through marketing campaigns for its products or services and holding awareness activities about the financial system.

### MSMEs

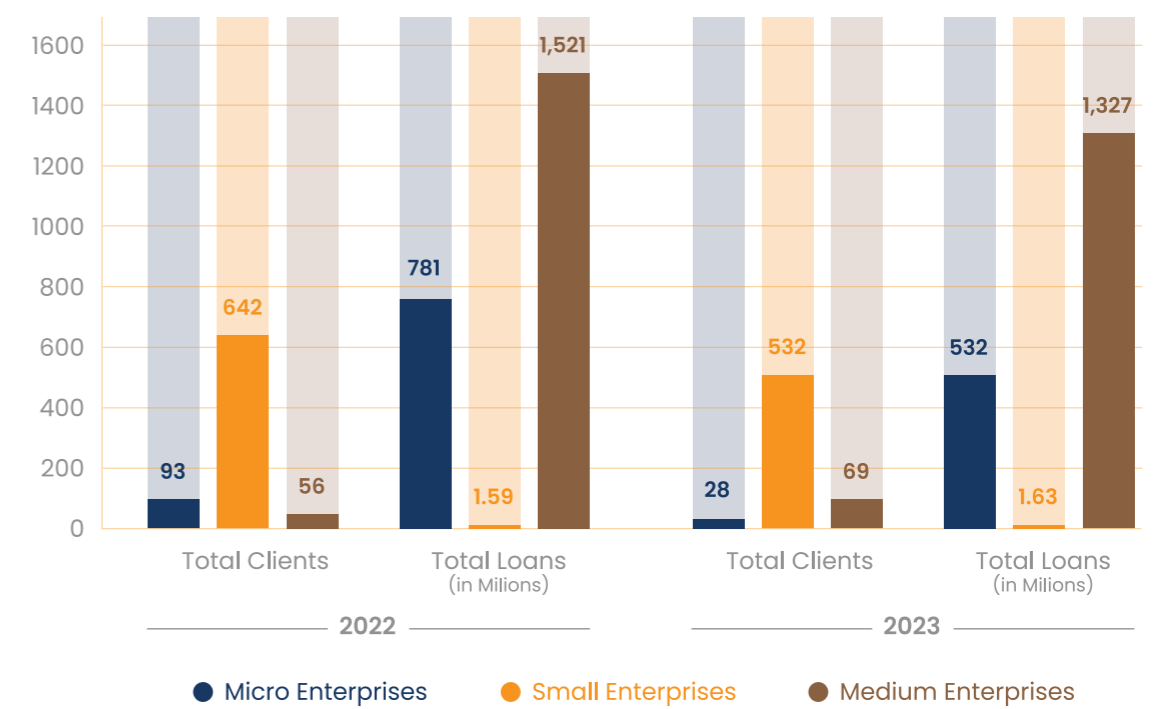
We are actively committed to fostering entrepreneurship and advancing local industrialization by establishing a strong system for developing and financing entrepreneurs at every stage of their journey. From the conceptualization phase to the stages of growth and expansion, the Bank is dedicated to providing comprehensive support. We demonstrate a dedication to supporting MSMEs for their vital role in the progress of Egypt’s economy.

Clients Served and Loans Provided in EGP	2022		2023	
	Total Clients	Total Loans	Total Clients	Total Loans
Micro Enterprises	93	781 Mn	28	532 Mn
Small Enterprises	642	1.594 Mn	532	1.646 Mn
Medium Enterprises	56	1.521Mn	69	1.327Mn

Although the greatest share of MSME clients goes to small enterprises with 642 total clients in 2022 and 532 in 2023, micro enterprises hold the largest share of total loans.

In 2023, total clients fell by 70% and 17% for both micro and small enterprises. However, medium enterprise clients have increased by a remarkable 23 % in 2023, witnessing our dedication to supporting medium enterprises and expanding their portfolio. IDB also allows medium enterprises to share participate in exhibitions and conferences related to their activities.

### MSME Finance



### Branches and ATMs

At IDB, we believe that physical bank branches are vital for the financial inclusion of all segments of society. They offer a human connection that cannot be replicated online the ability to deposit and withdraw cash and access financial advice, and a wider variety of products and services. Therefore, the Bank has begun a wide expansion of its branches since 2022 and now has 26 physical branches covering most of Egypt’s geographical area.

We also have a network of 48 ATMs allocated across 22 governorates, enhancing our reach to all clients across the country. All ATMs are regularly maintained to limit any possible malfunctions and ensure constant delivery of services to all clients. The average outage per ATM is 0.02%, and the average downtime per ATM monthly is 1 hour, which is due to periodic maintenance.



## People with Disabilities

Our Bank is dedicated to promoting inclusivity and supporting individuals with disabilities. In line with this commitment, we have implemented services tailored to meet the unique needs of people with disabilities. These initiatives aim to enhance accessibility, foster equal opportunities, and contribute to the well-being and empowerment of individuals facing physical, cognitive, or sensory challenges. For customers with visual disabilities, IDB added the visually impaired services to 36 ATMs out of our 48 ATMs. We have also provided many bank forms in the Braille language. For people with hearing disabilities, we implemented a voice-over service for our terms and conditions across many branches.

The queuing system does not apply to clients with disabilities, as they have priority service within the Bank premises. In addition to such services, customers with disabilities are served in branches through one universal teller and customer service.

Sessions and training from professional enterprises were provided for branch staff on dealing with customers with different disabilities, including reading Braille language, sign language, and other subjects related to handling a customer with a disability professionally. Branches were modified with ramps, visually impaired aids, wheelchair counters, and elevators for wheelchairs. All such services are provided to people with disabilities to ensure their inclusion in the financial system in the most convenient and easy ways.

## Digital Banking and Financial Inclusion

Our digital progress at IDB has significantly impacted our ability to reach more segments and facilitate client transactions, serving our financial inclusion aspirations. The Bank's digital strategy for 2022 and 2023 has been designed to provide unique digital solutions and build a digital driven organization to enhance customers' experience through offering effective services, such as ATMs, Mobile banking, Instapay, Call centers, SMS Gateways, and Internet Banking which has yet to be approved by CBE.

The increase in ATMs and their geographical spread have allowed us to gain access to remote clients. Instapay has also facilitated the transfer of funds across different accounts by saving time and money that would have otherwise been spent by clients commuting to the Bank; it has also offloaded the work for employees at the Bank and provided the Bank's internal operations with enhanced efficiency.

## The Meeza Card

IDB gained approval from the CBE on the 30th of January 2019 to launch the Meeza Card. Meeza is the Egyptian National Payment Scheme developed under the supervision of the Central Bank of Egypt that enables financial institutions to meet the needs of consumers who expect to make payments and access funds. Meeza Cards present a more convenient and secure alternative to cash, offering a range of benefits and privileges. These cards are a reliable means for accessing funds, enabling cash withdrawal, and conducting various financial transactions. Meeza's contactless cards, equipped for simple tap transactions at any POS displaying a contactless symbol, efficiently cover clients' everyday expenses.

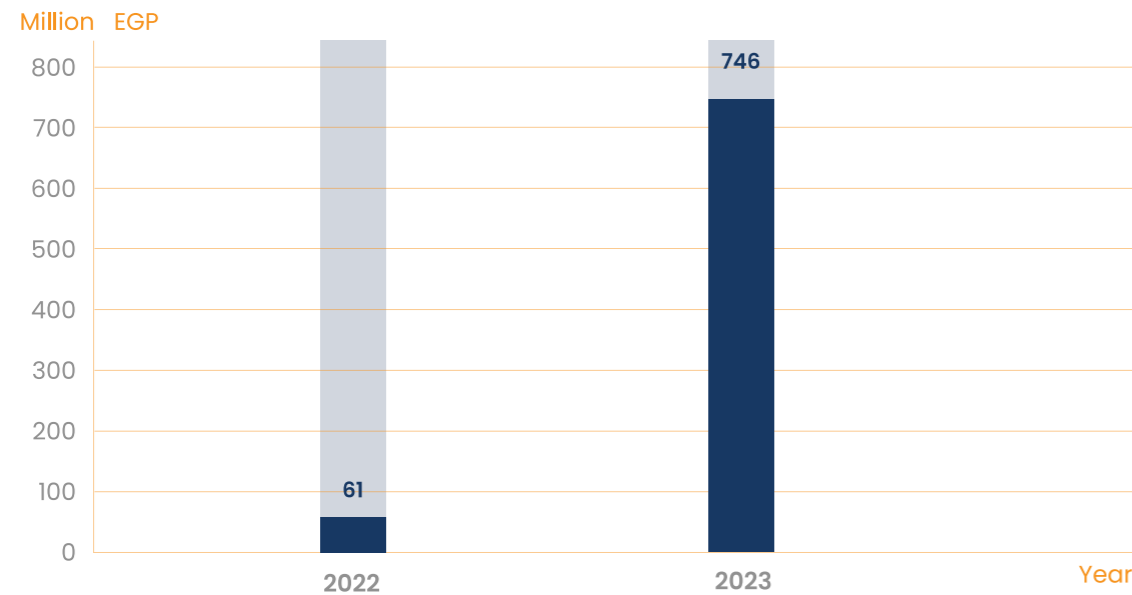
Another advantage is saving money directly on the card, offering a secure and accessible savings method. Meeza Cards are designed to enhance clients' financial experience by combining ease of use with advanced security features. Our objective is to give customers different solutions to access a more secure and simpler way to manage their payments.

