



Banque Du Caire 2020 Sustainability Report

All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means without the publisher's prior written permission, except in the case of brief quotations and specific other noncommercial uses permitted by copyright law. For permission requests, contact us at the address below.

Addressed to:

Banque du Caire Head Office 6 Mostafa Abo Zahra St, Nasr City, Cairo, Egypt P.O. box: 9022 Postal Code: 11371 www.bdc.com.eg

Banque Du Caire 2020 Sustainability Report



IMI

About this report

The 2020 Sustainability Report is the second report to be published revealing BdC's sustainability approach through 4 key pillars and will present our value creation to stakeholders for the year ending December 2020 Some Information before and after 2020 may be included to emphasize relevant context to the reporting period.

The report is prepared according to the Global Reporting Initiative (GRI) Sustainability Reporting Standards: Core Option. It is aligned with UN SDGs and the national sustainable development strategy Egypt Vision 2030. It is also aligned with the Egyptian Exchange (EGX) ESG Index. Banque du Caire has also been a participant of the UN Global Compact since 2016 and reports annually on the 10 principles.

This Sustainability Report contains forward-looking statements that are expected in the landscape of the Banking industry both nationally and regionally. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections or results expressed or implied by such forward-looking statements.

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



Table of Content

Our CEO's message	08
Featuring our 2020 Progress	12
Our Present and Future Strategy	12
About Banque du Caire	16
Our Vision	18
Our Mission	19
Core Business	20
Corporate Governance	23
Governing BdC	24
Business Ethics Compliance	31
Internal Audit	35
Customer Protection	36
Engaging with Stakeholders, Identifying Material Topics and Managing Risks	38
Stakeholder Engagement	40
Material Topics	42
Risk Management	45
Perpetual Commitments	52
Committing to our Investors	55
Prolonging Our Corporate and Institutional Relations	60
Corporate Banking at BdC	61
Financial Institutions	. 78
Our Road to Sustainable Investments	79
Mega Projects and Syndicated Loans	80
Advancing our Retail Services	
ATMs	106
Branches Network	107
Digital Banking for Our Retail Customers	108
Digital Banking Services	110

Supporting Nationwide SMEs Supporting Nationwide SMEs Treasury and Capital Markets Committing on All Fronts Driving Financial Inclusion Inclusion for Persons with Disabilities/Spec Women and Youth Support Financial Literacy Building Organizational Capabilities Diverse Workforce Inclusive Hiring: Women & Youth (New Hire Learning and Development Employee Compensation, Incentives, and B Security at BdC Organizational Growth Creating Corporate Shared Value COVID-19 Economic Empowerment Education Health Sustainable Cities Persons with Disability (PWD) Community Support Protecting the Environment Contributing to the SDGs and SDS Mapping BdC's activities with the SDGs Sustainable Development Strategy (SDS) **GRI Index**

Assurance Letter

	116	
	118	
	138	
	144	
	152	
cial Needs	160	
	161	
	165	
	166	
	169	
es)	170	
	171	
Benefits	173	
	174	
	178	
	180	
	182	
	184	
	186	
	188 190	
	190	
	193	
	194	
	196	
	197	
	202	
1. S.	\sim	
)))))))))))))))))))))))))))))))))))))))		

BDC Acronyms

- **ACH** Automated Clearing House **ATM** - Automated Teller Machine BdC - Bangue Du Caire **BR** - Bank Reconciliation **Bn** - Billion **BoD** - Board of Directors **CBE** - Central Bank of Egypt **CBU -** Cairo Bank Uganda Limited **CCO -** Chief Commercial Officer **CCY -** Currency **CDs and TDs -** Certificate of Deposits and Time Deposits **CEO -** Chief Executive Officer **CLC -** Cairo Leasing Company **CO2** - Carbon Dioxide **COVID-19 -** Coronavirus **CRM** - Customer Relationship Management **CSR -** Corporate Social Responsibility **DFI** - Development Financial Institution ECL -**EEC -** Export Excellence Center
- **EGX -** Egyptian Exchange **ENR -** End Net Revenue **ESG** - Environmental, Social, and Governance **EWS -** Early Warning Signals **FCY -** Foriegn Currency **F** - Financial Institutions **FISP -** Financial Institutions Structured Products **FX -** Foreign Exchange **GCC -** Gulf Cooperation Council **GTB** - Global Transaction Banking Division **HR** - Human Resources **HRMS** - Human Resources Management System **ICAAAP** - Internal Capital Adequacy Assessment Process **IDCs** - Institutional Deposits Corporation IFRS - International Financial Reporting Standards IR - Investor Relations **IRS** - Interest Rate Swap **IRRBB** - Interest Rate Risk in the Banking Book **IVR** - Interactive voice response
- **KPIs -** Key Performance Indicators

