

**Main Highlights of CAE's Audit Committee
Meeting held on 1 February 2022**

The Audit Committee Meeting was held on Tuesday, 1 February 2022, at 10:00 am.

The meeting was attended by:

Dr. Adel Danish	Non-Executive Board Member – Chairman of Committee
Mr. Assem Ragab	Non-Executive Board Member – Member of Committee
Mr. Paul Carite	Non-Executive Board Member – Member of Committee (By Video Conference)

Attendees:

Mr. Hesham Helmy	Head of Internal Audit (CAE)
Mr. Samer Masoud	Deputy Head of Internal Audit (CAE)
Mrs. Hala Ragab	General Counsel & Corporate Secretary (CAE)
Mr. Amr Fathy	Head of Compliance (CAE)
Mr. Franck Senebier	Chief Operating Officer (COO)
Mr. Ahmed Awaad	Partner – Ernst & Young
Mr. Rashad Hosny	Partner – Mazars, Mostafa Shawky & Co.
Mr. Ayman Fawzy	Financial Administration (CAE)
Ms. Dina Waheeb	Deputy Chief Risk Officer (CRO)

The following are the key issues discussed:

- 1) Looking into the status of implementation of the decisions and recommendations of the previous meeting of the Audit Committee.
- 2) Reviewing the financial statements of the Bank for the period ended 31/12/2021, including a description of relationship with the related parties.
- 3) Considering the appointment of External Auditors for the F/Y 2022 and the proposals for any additional services required from them.
- 4) Reviewing the reports issued by the Internal Audit Department of the Bank including an annual report on the Committee's activity & the key recommendations issued by the Committee

during the year 2021 and the Internal Audit Dept.'s assessment of the branches & departments audited for the previous year; presenting the key recommendations of the Internal Audit Dept. to monitor and improve the internal control environment & maintaining the Bank's assets; and also discussing the data of the Internal Audit staff members and their levels of training & qualification.

- 5) Presentation of the reports submitted by the Risk Dept. including a report from the Permanent Control & Operational Risk Dept., as well as reports submitted by the Head of Compliance for the period ended 31/12/2021.
- 6) Reviewing the reports prepared by the Head of Legal Dept. on the results of legal cases.
- 7) Reviewing the reports submitted by the External Auditors for the F/Y ended 31/12/2021.

Key Decisions of the Audit Committee:

- 1- The Head of Bank Operations shall submit an updated report to the Audit Committee on the Key Performance Indicators (KPI) to evaluate the performance of one of the services provided by the Bank.
- 2- The Head of Compliance Dept. of the Bank, in coordination with all relevant parties, shall submit an updated report to the Audit Committee on the results of automation of the data and reports of the customers of the SMEs loan portfolio to improve performance, as well as the procedures and results of internal control on the classification of the loans portfolio of these companies in light of the CBE's recent regulations.
- 3- The Audit Committee approved the Financial Administration's proposal to reappoint Mostafa Shawky – MAZARS and Ernst & Young (EY) as the Bank's joint External Auditors for the F/Y 2022, and approved the estimated fees in this regard. As for the additional special tasks submitted by the Financial Administration Dept., the Committee recommended the Board of Directors to approve them together with the related fees.
- 4- With regard to the additional external audit task related to the management of Interest Rate Risk in the Banking Book (IRRBB) according to Basel accords, the Audit Committee approved

that the Financial Administration Department shall continue to seek quotations from reputable external audit firms to perform this special task as soon as possible. The Audit Committee also approved the prescribed fees related to this task, up to a maximum set by the Committee.

- 5- The Committee reviewed and approved the report of the Internal Audit Department of the Bank on the results of follow-up of the audit recommendations to improve the internal control environment of the Bank.
- 6- The Committee reviewed and approved the updated and detailed position of the Audit Plan for the year 2021, and it also approved the Internal Audit Department's reports on the audit missions performed during the year 2021.
- 7- The Audit Committee reviewed the annual report on the Committee's Activity for the year 2021.
- 8- The Head of Compliance Department of the Bank shall present the updated position regarding the examination of local transfers in foreign currency "FCY ACH" to the next meeting of the Audit Committee.
- 9- The Head of Compliance Department of the Bank shall present an updated position to the upcoming meeting of the Audit Committee regarding the quality of implementation of the regulatory procedures for entering some customer data into the IT system when opening new accounts for them, as well as the procedures and results of internal control in this regard, to avoid the related risks.

Dr. Adel Danish

**Chairman of Audit Committee
& Member of Board**

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