By doing so, we are supporting our nation's vision of financial inclusion as a path to transforming Egypt into a cashless society.





Total Volume of Usage by Meeza Cards



The above graph shows that the total spending by Meeza cards has witnessed a striking increase from EGP 61 mn in 2022 to EGP 746 mn in 2023. The total number of issued mezza cards is 22,678 in December 2023.

### Remittances

Remittances are a crucial value offering for our Bank. We provide domestic and cross-border remittances, contributing substantially to Egypt’s economic growth. Cross-border remittances are important to the economy by promoting foreign exchange and the availability of foreign currency, supporting the country’s balance of payments; they are also an important source of income for the economy.

Both types of remittances help alleviate poverty by providing a source of income to households. Additionally, remittances are effective promoters of financial inclusion in several ways. They provide a means for people to exchange funds through the security and efficiency of our Automated Clearing House Platform. They also allow for the inclusion of individuals in the financial system, boosting financial inclusion.

Remittance Clients		
Year	2022	2023
Total Number of Clients	91,310	85,642
Total Volume (EGP bn)	77.09	4.48
Percentage of Clients Who Sent Domestic Remittance	35%	35%
Percentage Of Clients Who Sent Domestic Remittance Using A Digital Channel	56%	57%
Percentage Of Clients Who Sent A Cross-Border Remittance	9%	9%

In 2022, we had 91,310 remittance clients, amounting to 77 billion Egyptian pounds in remittance volume. This number fell to 85,642 clients in 2023, with a total volume of 4 billion Egyptian pounds. The decrease in volume was due to the market situation, particularly the foreign currency (FCY) shortage, which affected trade finance volume and related transfers. However, this did not impact the commission base due to product pricing adjustments.

Another key reason for the decrease in remittance clients was the transition to Automated Clearing House (ACH) services, which offer lower costs. ACH transactions increased significantly, from 13,441 transactions totaling 26.83 billion EGP in 2022 to 18,421 transactions totaling 35.76 billion EGP in 2023.

Digital platforms are essential for our remittance clients, with 57% of all remittance clients using digital platforms for domestic remittances in 2023, a slight increase from 56% in 2022.

## Digital Banking

In today's digitally driven world, we need to accompany the developments and integrate digital solutions within our systems. Not only do digital solutions facilitate transactions and save time, effort, and money, but they also enable the development of new services and products. In light of that, IDB has been on a journey to turn to digital banking in the past two years. We are making short but significant strides toward embedding digital solutions into our Bank's system.

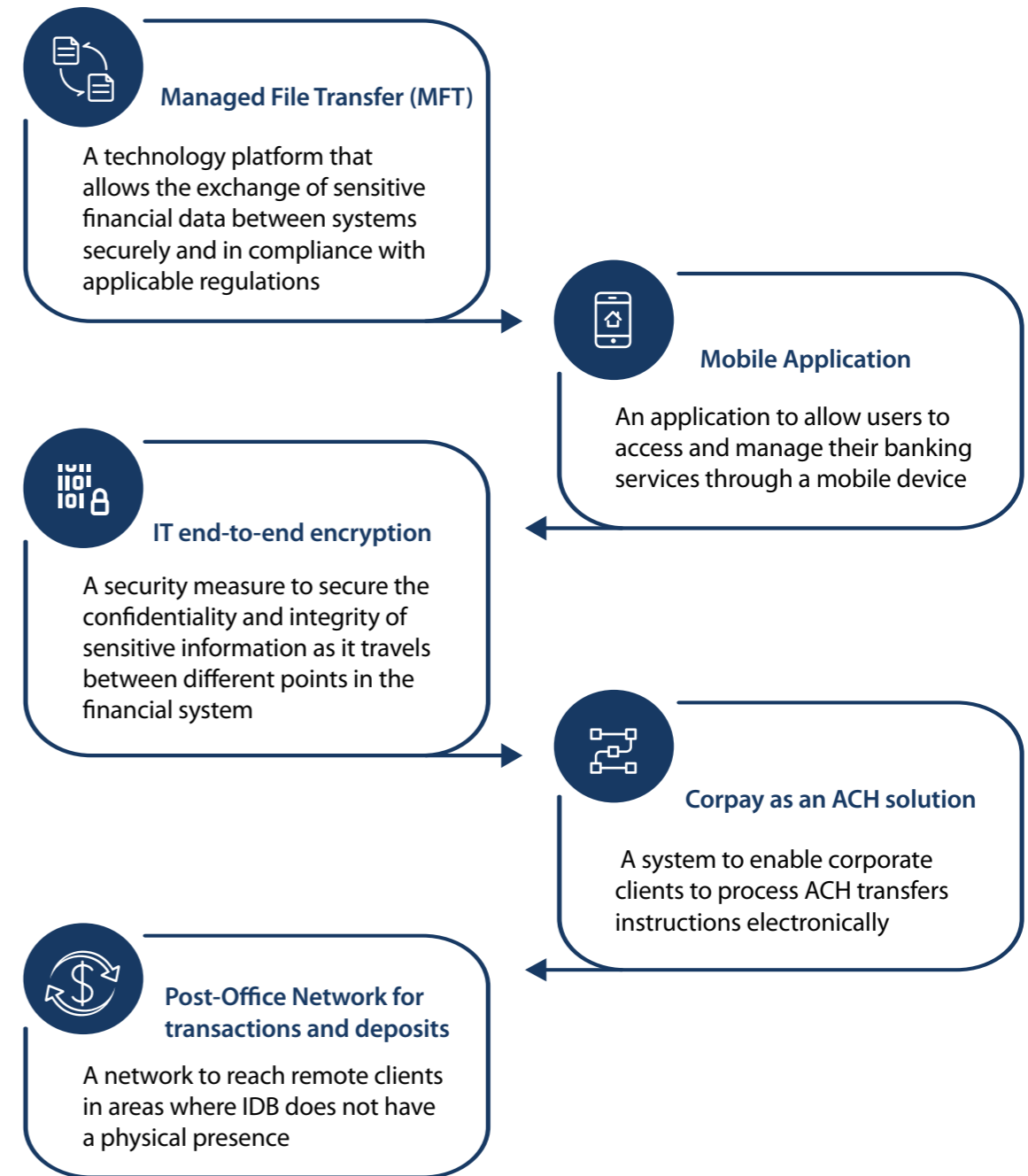
### E-CPS

In the third quarter of 2022, IDB introduced the Electronic Corporate Payment Services (E-CPS). In 2022, 7 transactions were made with a volume of 1.4 Million EGP. This number substantially increased in 2023, with 750 transactions amounting to 470 Million. This is equal to a growth rate of 10614%. In 2022, 4 clients used the E-CPS service, which grew by 1475% in 2023 to reach 63 clients. E-CPS's impact on the Bank is evident in cost savings, time savings, and branch and call center offloading. There has been a 13% reduction in inquiries at the call center and hours spent by employees processing.

### Internet Banking

Internet Banking was launched by the end of December 2023, marking a breakthrough for IDB regarding digital banking. Since its launch, 30 clients have used it with a total of eight transactions. The service is expected to increase transaction efficiency, save clients and employees time and money, and contribute to environmental sustainability by reducing paper usage.

**Future Projects** Our Bank is on a constant path to development and growth. We persist because we are resilient and outlooking, always aiming higher and utilizing every capability to grow. Therefore, IDB's forward plans include several promising projects pending CBE approval. These projects are as follows



### Embedding Innovative Solutions

IDB is continuously optimizing our resources to offer innovative and streamlined services for our clients. As part of this dedication, in 2022, we implemented a transformative initiative, restructuring our trade finance department into the Global Transaction Banking (GTB) Department.

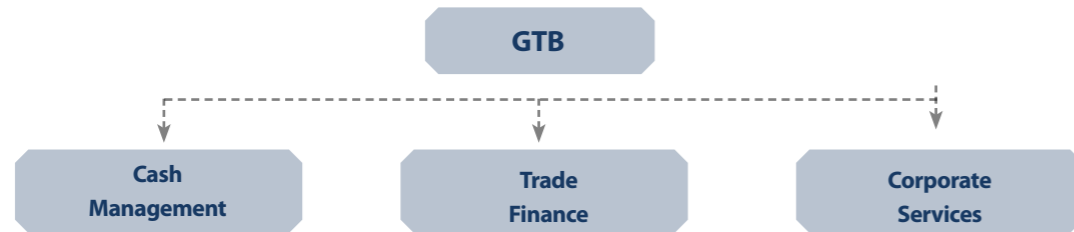
The restructured GTB Department has embraced an integrated approach, focusing on delivering end-to-end solutions. This shift aims to generate increased financial returns for the Bank while creating a seamless and facilitated banking experience for our valued clients.