KRI - Key Risk Indicator **LCY -** Local Currency **LIBOR -** London Interbank Offer Rate MBOs -**MFIs -** Microfinance Institutions **MIS -** Management Information System **MNC -** Multinational Corporation **MSCI** - Morgan Stanley Capital International **MSME -** Micro, Small, and Medium Enterprises Mn - Million **MFF -** Mortgage Finance Fund **NBFI** - Non-bank Financial Institutions **NGO -** Non-Governmental Organization **NPL -** Non-performing Loan **P&L** - Profit and Loss Statement P2P - Peer to Peer POS - Point of Sale **RMs -** Relationship Managers **RMs -** Risk Management **SDGs -** Sustainable Development Goals **SLA -** Service-level Agreement

- **SME -** Small and Medium-Sized Enterprises
- **SSP -** Securities and Custody Services
- TCM Treasury & Capital Markets Group
- **TNA -** Training Need Analysis
- **TRX -** Transaction Services
- **UAE -** United Arab Emirates
- **UGX -** Ugandan Shilling
- VCN Virtual Card Number
- **VPNs -** Virtual Private Network

CEO Message

CEO Message





On behalf of myself, members of the board and the entire Banque du Caire family, I thank you for your interest in our nationwide and inclusive family, one that has stood strong in the face of the pandemic and the challenges it brought to surface. As you can imagine, 2020 was not an easy year by any means, but it taught us a lot about the state of our world and what needs to be done for a better future. It also gave us an insight into what we are capable of, and how powerful we are when we set the right strategies and work together for impeccable implementation of our combined vision for a better Egypt.

CEO Message



This report is not only a great reflection of what we all faced this year and the series of challenges we faced head on, but also the solutions we came up with to combat these challenges and ensure our continuous success with minimal disturbance and optimum efficiency. Challenges that truly affected us on economic and personal levels, all while threatening our economic and financial ecosystems, ultimately leading to permanent changes within the global economy.

The report you will be reading will give you a glimpse into our alignment with the highest levels of international industry goals and in compliance with the industry's professional standards including the UN SDGs. Linking our business models with our sustainability goals remains a key priority for Banque du Caire, helping us reach the United Nation's Sustainable Development Goals (SDGs). Emphasizing the important role we play as a national institution that continuously pushes for change to ensure a more sustainable Egypt. Egypt's economic growth during 2020 is a reflection of the hard work and ambitious plans financial institutions put in place to sustain a level of growth that enables the country to withstand the storm that hit global economies all at once. One of the key aspects that led to market stabilization and consistent growth is the transition into a digitized economy and quickly heading toward becoming a cashless economy, guaranteeing an enhanced level of financial inclusion. Building the necessary infrastructure comes with risks, encouraging us to continue to develop our cyber security measures.

To bring up 2020 without the mention of Covid-19 is impossible, and fortunately, thanks to the incredible efforts of everyone involved, we were able to overcome the many challenges the pandemic wrought upon everyone. Plans were put in place to ensure everyone's safety and a smooth continuation of operations without risking employee or clients' lives.

Throughout the past few years, the important role banks play in their communities have never been clearer. Whether it is developing the mechanisms that help them bank safely or providing them with our support, whether technical or financial through our Corporate Social Responsibility. This is why we proudly collaborate with the changemakers Egypt need for a bright future such as non-profits and Non-Government Organizations.

We will always find new ways to continue to grow sustainably, and to help us achieve this, we will join the United Nations Environment Programme Finance Initiative. An important milestone that will see us have a deeper look into our business model and find ways to push for change not only internally, but also externally through our many customers regardless of the segment. At the time of this report's publishing, the international community is looking at Egypt to take the lead regionally in transforming the economy into a sustainable and dynamic one. With important milestones coming up such as the COP, Egypt will respond to the calls of the international community and Banque du Caire will be ever-present during this important phase.

