

Capital Markets Day 2021

| Disclaimer

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There are a number of other factors that may cause actual results, performance or achievements, or industry results, to be materially different from those projected in the forward-looking statements. These factors include general economic and business conditions; changes in technology; timing or delay in signing, commencement, implementation and performance of programmes, or the delivery of products or services under them; industry; relationships with customers; competition; and ability to attract personnel.

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Risk Management

Providing the guard rails for faster growth

Committed to the highest standards of governance



Robust and dynamic governance model benchmarked on best international practices which enables and accelerates business growth in a secure and controlled environment.



Local risk & compliance frameworks established in markets where we are regulated to ensure local teams are empowered and accountable.



Agile cyber security framework which aims to be ahead of prevailing increased cyber threats in our markets.

Mature and comprehensive governance structure aligned with retail payment services regulatory requirements



Effective risk management



Strong reporting oversight



Independent assurance



Embedded risk culture

Setting risk appetite and culture

Review and monitors the effectiveness of the 3 LODs

Board of Directors (BOD)

Board Committees

c.80 Risk, Compliance and Audit Professionals

1st Line of Defence

Oversees 1st LOD risks and controls

Network Leadership Team

Implement ERMF practices and self-assess risks and controls

Business Functions

Support Functions

2nd Line of Defence

Oversees and manage ERMF performance

Enterprise Risk Management Committee

Facilitate the 1st LOD in embedding ERMF and proactive monitoring

Risk Management Function

Compliance Function

3rd Line of Defence

Reviews 1st & 2nd Lines of Defence and provides assurance to Executive Management, BOD and the Board Committees

Group Internal Audit

Additional Assurance Provision

Note: LOD "Line of Defence". ERMF "Enterprise risk management framework".


Meeting high regulatory and compliance standards

Robust risk framework and organisational alignment ensures we can assess and meet regulatory obligations as they emerge




Robust Compliance Framework

-  **Comprehensive** compliance programme
-  **Designed to align** with globally recognised compliance standards
-  **Policies adopted:**

AML ¹ / CTF ²	Sanctions
Anti Bribery & Anti Corruption	Conflicts of Interest
Whistleblower	Code of Conduct
Market Abuse Regulations	

 **In-line with sanctions regimes** imposed by local & international regulators:

High Regulatory Standards

-  **Deep understanding** of the regulatory environment in our home markets and customers markets
-  **Closely monitoring** emerging regulations across Middle East & Africa
-  **Proactive engagement** with multiple regulators

Regulators



Major Scheme Memberships

-  **Principal member** of the major payment schemes
-  **Direct settlement** into the schemes for both issuer and merchant solutions
-  **Compliance** with applicable scheme requirements
-  **Excellent relationship** with scheme partners

Major Schemes



Note: 1. Anti Money Laundering. 2. Counter Terrorist Finance. 3. Currently in the process of obtaining a regulatory license in Ghana and KSA.

Fraud and credit losses continue to remain low despite COVID-19



Fraud Risk

- › **Consistently low loss rates.** Direct acquiring fraud transactions reported via Payment Schemes were 51% below market average.
- › **Net fraud losses were significantly lower than our risk appetite** and loss rates were managed at very low levels consistently.
- › **Enhancement of fraud detection tools.** E-commerce acquiring fraud monitoring capabilities were further enhanced with new risk control tools.
- › **Implemented a new acquiring fraud monitoring system** to further enhance our fraud detection capabilities.
- › **Localized fraud management strategy.** Fraud management teams operate in our key locations in UAE, Egypt and Jordan.

0.018%

Fraud reported by issuers as a % of TPV in H1-2021. 51% less than market*



Credit Risk

- › **Mitigation of risks posed by Covid-19.** The rate of unrecoverable chargebacks and refunds continue to fall well within risk appetite.
- › **Direct acquiring portfolios were subjected to a stress testing exercise.** Unrecovered chargebacks and refunds were well below the forecasted stress scenarios.
- › **Management of settlement risk.** The risk arising from increased refund requests and chargebacks were closely monitored and proactively recovered.
- › **Facilitation of e-commerce growth.** Streamlined credit approval process for e-commerce merchants expedite on-boarding of new merchants.

0.003%

Chargeback loss as a % of TPV in 2020

Management, organisational and technical controls support the mitigation of cyber security risk in a dynamic payments industry

Technical / Cyber Focus

- > Full adoption of international best practices like NIST & CIS benchmarks
- > Deployed a best-of-breed technical security stack
- > End-to-end security across perimeter (network), servers, endpoints and cloud infrastructure

Globally Recognised Providers



Source: Company

Comprehensive Certifications

- > Secure transaction data with all PCI payments certifications in place
- > Robust controls to manage sensitive card data and ensure customer trust
- > Comprehensive group-wide security policies, standards and guidelines

Industry Security Standards



More than 10 PCI certifications, 2 ISO 27001 certifications and 3 ISAE 3402 audit reports by independent assurance firms across all locations in which we operate.

Organisational-wide Commitment

- > Controls based on “defence in depth” model
- > Annual training on Information Security and Data Governance for all employees and consultants
- > Security Incident Response Readiness and Surprise Mock Phishing Assessments
- > External and Internal Penetration Testing
- > Breach and attack simulation testing for all emerging threats

25+
Certified
Information Security
Professionals

265+
Combined
Years
of Experience

20+
Security
Partners

Well positioned to accelerate growth in multiple markets



Regulatory and Compliance

- › Strengthening our compliance capabilities in certain markets in the Middle East and Africa to meet emerging regulatory requirements.
- › Comprehensive reviews on our principal risks including new and emerging risks are performed on an ongoing basis.



Risk Management

- › Deep bench strength of risk management capabilities to support growth in new and existing markets.
- › Proven Fraud and credit management policy to be used to service the industry



DPO Integration

- › Integration of DPO control activities into Network's Enterprise Risk Management Framework post acquisition
- › Implementing an integration strategy with prioritised focus on control functions as per ERM framework



Cyber Security

- › Enhanced threat intelligence sharing across all our locations and extend our security framework and best practices into the new markets
- › Continued investments in our cyber security framework across all markets as per global and increasingly emerging local standards