By aligning our services with the evolving needs of the financial landscape, we are dedicated to fostering innovation within our organization. The revamped GTB Department is a testament to our dedication to excellence and adaptability.



As shown in the figure, our GTB Department uniquely works with all other departments to advance our services, focusing on three key functions.



### Cash Management

Cash Management helps in streamline the business processes, realizing greater operational efficiencies, supporting clients in managing the company's working capital more effectively, offering digital & innovative solution, managing liabilities portfolio (plus addressing their complete business cycle resulting in creating a strong Bank/Client relationship). Provide a wide range of Cash Management solutions & services

- » Manage clients' liquidity
- » Integrate to tighten the linkage between client & bank
- » Offer Innovative & digital solutions through Integrating with a non-bank providers
- » Enhance clients' experience
- » Process decentralization of Government payments to branches to ease and fasten the process.
- » Build a strong corporate online banking platform & provide up to date digital solutions

#### Launched products

- » Internet Banking
- » New E- finance services additions to Branches
- » Corporate Payment E-CPS
- » Cash pickup Service
- » Cash Delivery Service
- » Check Pickup Service
- » Check Delivery Service
- » A4 Cheques

- » System process enhancement, succeeded to shift transaction from manual focus to digital focus (Automation of outgoing transfers workflow / SWIFT from Manual process)

#### Trade finance

Trade services and financing offering optimize transactions turnaround time and flow of funds 'securing timely payments and collection of proceeds from commercial flows' Focus on growing Trade Finance flows from different corporate segments

- » Increase FCY inflows & FX revenues
- » Facilitate bank transaction execution
- » Build a strong and personalized relationship with clients
- » Improve IDB clients' corporate banking experience through specialized dedicated / sales team
- » Leverage existing client base across the bank
- » Improve clients' business by delivering customized solutions
- » Trade products in addition to GTB cross-selling role for other
- » IDB products
- » Increase the number of NTB clients
- » Identify the most appropriate Trade product based on clients' needs
- » Focus on most profitable commission and revenue generating products
- » Reach a client module that includes Trade , Lending & Foreign exchange

### Trade Finance

In 2022, our approach to trade finance involves the establishment of dedicated hubs within our branches, each featuring a specialized Trade Finance Officer. These hubs are bridges between our branches and the head office, streamlining the trade finance process. The presence of a dedicated trade finance officer within these hubs ensures personalized and expert assistance for clients engaging in trade transactions. Covering borrowing & non-borrowing clients, more beneficial for non-borrowing clients that needs more focus, this model enhances accessibility and convenience, providing seamless interaction between clients and our trade finance services.

### Corporate Dedicated Services

Corporate transaction service is the focal point between borrowing clients & Head office to smooth operation through specialized corporate transaction service team.

Provides corporate borrowing clients with a quality service differentiating IDB from competitors promoting it as a "Bank of choice".

Assure completing the transactions as per defined turnaround time consequently increasing borrowing granted limit's utilization & thus raising transactional fees & commissions.

Our products in trade finance exports & imports include the issuing of Letters of Credit (LCs), Letters of Guarantee (LGs) & Documentary Collections (DCs). By increasing trade facilities and updating our tariffs, we expanded the volume of transactions, thereby generating substantial revenue for the Bank.

We have also updated the department's policies and procedures, enabling a more systematic and efficient workflow.

One of the integral roles of the Trade Finance department is its position as a link between the trade finance operations department and corporate lines of business. This role opened avenues for cross-selling, maximizing revenue for the Bank, and providing added value to clients by meeting more of their financial needs.



### Driving Digital Transformation

Across all its functions, our Bank's GTB Department has been driving automation throughout diverse business lines. We have established an online platform for trade finance and corporate transactions, resulting in 70% automated fees and commissions. Additionally, our E-CPS service supported corporate clients in easily fulfilling their payments electronically, generating increased transactions in 2023. Our corporate clients can also utilize Instapay in corporate transactions, providing an instant way to transfer funds. Finally, Internet Banking is being launched in two phases, with phase one already initiated in 2023 and phase two set to launch in 2024. (Refer to the "Digital Banking" section for more information on our digital solutions).



## Marketing

### Our Marketing Strategy

At IDB, we seek to communicate to our audiences the broad range of products and services that we provide; we continually reshape the mental image of the Bank among current and potential customers from being a specialized bank to becoming a comprehensive bank that offers all banking solutions, serving all customer segments. Our marketing strategy focuses on supporting development through the bank's participation in adjusting the industrial localization map and promoting the geographical expansion of industrial projects, especially in regions with lower growth rates and Upper Egypt. It also emphasizes social aspects, especially targeting segments that do not have access to formal financial products that meet their needs.

### Our Channels of Communication

Communicating with our stakeholders to market our products and services requires the extensive use of diverse platforms to ensure our reach. IDB uses social media platforms like Facebook, Instagram, and YouTube to reach our stakeholders. We also communicate through news websites and newspapers to announce new services and products and share our successes with our clients. Our branches also play a significant role in directly conveying our Bank to clients.



### Promoting Financial Inclusion

The Public Relations and Corporate Communication Management works to market and promote the efforts, activities, and services related to financial inclusion in our bank. This includes simple products, small lending programs, attention to diverse segments, and consideration of social aspects. The management works with the Financial Inclusion management to reach out to marginalized communities in villages and remote areas through financial literacy seminars.

The management also oversees and monitors the design of advertisements that will be published through various available channels and participates in all financial inclusion events throughout the year. They ensure the necessary approvals for publication and actively engage with journalists and news site managers to disseminate news related to the bank's participation in financial inclusion activities.

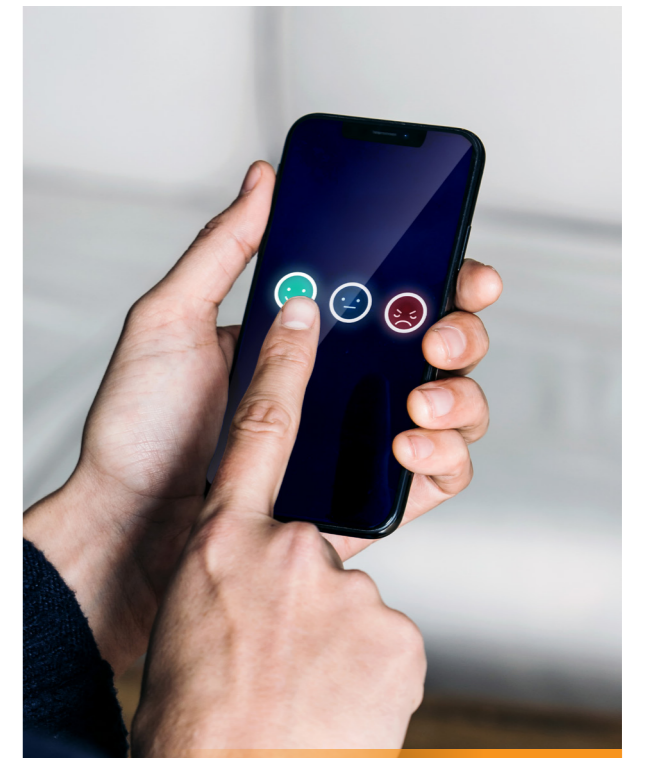
### Ethical Marketing

IDB ensures that our marketing strategy is ethical and embodies business integrity, transparency, and consumer trust. It is important that the system and content of the presentation, as well as marketing channels, are clear and direct to enrich the customer's information and knowledge. Employees dealing with customers possess sufficient information, and their guidance should be adequate, useful, accurate, and reliable. This is to present a clear and truthful image of the Bank and its services, with a commitment to responding to customers.

### Customer Satisfaction

Ensuring customer satisfaction is at the heart of our commitment to excellence. We recognize that our success is intricately linked to the satisfaction of those we serve. The Public Relations Management is responsible for receiving all customer inquiries through the designated communication channels. They respond to these inquiries and ensure the transmission of questions and communication requests to the relevant departments. Additionally, the management handles forwarding customer complaints to the Customer Rights Protection Unit for investigation and resolution. They work towards addressing and solving these issues, aiming to enhance trust between the Bank and its customers for long-term success.

Furthermore, the management prepares monthly reports that compile the number of inquiries and complaints received through these channels and presents them to senior management for review.







**03**  
**SUSTAINABLE  
INITIATIVES  
FOR A GREENER  
FUTURE**



# SUSTAINABLE INITIATIVES FOR A GREENER FUTURE

We are dedicated to minimizing our environmental footprint, and our Digitalization business model is aligned with this commitment. Compared to traditional banks, we operate with a significantly smaller carbon footprint. Our operational expenses, particularly energy use, have a notable environmental impact. Consequently, we consistently assess strategies to reduce energy consumption across our offices and facilities.