We will continue to forge ahead in this path of sustainability and growth to create endless opportunities for all of our stakeholders, especially our customers. Moreover, to help build a greener more sustainable society, a role we deeply cherish.

SUSTAINAB

EUTRE

241 branches & 1,046 ATMs

Number of Clients: 3.2 Mn Total Assets: EGP 205.3 Bn Profit: EGP 3.2 Bn 480,708 BdC online banking customers Mega projects totaling 2163 Mn 134% retail liabilities growth 288% increase in wallet base Launched our internet banking platform 'BdCbusiness'

women.

2. Featuring BdC's 2020 Progress

Financial Inclusion Highlights

Microfinance portfolio: EGP 5.7 Bn Microfinance Market Share: 25% 4 times growth in SME lending 472% increase in a number of QaheraCash transactions

Business Excellence Highlights

Employee Empowerment Highlights

- Total Employees: 8,638
- Women Employees: 1,529
- 79.91% of new hires were under 30, 22.2% of which were

Board of Directors are Women: 11 % Training Hours: 140,660

Environmental and Social Responsibility Highlights

- 100% of suppliers were screened using labor practices, human rights,
- and social impact criteria.
- Food Support for over 22,000 families
- 90,969,050.00 EGP total investment in healthcare
- 7,624,900 EGP total investment in education
- 5 Sustainable cities were funded

2020 Awards

- Fastest Growing Forex Bank Egypt by Global Banking & Finance
- Best CSR Bank Egypt by Global Economics
- Best New Digital Wallet for Qahera Cash by Global Economics
- Best Sub-Custodian 2020 by Global Finance
- Liquidity Management Provider of the Year by The European
- Best Fixed Income Banking Provider by The European
- Foreign Exchange Banking provider by The European
- Best Treasury Management Bank by The European
- Best Innovation in Retail Banking by International Banker
- Best Foreign Exchange Bank Egypt by International Finance
- Best Global Transaction Banking Egypt by International Finance
- Best Foreign Exchange Bank Egypt by International Business Magazine
- Best Bank for Treasury Egypt by International Business Magazine
- Best Activation and Customer Engagement Brand, Egypt by Global Brands Magazine
- Most Innovative Banking Brand, Egypt by Global Brands Magazine
- Most Innovative CSR Initiative for Women Empowerment, Egypt by Global Brands Magazine





- Best Foreign Exchange Bank by International Finance
- Best Transaction Bank by International Finance
- Best Syndicated Loan in North Africa by EMEA Finance
- Best Industry Deal by EMEA Finance
- Best Egyptian Bank in Restructuring and Development by the World Union of Arab Bankers
- Most Developed Banking Brand from Global Brands Magazine

2018

• The Best Industry Deal in Africa by EMEA Finance

• Deutsche Bank Excellence Award for Exceptional Quality in Payment Messaging • The Best Syndicated Loan in North Africa by EMEA Finance

Our Present and Future Strategy

About **Banque du Caire**



Banque du Caire succeeded in transforming itself into a leading financial institution through its diverse portfolio

Our Present and **Future Strategy**

Founded in 1952, Banque du Caire is one of the oldest and largest Egyptian banks owned by Banque Misr with a separate legal entity form, providing its clients with an integrated and diversified package of banking services and products designed specifically to meet their needs, which in turn resulted in the Bank receiving various awards over its six decades of operation. Including large, medium, small and micro companies in the Egyptian market. This is accomplished through its ever-growing network of branches and ATMs spread nationwide, and the team that includes a large number of the Banking sector's talents. Through a network of 246 branches, 1450 ATMs spread nationwide, Banque du Caire serves a massive and diverse customer base of more than 3 Mn customers. This includes major corporations, prominent institutions, high net worth customers, and individual customers, including one Mn customers subscribed to digital services. Providing them with a package of the best banking services and products. The Bank is also keen to continue its leadership as the Banking institution of choice for customers, by expanding the digital banking services package, modernizing the Bank's infrastructure and operational systems, as well as developing the governance system in accordance with the best international standards.



Our Vision

At Banque du Caire, we aim at satisfying the evolving needs of our customers, in order to gain their trust, and eventually position ourselves at the forefront of the Banking scene on a national scale.



