

Main Highlights of CAE's Audit Committee Meeting held on 10 May 2022

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

The meeting was attended by:

Dr. Adel Danish	Non-Executive Board Member – Chairman of Committee
Mr. Didier Reboul	Non-Executive Board Member – Member of Committee (<i>By Video Conference</i>)
Mr. Paul Carite	Non-Executive Board Member – Member of Committee (<i>Represented by Mr. Didier Reboul by Proxy</i>)

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. Ahmed Awaad	Partner – Ernst & Young
Mr. Mohammed Shaltout	Partner – Mazars, Mostafa Shawky & Co.
Mr. Ayman Fawzy	Financial Administration (CAE)
Ms. Dina Waheeb	Deputy Chief Risk Officer (CRO)
Mr. Emmanuel Arribat	Observer with Expertise – CASA (<i>By Video Conference</i>)

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 31/3/2022.
- 3) Reviewing the Internal Audit Dept.'s report including the audit missions performed in the first quarter of the year 2022; following up the executed part of the Audit Plan for 2022; the Internal Audit Dept.'s assessment of the branches & departments during Q1 of the year; the key recommendations of the Internal Audit Dept. to monitor and improve the internal control environment & maintaining the Bank's assets, and discussing the data of the Internal Audit Department's staff, their levels of training and qualification.

- 4) 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 31/3/2022.
- 5) Reviewing the reports prepared by the Head of Legal Dept. on the status of the legal risks facing the bank.
- 6) Discussing the External Auditors' opinion on the financial statements prepared for the period ended 31/3/2022.

Key Decisions taken by the Audit Committee:

- 1- The Head of Bank Operations, in conjunction with the Chief Information Officer, to present a detailed and technical analysis of one of the services provided by the Bank to the Audit Committee, in addition to providing indicators and statistics to evaluate the performance of those services.
- 2- The Head of Compliance Department of the Bank to submit the updated position to the Audit Committee on one of the services provided by the Bank and its impact on customer satisfaction indicators.
- 3- The Head of Compliance Dept. of the Bank, in coordination with all relevant parties, to submit an updated report to the Audit Committee on the results of automation of the data of the customers of the SMEs loan portfolio to improve and monitor 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).
- 4- The Head of Compliance Department of the Bank, in coordination with the Head of Bank Operations, to prepare statistics on the volume of remittances in foreign currencies that are carried out between local banks, and send them via e-mail to the members of the Audit Committee.
- 5- The Financial Administration Dept. to prepare a brief study on the impact of the change in foreign exchange rates on the bank's financial statements during the first quarter of the year 2022.

- 6- The Audit Committee approved the amendments proposed to the Internal Audit Plan for the year 2022.
- 7- The Audit Committee approved the update conducted to the Charter of the Internal Audit Department.
- 8- The Head of Compliance Department to coordinate with all relevant parties to set a target date for corrective action plans to update the KYC Form for some customers and submit the updated position in this regard to the Audit Committee.
- 9- The Audit Committee stressed that the internal control reports submitted to it by the Bank's Compliance Department should include the development of the results of the controls placed in comparison with previous periods to determine the extent of their improvement, along with setting a specific time frame for the corrective measures agreed to be implemented and presenting the updated position in this regard to the Audit Committee.
- 10- The Audit Committee affirmed that the reports submitted to it by the Compliance Department should include a summary, at the beginning of the reports, of the main points of the report, followed by the details of those points.
- 11- The Deputy Chief Risk Officer to submit the updated position to the Audit Committee regarding the renewal of credit facilities and the action plan developed in this regard.

Dr. Adel Danish

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

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