## Headquarters GHG Emissions:

Scope 1: Direct Emissions – 2021		mtCO2e	Percentage
Mobile Combustion	Combustion Fuel Burning: Owned Vehicle (Diesel, Petrol 92, and Petrol 95)	100	6
<b>Total Scope 1 Emissions</b>		100	
Scope 2: Indirect Emissions – 2021			
Purchased Electricity		609	36
<b>Total Scope 2 Emissions</b>		609	
<b>Scopes 1 &amp; 2 Carbon Intensity (per FTE)</b>		1.41 mtCO2e/FTE	
Scope 3: Indirect Emissions – 2021			
Purchased Goods and Services: Office Supplies		18	58
Fuel and Energy-Related Activities (Not Included in Scope 1 and 2): Owned Vehicles (WTT) – Diesel and Petrol 92 and Petrol 95		26	
Water Usage & Wastewater Treatment		2	
Employee Commuting & WTT		957	
<b>Total Scope 3 Emissions</b>		1,002	
<b>Total Scopes 1, 2 &amp; 3 Emissions</b>		1,711 mtCO2e	

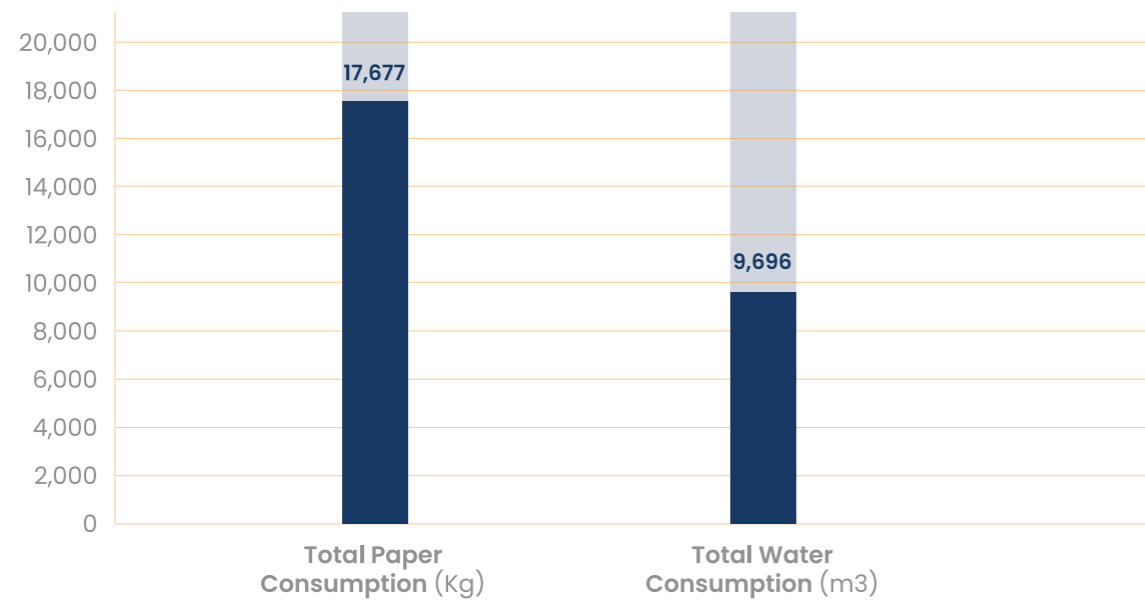


## Optimizing Energy Usage

As part of our commitment to environmental protection, IDB excels in improving its environmental performance by optimizing energy usage. We recognize the significant impact of energy consumption on carbon emissions and environmental sustainability. In this regard, we launched energy efficiency initiatives that contribute to reducing greenhouse gas emissions across 14 of our branches.

These initiatives were initiated in 2019 when we lowered our energy consumption by switching all conventional incandescent bulbs with LED lights. This helps reduce electricity consumption by 70%, resulting in EGP50 K saved yearly costs. Another aspect of this initiative is energy saving; LED lights' energy usage savings translate into a decrease of 10,000 kilowatts. Additionally, AC enhancements were made, resulting in a decline of 5600 kilowatts per year. We look forward to engaging in more energy efficiency projects and initiatives to cover all our branches and reduce our carbon footprint.

Resources in 2021







**04**  
**BUILDING**  
**ORGANIZATIONAL**  
**CAPABILITIES**



# BUILDING ORGANIZATIONAL CAPABILITIES

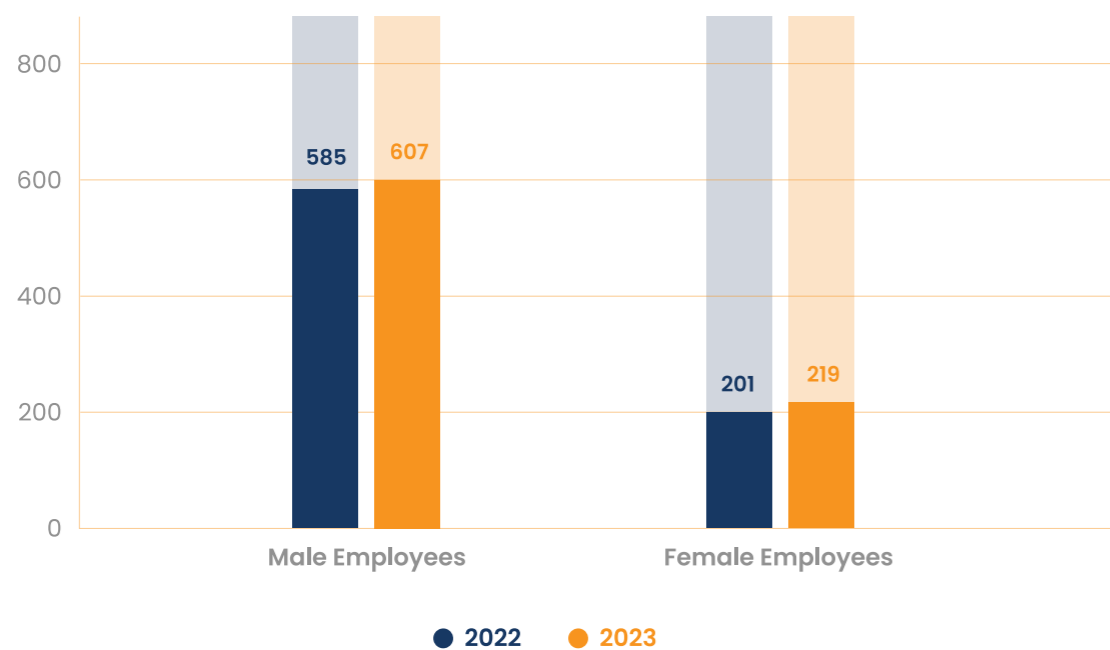
## Human Capital

IDB's employees are the driving force behind its success, seamlessly navigating the industry's complexities. This section delves into the diverse and skilled workforce that powers the Bank's daily operations. IDB had a team of 837 employees in 2023, marking an increase of 6.5% from 2022. This increase comes from IDB's expansion efforts, opening new branches and 26 new ATMs in 2023. We aim to build a strong and loyal team of dedicated calibers who can drive IDB to new heights.

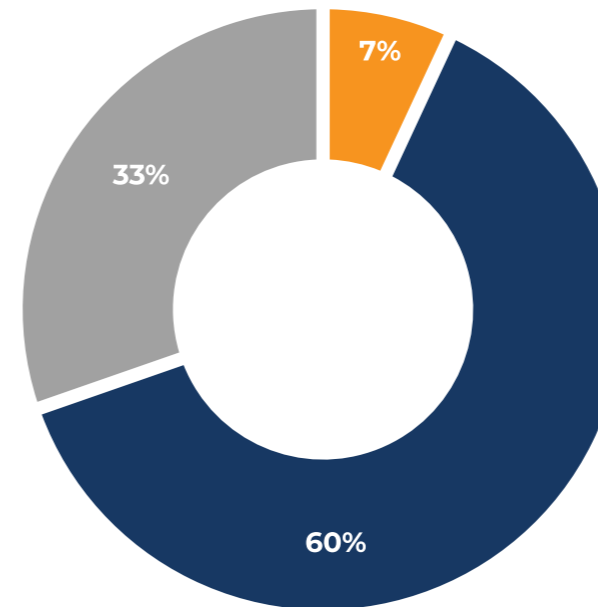
## Diversity and Inclusion at IDB

We understand the value of diversity in all its forms. People of different genders and ages bring forth diversified fortes that are vital building blocks for our Bank. In light of that, 25.6% of IDB's employees in 2022 were female, slightly increasing in 2023, and we aim to explore further ways to enhance that percentage.