To be the preferred partner and financial adviser to our clients by implementing world-class banking capabilities and providing the highest quality products and services. We build value for our shareholders through the strength of our customer satisfaction, quality, commitment, and by consistently producing superior operating results. Core Business

Financial Growth



At BdC, we continuously visit our targets and goals to ensure that we are on the right track, that we have realized our short-term targets, and that we are on the path of achieving our long-term goals. We measure our progress against previously decided KPIs and update them as circumstances change.

Our Strategy is built on an overarching vision to create a universal bank capable of capturing vast market opportunities by improving effective and efficient processes capable of driving financial growth and financial position by increasing revenue and optimizing cost. The pillars and enablers that are critical and foundational to our strategic objectives and priorities are financial growth and efficiency, customer centricity, digital ecosystem, organizational agility, efficiency, human capital, and sustainability.

BdC is focused on building and strengthening brand equity to attract and retain customers and best leverage its capabilities to reach a leadership position in the market. By providing each market segment with a differentiated service model laid on a foundation of a robust customer-centric approach, advanced digital capabilities, products, and services to serve the overall interaction experience. As a result, it plays a significant role in supporting Egypt's economic growth within all sectors.

For BdC, customers are one of the essential stakeholders. We ensure that we provide customized products and services that cater to the needs of our different customer segments. We continue to stay receptive to feedback and respond appropriately to improve how we serve our customers.

The Bank plans to increase its geographical presence through launching new branches in different regions over the next few years. In addition, centralize certificate and time deposit, to take advantage of Egypt's low branch penetration rate compared to regional and global averages.

Our strategy includes increasing investment in the technological infrastructure and payments mechanization, as part of the Central Bank and the National Payments Council plan to transition to a cashless society. BdC aims to continue supporting the Central Bank's initiatives to finance the private sector, real estate, and small and medium-sized projects.

BdC is committed to diversifying its portfolio to propel the Bank's growth further. BdC's product and service offerings will continue to grow. It remains highly proactive in anticipating market trends and developments, ensuring that its products and services provide innovations and solutions for its clients to increase their value creation while continuously driving them forward. Banque du Caire consistently identifies new products that can unlock value for customers and boost the overall size of the loan and deposit portfolio to best serve its market in Egypt and beyond.



Corporate and Institutional Banking

Beyond 2020, the Corporate and Institutional Banking Group remains focused on driving the Bank's growth and profitability. BdC will continue to position itself as a critical banking partner of choice for institutions operating within the Egyptian and regional markets, cementing its position at the forefront of the corporate banking space. The Bank is determined to continue achieving strong double-digit growth of its asset book, focusing on expanding its customer base, attracting new clients, penetrating all viable industries and segments while aligning with the growth sectors within the Egyptian economy and the GDP drivers.

Retail Banking

Retail products will be launched to meet the needs of different customers. Banque du Caire has set an ambitious goal to be the preferred wallet in the Egyptian market. This is by increasing its client base and enriching its wallet on different service streams to become the first wallet to provide digital lending and savings. BdC will diversify wallet services by incorporating governmental services.

SMEs

SMEs are a key player in the economy and to achieve the SDG's and Egypt Vision 2030. BdC acknowledges that supporting SMEs is indispensable to economic growth.

The plan seeks to expand business centers in all regions of the country that specialize in serving clients from small and medium-sized businesses.

Treasury and Capital Market

TCM looks to diversify its offerings to increase market share by launching new products and investing in opportunities to fulfill clients' needs. In addition, BdC is exploring expansion plan opportunities across all its activities.

Governance and Risk

With respect to risk targets, the Bank aims to maintain an optimal balance between growth and developmental objectives to achieve its objectives and strategic goals. The process procedures' effectiveness is based on local and international best practices to allocate resources and pursue improvements efficiently. Furthermore, BdC ensures compliance with all applicable laws and regulations.

Regional Presence

Banque du Caire has a significant focus on expanding in different regions. CBU will provide an opportunity to strengthen the trade relationship between Egypt and other African countries, while the UAE Representative Office will offer the opportunity to strengthen ties with the GCC.



People and Culture

Our employees are the backbone of our Bank. BdC aims to create an efficient structure and a positive organizational culture by attracting, developing, and retaining top talents, enhancing people's capabilities and potentials, improving productivity, and building high-performing teams.