Gender Diversity at IDB

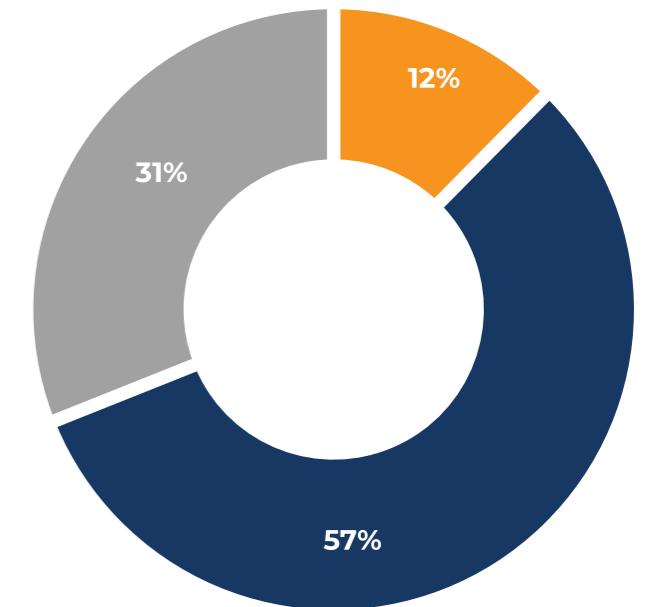


Employee Age Distribution in 2022



- Under 30 Years Old
- 30-50 Years Old
- Over 50 Years Old

Employee Age Distribution in 2023



- Under 30 Years Old
- 30-50 Years Old
- Over 50 Years Old

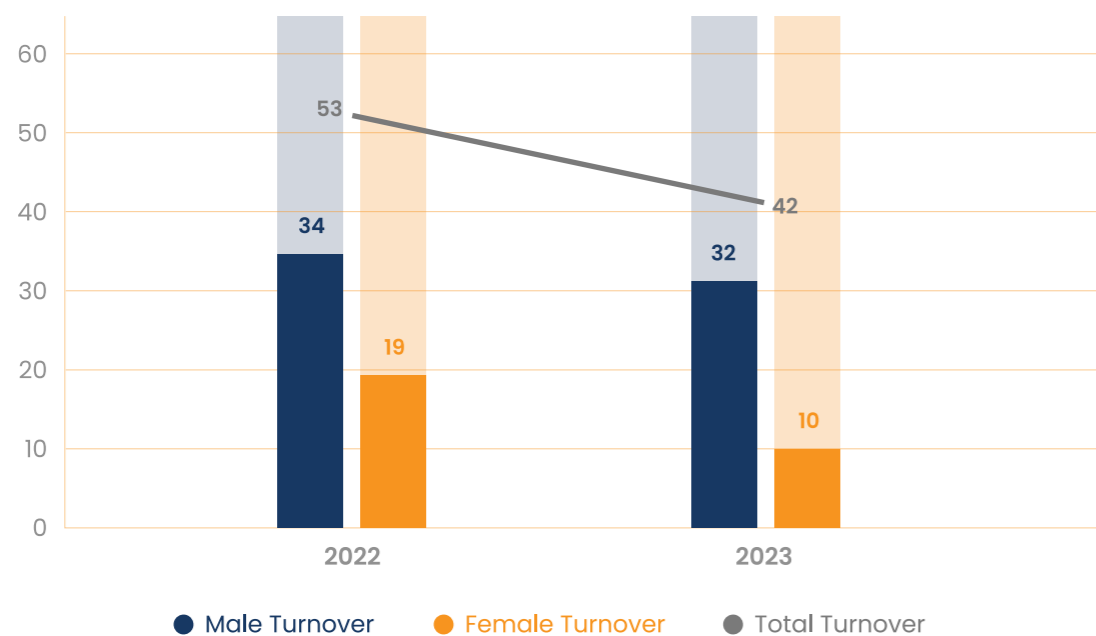
Employees of different ages are crucial for a bank's continuation as each age group has its areas of strengths and value. The largest share of our employees belongs to the age group from 30 to 50 years old. They constitute the Bank's balance and wealth of experience and hard work. Although young employees under 30 form only 12% of our employees in 2023, we have been actively recruiting new hires in that age group since 2022. The greatest number of new hires in 2022 and 2023 belonged to that age group.

### New Hires and Turnover

	2022				2023			
	Below 30	30-50	Above 50	Total By Gender	Below 30	30-50	Above 50	Total By Gender
<b>New Male Hires</b>	24	31	6	<b>61</b>	17	18	1	<b>36</b>
<b>New Female Hires</b>	22	9	0	<b>31</b>	16	3	1	<b>20</b>
<b>Total by Age Category</b>	46	40	6	<b>92</b>	33	21	2	<b>56</b>

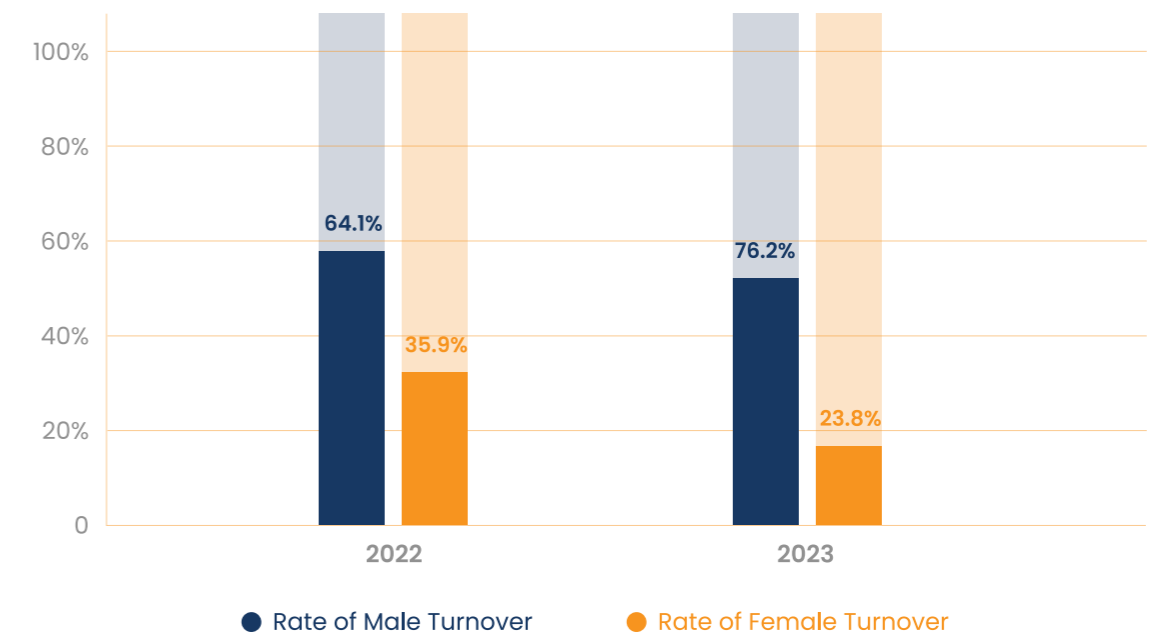
At IDB, we are keen on constantly evolving and utilizing new ideas by hiring new calibers who can generate fresh talent for the Bank. Hence, the total numbers of new hires in 2022 and 2023 were 92 and 56, respectively. The greatest share of new hires in both years was for those under 30. A percentage of 58.9% of new hires in 2023 were aged under 30, highlighting IDB’s keenness in providing opportunities to young calibers in the Egyptian economy.

### Employee Turnover



Employee turnover at IDB has witnessed a decline from 2022 to 2023, highlighting IDB’s efforts to retain its employees by providing them with benefits and a healthy work environment.

### Rate of Employee Turnover By Gender



The rate of employee turnover is shown to be higher for male employees in both 2022 and 2023. Female turnover, on the other hand, has fallen in 2023.

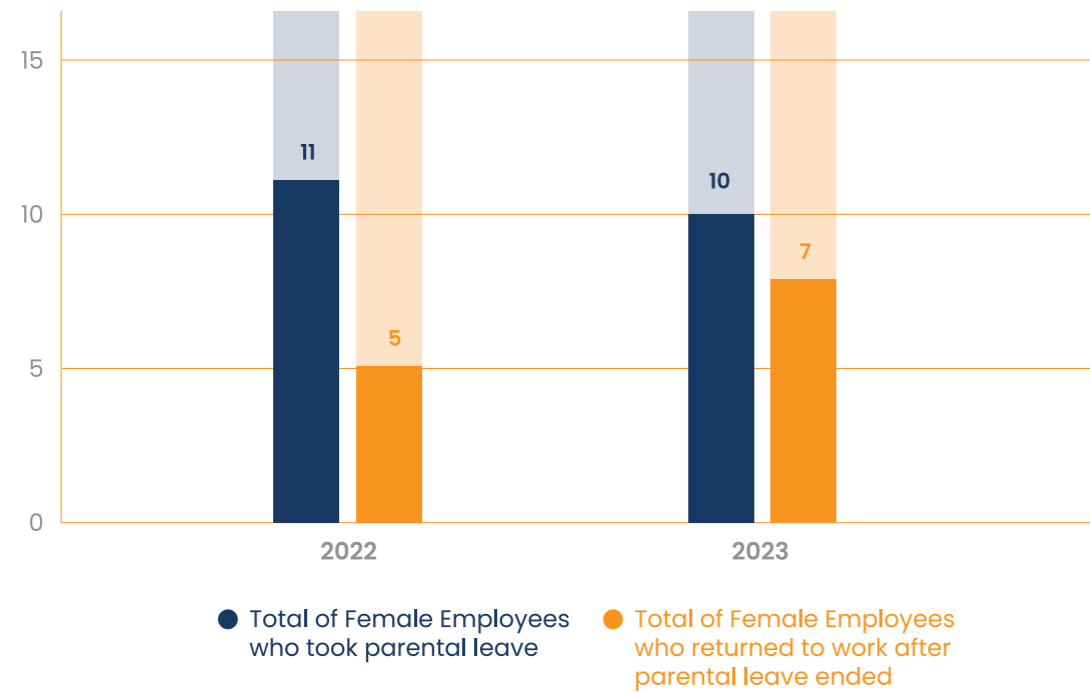
### Benefits and Compensation

In valuation of its employees and the values it upholds, IDB provides its full-time employees with a range of benefits. We provide them with life insurance plans, disability benefits, retirement provision, and redundancy payments upon exit from IDB. IDB has placed 65 Million in retirement provision, as of the last actuarial study, 100% of whom are employer paid. In addition to such benefits, IDB provides health care to the employees and their families. Senior staff are also given access to company vehicles for commuting.





### Parental Leave



At IDB, we understand the significance of work-life balance and seek to help our employees enjoy such a balance. Therefore, all our female employees are entitled to parental leave. In 2023, 4.3% of all female employees took parental leaves with a slight decrease from that of 4.7% in 2022. IDB has witnessed an improvement in return-to-work rate as it was 45% in 2022 and increased to 70% in 2023. In 2022, all employees who returned to work after parental leaves ended were still employed 12 months later, highlighting our high retention rates at IDB.

Performance Reviews by Age Group			
	Below 30	30-50	Above 50
2022	15%	57.8%	27.2%
2023	17.9%	60.5%	21.6%

Performance Reviews by Gender		
	Males	Females
2022	68.6%	31.4%
2023	67.2%	32.8%

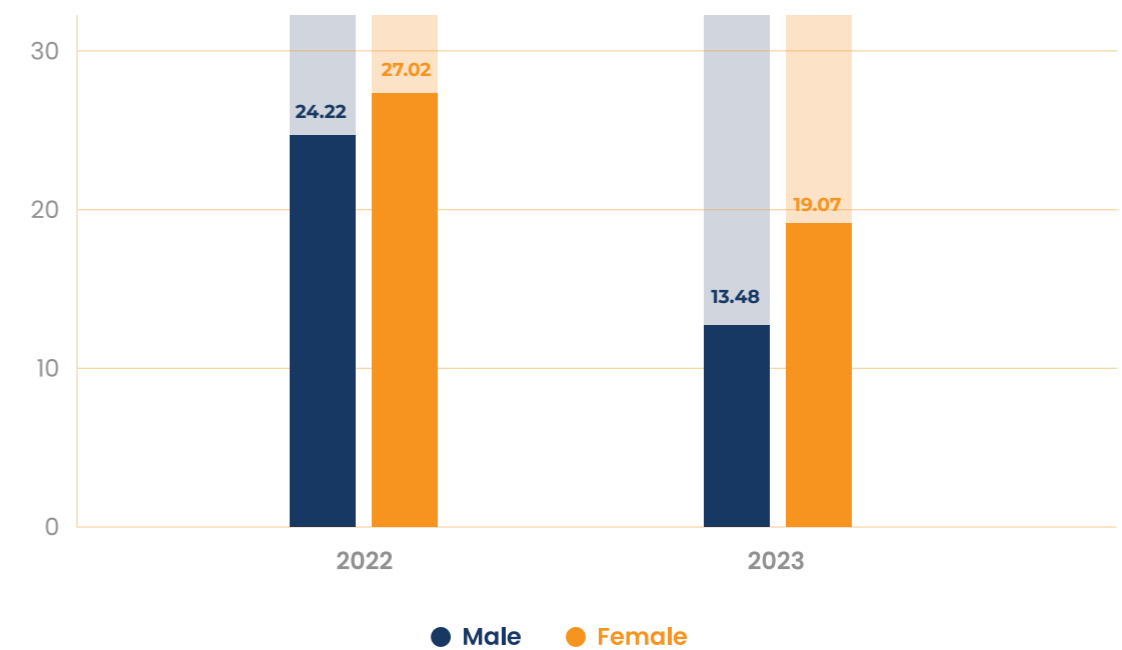
Most employees at IDB receive regular performance and career development reviews. Of all reviews, 68.6% were for males, and 31.4% were for females. At IDB, compensation is based on performance, and no gender-based discrimination occurs, abiding by the country's laws and regulations. We have a grading matrix to allocate wages in the same range for all employees.

## Training and Employee Development

### Average Training Hours

The average training hours per employee in 2022 was 25.1 hours. In 2023, this number fell to 15.2 hours. This decrease is a result of replacing some of the in-class programs with online (recorded) and virtual (live) format to be delivered to more participants with less cost, noting that online and virtual programs' duration are less than in-class training.

### Average Training Hours by Gender



	Total Male Trainees	Total Female Trainees	Total Training Hours
2022	462	218	17080.5
2023	491	226	10,930

IDB firmly believes in development and knowledge transfer. Hence, IDB has been providing a wide spectrum of training programs across diverse areas to its employees across all employment levels. In 2022, we provided 79 different training programs covering areas such as risk management, audit, finance, ESG, sustainable finance, customer service, regulations, digital solutions, and disability management. We continued that achievement with 70 training programs in 2023 covering similar areas. IDB is also proud to have provided training programs on sustainability issues in 2022 and 2023. Those included climate change awareness attended by Head of Small Credit Risk Department, a circular economy workshop attended by Head of Sustainability Department. Also, sustainable finance, a climate Risk & sustainable finance Seminar, and ESG investing trainings. We aspire to further install a culture that values and prioritizes sustainability in order to foster a sustainable-minded community at our bank.

To promote an integrity-driven bank, IDB places emphasis on anti-corruption training programs. In 2022, 542 employees received anti-corruption training with a total of 2408 training hours. This number increased in 2023 with 624 employees receiving training on anti-corruption, totaling 1972 training hours.



### Health and Safety

IDB values the safety and health of its employees and actively works towards ensuring that all workers enjoy a safe work environment. Hence, IDB has a specialized committee for health and safety that sets standards, monitors incidents, and takes all necessary measures to ensure employees' health and safety. Our standards for health and safety at the Bank are regularly revisited to ensure their implementation. Also, all employees at IDB are aware of the health and safety standards of the Bank and receive training on preventive measures and awareness of risk factors.

In the incident of safety risks, a full investigation is made into the incident followed by a report detailing all the findings to the head of the health and safety unit. The report identifies the person or people who caused the injury, their occupational history, and the equipment or machines involved. The report is presented to the health and safety committee to decide on the measures to take. The committee convenes monthly so that at least one representative for the employees and one representative for the Bank's administration is present. IDB is proud to report that it has had no staff injuries or work-related deaths for all employees in this reporting period.

	Male		Female	
	2022	2023	2022	2023
<b>Types of injuries for all staff</b>	0	0	0	0
<b>Injury rate for all staff (IR)</b>	0	0	0	0
<b>Work-related deaths for all employees</b>	0	0	0	0







**05**  
**CREATING  
CORPORATE  
SHARED VALUE**

02



# CREATING CORPORATE SHARED VALUE

At IDB, our efforts in corporate social responsibility (CSR) are integral to our mission of contributing to the well-being of society and aligning with national development goals. Our CSR strategy encompasses a comprehensive approach, focusing on empowerment programs prioritizing individuals with special needs, women, youth, training, and the environment. We aim to participate in national initiatives, support societal issues, and contribute to the needs of the most vulnerable sectors in Egypt.

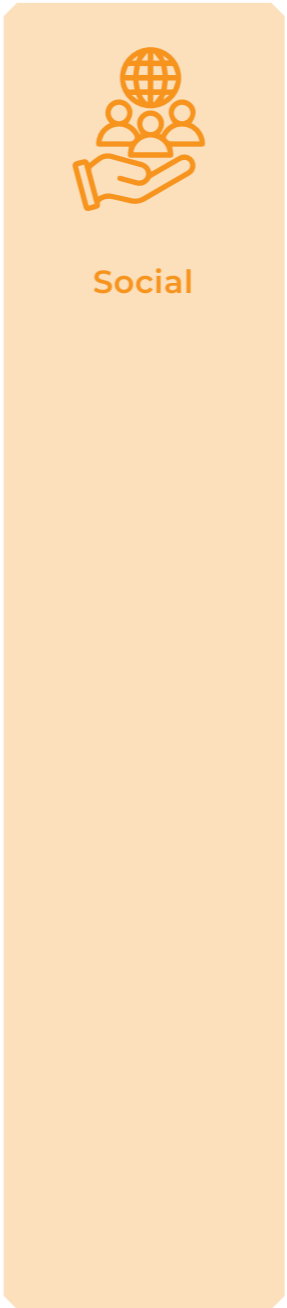
## Our Main CSR Highlights



IDB reaffirms its dedication to social responsibility by contributing a significant amount of EGP 250,000 to provide essential healthcare opportunities for the neediest groups in Ibsaway village, Fayoum Governorate. This impactful donation facilitates medical examinations for 1,000 citizens, including women, children, and men, along with eye medications for 300 individuals, critical operations for 110 citizens, and medical glasses for 220 citizens. IDB's commitment to enhancing healthcare aligns with our broader mission of societal well-being and sustainable development, reflecting our belief in creating positive, lasting impacts in the communities we serve.

We are actively engaged in the Nile Pioneers Initiative. This strategic program is sponsored by the CBE and is dedicated to advancing the capabilities of SMEs and young entrepreneurs. As part of this initiative, our Bank has proactively supported the manufacturing sector by sponsoring the Mold Design Center (CODE2). This center, initiated in 2019, focuses on promoting sustainable development by encouraging the production of molds within Egypt, thus reducing dependence on imported molds. Through this project, the Mold Design Center has successfully crafted six molds for three companies, while providing valuable training courses for 88 engineers.

Furthermore, our efforts extend to contributing to the launch of the (XR Jigs & Fixtures) program, facilitated by the Innovation Center of the Nile Pioneers Initiative. This program aims to localize the industrial landscape by offering services that enhance product development, including reverse engineering of imported products, production supplies, and the provision of molds. The Nile University MICRO FACTORY headquarters houses a model that displays various equipment and machines for mold manufacturing and design, highlighting the fruitfulness of these efforts to foster innovation and sustainability in the local manufacturing industry.



### Promoting Sports and Healthy Lifestyle

The bank anticipates sponsoring local and international tournaments in Cairo, supporting youth centers in villages and hamlets, and organizing an annual football tournament along with a cup named after the Industrial Development Bank. This initiative will be implemented in cooperation with the Ministry of Youth and Sports, leveraging the network of over 4,000 youth centers nationwide, the Industrial Development Bank highlights its commitment to fostering connections with the younger generation and actively participating in initiatives that promote sports, community involvement, and youth development.

### Looking Forward

IDB has placed a target for the year 2024 to direct its sponsorships to local and international tournaments hosted in Cairo and youth centers in rural areas. One of the key initiatives is the organization of an annual football tournament and cup, bearing the name of the Industrial Development Bank, in collaboration with the Ministry of Youth and Sports. This approach aims to leverage the Bank's presence in over 4,000 youth centers across the nation, facilitating meaningful engagement with the crucial demographic of the youth. By partnering with the Ministry of Youth and Sports, the Industrial Development Bank highlights its commitment to fostering connections with the younger generation and actively participating in initiatives that promote sports, community involvement, and youth development.

### Supporting Bahía Hospital

This initiative aims to support Bahía Hospital, focusing on women's health. It includes organizing a visit in 2024, distributing souvenirs to boost morale, and providing monetary donations. Our Bank will encourage all employees to contribute. Additionally, the Bank is exploring opportunities to provide financial donations for the new Bahía Hospital in Sheikh Zayed and for providing medical devices.





## Donations to the Good Makers Foundation

In order to enhance our dedication to social responsibility, IDB has been keen to support well-known foundations in Egypt such as the Good Makers Foundation. Within the range of 100 to 200 thousand Egyptian pounds, we participate in one of the initiatives held by the institution in a way that serves the purposes of the Bank and achieves sustainable development. Our primary target is to support women, youth, and children as well as to have a role in the progression of the education and health sectors in Egypt.

### Orman Foundation

We look forward to donating a substantial amount to Shifa Al-Orman Hospitals to establish a solar energy station, this project will greatly impact the hospital's ability to provide a safe, clean environment free of air pollutants. It will also cut the hospital's direct costs by decreasing electricity expenses, which can be directed toward the hospital's needs.

### Empowering Entrepreneurs

IDB is dedicated to building community capabilities by leveraging the skills and expertise of its employees. Through this initiative, the Bank aims to prepare individuals for the labor market, focusing on entrepreneurs. We aim to provide valuable advice to stimulate the integration of entrepreneurs into the formal sector. Accordingly, the Bank will provide the necessary financial support to empower these individuals in their endeavors.

### Employee Recognition

IDB strongly emphasizes recognizing and appreciating its dedicated employees actively participating in social responsibility programs. As a token of gratitude for their commendable efforts, the Bank will regularly honor its volunteer workforce. The Bank acknowledges and values the impactful contributions of its volunteer employees, fostering a culture of appreciation and social responsibility within the organization.



# 06 APPENDIX





## GRI Index

GRI STANDARD	DISCLOSURE	Page Number	REASON FOR OMISSION	SECTION
<b>General Disclosures</b>				
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	2	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.	About This Report
	2-2 Entities included in the organization's sustainability reporting		Not applicable	
	2-3 Reporting period, frequency and contact point	2		About This Report
	2-4 Restatements of information		Not applicable	
	2-5 External assurance	109		Assurance Letter
	2-6 Activities, value chain and other business relationships	36		Business Lines
	2-7 Employees	82-83		BUILDING ORGANIZATIONAL CAPABILITIES
	2-8 Workers who are not employees		Not applicable	
	2-9 Governance structure and composition	14-17		CORPORATE GOVERNANCE
	2-10 Nomination and selection of the highest governance body	18-19		CORPORATE GOVERNANCE
	2-11 Chair of the highest governance body	15-16		CORPORATE GOVERNANCE
	2-12 Role of the highest governance body in overseeing the management of impacts	20		CORPORATE GOVERNANCE
	2-13 Delegation of responsibility for managing impacts	18-19		CORPORATE GOVERNANCE
	2-14 Role of the highest governance body in sustainability reporting	22		CORPORATE GOVERNANCE

GRI STANDARD	DISCLOSURE	Page Number	REASON FOR OMISSION	SECTION
<b>General Disclosures</b>				
<b>GRI 2: General Disclosures 2021</b>	2-15 Conflicts of interest	31		Risk Management
	2-16 Communication of critical concerns	32		Risk Management
	2-17 Collective knowledge of the highest governance body	16		CORPORATE GOVERNANCE
	2-18 Evaluation of the performance of the highest governance body		Confidentiality constraints	
	2-19 Remuneration policies		Confidentiality constraints	
	2-20 Process to determine remuneration	19		CORPORATE GOVERNANCE
	2-21 Annual total compensation ratio		Confidentiality constraints	
	2-22 Statement on sustainable development strategy	6		CHAIRMAN MESSAGE
	2-23 Policy commitments	31-33		Risk Management
	2-24 Embedding policy commitments	31-33		Risk Management
	2-25 Processes to remediate negative impacts	32		Risk Management
	2-26 Mechanisms for seeking advice and raising concerns	32		Risk Management
	2-27 Compliance with laws and regulations	31-32		Risk Management
	2-28 Membership associations	10 11		ALIGNING WITH NATIONAL AND INTERNATIONAL FRAMEWORKS FOR SUSTAINABLE IMPACT
	2-29 Approach to stakeholder engagement	24-27		Stakeholder Engagement
	2-30 Collective bargaining agreements		Information unavailable/incomplete	

GRI STANDARD	DISCLOSURE	Page Number	REASON FOR OMISSION	SECTION
<b>Material Topics</b>				
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	28	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.	Double Materiality
	3-2 List of material topics	28		Double Materiality
<b>Economic Performance</b>				
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	40		Corporate Banking
	201-2 Financial implications and other risks and opportunities due to climate change		Information unavailable/incomplete	
	201-3 Defined benefit plan obligations and other retirement plans	85		
	201-4 Financial assistance received from government		Not applicable	
<b>Market Presence</b>				
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	87		BUILDING ORGANIZATIONAL CAPABILITIES
	202-2 Proportion of senior management hired from the local community		Information unavailable/incomplete	
<b>Indirect Economic Impacts</b>				
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	46		Retail Banking
	202-2 Proportion of senior management hired from the local community		Information unavailable/incomplete	

GRI STANDARD	DISCLOSURE	Page Number	REASON FOR OMISSION	SECTION
<b>Procurement Practices</b>				
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers			Information unavailable/incomplete
<b>Anti-corruption</b>				
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	31		Risk Management
	205-2 Communication and training about anti-corruption policies and procedures	31		Risk Management
	205-3 Confirmed incidents of corruption and actions taken	31		Risk Management
<b>Anti-competitive Behavior</b>				
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Information unavailable/incomplete	
<b>Tax</b>				
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax		Information unavailable/incomplete	
	207-2 Tax governance, control, and risk management		Information unavailable/incomplete	
	207-3 Stakeholder engagement and management of concerns related to tax		Information unavailable/incomplete	
	207-4 Country-by-country reporting		Information unavailable/incomplete	



GRI STANDARD	DISCLOSURE	Page Number	REASON FOR OMISSION	SECTION
<b>Materials</b>				
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume		Not applicable	
	301-2 Recycled input materials used		Not applicable	
	301-3 Reclaimed products and their packaging materials		Not applicable	
<b>Energy</b>				
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization		Information unavailable/incomplete	
	302-2 Energy consumption outside of the organization		Not applicable	
	302-3 Energy intensity		Not applicable	
	302-4 Reduction of energy consumption	78		SUSTAINABLE INITIATIVES FOR A GREENER FUTURE
	302-5 Reductions in energy requirements of products and services	78		SUSTAINABLE INITIATIVES FOR A GREENER FUTURE
<b>Water and Effluents</b>				
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource		Not applicable	
	303-2 Management of water discharge-related impacts		Not applicable	
	303-3 Water withdrawal		Not applicable	
	303-4 Water discharge		Not applicable	
	303-5 Water consumption	78		SUSTAINABLE INITIATIVES FOR A GREENER FUTURE

GRI STANDARD	DISCLOSURE	Page Number	REASON FOR OMISSION	SECTION
<b>Biodiversity</b>				
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Not applicable	
	304-2 Significant impacts of activities, products and services on biodiversity		Not applicable	
	304-3 Habitats protected or restored		Not applicable	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Not applicable	
<b>Emissions</b>				
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	77		SUSTAINABLE INITIATIVES FOR A GREENER FUTURE
	305-2 Energy indirect (Scope 2) GHG emissions	77		SUSTAINABLE INITIATIVES FOR A GREENER FUTURE
	305-3 Other indirect (Scope 3) GHG emissions	77		SUSTAINABLE INITIATIVES FOR A GREENER FUTURE
	305-4 GHG emissions intensity		Not applicable	
	305-5 Reduction of GHG emissions		Not applicable	
	305-6 Emissions of ozone-depleting substances (ODS)		Not applicable	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Not applicable	

GRI STANDARD	DISCLOSURE	Page Number	REASON FOR OMISSION	SECTION
<b>Waste</b>				
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts		Not applicable	
	306-2 Management of significant waste-related impacts		Not applicable	
	306-3 Waste generated	78		SUSTAINABLE INITIATIVES FOR A GREENER FUTURE
	306-4 Waste diverted from disposal		Not applicable	
	306-5 Waste directed to disposal		Not applicable	
<b>Supplier Environmental Assessment</b>				
<b>GRI 308: Supplier Environmental Assessment 2016</b>	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	
<b>Employment</b>				
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	84-85		BUILDING ORGANIZATIONAL CAPABILITIES
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	85		BUILDING ORGANIZATIONAL CAPABILITIES
	401-3 Parental leave	86		BUILDING ORGANIZATIONAL CAPABILITIES

GRI STANDARD	DISCLOSURE	Page Number	REASON FOR OMISSION	SECTION
<b>Labor/Management Relations</b>				
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes		Information unavailable/incomplete	
<b>Occupational Health and Safety</b>				
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	89		BUILDING ORGANIZATIONAL CAPABILITIES
	403-2 Hazard identification, risk assessment, and incident investigation	89		BUILDING ORGANIZATIONAL CAPABILITIES
	403-3 Occupational health services		Not applicable	
	403-4 Worker participation, consultation, and communication on occupational health and safety			
	403-5 Worker training on occupational health and safety		Not applicable	
	403-6 Promotion of worker health		Not applicable	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Not applicable	
	403-8 Workers covered by an occupational health and safety management system		Not applicable	
	403-9 Work-related injuries	89		BUILDING ORGANIZATIONAL CAPABILITIES
	403-10 Work-related ill health	89		BUILDING ORGANIZATIONAL CAPABILITIES



GRI STANDARD	DISCLOSURE	Page Number	REASON FOR OMISSION	SECTION
<b>Training and Education</b>				
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	87		BUILDING ORGANIZATIONAL CAPABILITIES
	404-2 Programs for upgrading employee skills and transition assistance programs	88		BUILDING ORGANIZATIONAL CAPABILITIES
	404-3 Percentage of employees receiving regular performance and career development reviews	86-87		BUILDING ORGANIZATIONAL CAPABILITIES
<b>Diversity and Equal Opportunity</b>				
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees		Information unavailable/incomplete	
	405-2 Ratio of basic salary and remuneration of women to men		Information unavailable/incomplete	
<b>Non-discrimination</b>				
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	32		Risk Management
<b>Freedom of Association and Collective Bargaining</b>				
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Not applicable	
<b>Child Labor</b>				
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor		Not applicable	

GRI STANDARD	DISCLOSURE	Page Number	REASON FOR OMISSION	SECTION
<b>Forced or Compulsory Labor</b>				
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		Not applicable	
<b>Security Practices</b>				
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures		Not applicable	
<b>Rights of Indigenous Peoples</b>				
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples		Not applicable	
<b>Local Communities</b>				
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs		Information unavailable/incomplete	
	413-2 Operations with significant actual and potential negative impacts on local communities		Information unavailable/incomplete	
<b>Supplier Social Assessment</b>				
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria		Information unavailable/incomplete	
	414-2 Negative social impacts in the supply chain and actions taken		Information unavailable/incomplete	

GRI STANDARD	DISCLOSURE	Page Number	REASON FOR OMISSION	SECTION
<b>Public Policy</b>				
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions		Not applicable	
<b>Customer Health and Safety</b>				
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories		Not applicable	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Not applicable	
<b>Marketing and Labeling</b>				
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling		Not applicable	
	417-2 Incidents of non-compliance concerning product and service information and labeling		Not applicable	
	417-3 Incidents of non-compliance concerning marketing communications		Not applicable	
<b>Customer Privacy</b>				
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	33		Risk Management





### Independent Limited Assurance Statement

To the Board of Directors

Industrial Development Bank

Dcarbon for Environmental Consultancy (DCarbon) is a sustainability consultancy firm registered under Egyptian law no. 159 for the year 1981 and its executive regulation. Dcarbon is a certified Global Reporting Initiative (GRI) training partner and a GRI Gold Community member. Our main goal is to assist public and private organizations understand and address their economic, environmental, and social impact.

**Industrial Development Bank (IDB)** engaged Dcarbon to perform an Independent Limited Assurance review for the consolidated sustainability report covering the year starting January 1<sup>st</sup>, 2023 and ending December 31, 2023 ('the Report').

#### **Engagement Summary**

**Scope of DCarbon assurance engagement:** Whether the 2023 information, data, and narrative presented in the Report are fairly presented in accordance with the reporting criteria.

**Reporting criteria:** The GRI Sustainability Reporting Standards (GRI Standards 2021).

**Assurance level:** Limited assurance.

**Respective responsibilities:** IDB's Management is responsible for preparing the report content per the reporting criteria and selecting the disclosures to be verified. DCarbon, on the other hand, is responsible for providing conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgment. This clear division of tasks ensures a comprehensive and unbiased report review.

IDB management's responsibility includes selecting and applying appropriate methods for preparing the report and making plausible assumptions and estimates of non-financial disclosures under the given circumstances. The responsibility further includes the internal controls, which management has determined necessary to prepare a sustainability report free from misstatement, whether due to fraud or error.

DCarbon's collaboration with IDB has revealed the active and integral role of IDB's leadership and management in governing the release of this report. The Engagement with the departmental focal persons and the dedicated sustainability team revealed a commitment to sustainability.

#### **Assurance Scope, Boundary, and Limitations**

**The Scope** covers IDB Governance, Business Strategy and Policies, Materiality Assessment, and stakeholder engagement process.

**The Boundary** covers data and information captured across its operational and business functions. It includes the Bank's Head Office support functions, Corporate Governance, and stakeholders' engagements as part of this assurance and as indicated in the Report.

**The Limitation:** the limited assurance review process was conducted with utmost thoroughness. It included non-financial data and information for operations in Egypt from 01 January 2023 to 31 December 2023, per the GRI Standards 2021.

#### **Assurance scope excludes:**

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

#### **Assurance procedures**

The assurance was conducted by **DCarbon's multidisciplinary independent team of experts** in auditing economic, social, and environmental information and abiding by our values of integrity, confidentiality, professional competence, objectivity, and due attention.

The nature, timing, and extent of procedures followed were based on the rounds of engagement with relevant departments and senior management at IDB and the sustainability focal points delegated by the Board of Directors. The Executive Management was responsible for identifying material sustainability issues, establishing and maintaining appropriate internal performance management, and developing the relevant systems for the reported data.

Mr. Mohamed Sherif, Mr. Mohamed Elshafie, Ms. Mariam Beshara, and Ms. Nour Amer, DCarbon's Senior Sustainability analysts, supported aligning GRI standards, data mining, and verifications.

#### **Assurance activities included procedures to obtain evidence about the reliability of the disclosures:**

- Interview the employees delegated by IDB regarding the sustainability strategy, sustainability principles, and sustainability management.
- Matching the non-financial disclosures shown in the report with the documents provided.
- Review the evidence of internal policies, procedures, and strategy documents provided by IDB.
- Review of materiality and stakeholders' engagement process deployed by IDB.
- Evaluation of the processing and monitoring of data collection for GRI disclosures.
- Review of the Report narrative to ensure that there is no misrepresentation of disclosures as per the scope of assurance and our findings.

#### **Conclusion**

Our opinion has been formed based on the outcome of the activities performed outlined. Considering the risk of material error, we believe that the evidence we have obtained is sufficient and appropriate to provide the basis of our conclusion.

Based on our activities, nothing has come to our attention to indicate that the 2023 sustainability report information and data are not fairly presented in accordance with the reporting criteria. **This GRI in Accordance Report meets all the GRI Standards requirements.**

DR.   