Digitization Efforts

BdC will continue to digitize its offerings, providing greater access and processing of banking transactions and services. BdC will work to keep the frameworks that guide the Bank continuously up to date in order to meet regulatory requirements, particularly those arising from the national push toward digitalization and financial intermediation.

While we remain ambitious and maintain our strong momentum for growth, we are mindful of achieving our goals sustainably. We are conscious of the threats facing our world from climate change, global warming, environmental and social challenges, and others. Out of our keenness to play a vital role in the UN's sustainable development goals, BdC is working on developing an ESRM system as we believe that improving ESG performance is the foundation to pursue our business growth.



Our Commitment to Sustainability

With a focus on ESG matters, we are planning to develop sustainability governance for the Bank's organizational structure, which appoints executive officials to economic, environmental, and social issues in accordance with our sustainability strategy. We plan to continue offering a range of microfinance products, expand our financing and support of SMEs, and promote financial inclusion.

Banque du Caire has always been a strong believer in the principle of collaboration, that the needs of many can only be solved by becoming change-makers. Our Corporate Social Responsibility policy and projects reflect our dedication to becoming a beacon of positive change. With our commitment to the UN SDGs, Banque du Caire's plethora of CSV projects encompasses the 17 goals, focusing on health, the environment, economic empowerment, education, inclusion, and cultural preservation.

Furthermore, Banque du Caire's commitment to sustainability can be effectively observed through its memberships. Our commitment to sustaining our daily businesses is anchored to our adoption of the International United Nations Global Compact principles, to which we submit an annual Communication on Progress report (PoC). The United Nations Global Compact is a strategic initiative launched in 2016 which supports global companies committed to responsible business practices in various fields, highlighting human rights, labor, the environment, and anti-corruption. This initiative actively promotes the sustainable development goals.

4. Corporate Governance

24

Governing BdC **Banque du Caire**

At Banque du Caire, building sound governance is an aspect we are highly committed to. Through the appointment of a multi-talented Board of Directors (BoD), the establishment of various supporting board committees, and the availability of an array of governing tools, we guarantee that our values and ethics are reflected at every level of the organization. Our robust corporate governance structure has proven resilient during times of doubt and uncertainty as we maintained smooth operations and met all client needs all while consistently furthering our ever-talented employees' skills.

Board of Directors

At Banque Du Caire, the Board of Directors is the highest governance body. It is mainly responsible for defining the Bank's strategic goals, setting the ways to work to achieve them, supervising the performance of higher management's work, and ensuring the effectiveness of the control systems; the Audit Department, Compliance Department, and Risk Management team. Our Board of Directors is composed of nine members, of which eight are males and one is female. Aside from the BoD's chairman, there are two executive board members, while the remaining six members are non-executive members. All members of our board hold reputable banking and financial experience, yet their specializations vary, creating a well-rounded and diverse



BdC's current board members of Directors

- Mr. Tarek Fayed Chairman of the Board and CEO
- Mr. Amr El Shafei Executive Vice Chairman
- Mr. Hazem Hegazy Executive Vice Chairman
- Ms. Amal Esmat Non-Executive Board Member
- Mr. Tamer Wagih Non-Executive Board Member

- Mr. Rami El Borai Non-Executive Board Member
- Mr. Wael Ziada Non-Executive Board Member
- Mr. Ashraf Bakry Non-Executive Board Member
- Mr. Hisham Sanad Non-Executive Board Member

Managing the BoD's composition & performance

To maintain an ethical and transparent mechanism for selecting and nominating board members, the Governance and Nominations Committee submits proposals regarding the nomination of independent members and proposals regarding the appointment, renewal, or exclusion of members.

In addition, a self-evaluation process is conducted by members of the BoD. Following the results of the evaluation, the adoption of appropriate measures and policies, both to increase the positives, if any, and to reduce the negatives shown by the results of the evaluation is carried out.

Board Committees

BdC's well-established Board Advisory Committees continue to facilitate a solid governing structure for the Bank. They have assisted the Board of Directors in overcoming the obstacles posed along 2020 and have helped the organization maintain its operations. There are seven main committees as follows:

- Executive Committee
- Audit Committee
- Risk Committee
- Governance and Nominations Committee
- Remuneration Committee
- Investment Policies Committee
- Information Systems and Banking Technology Committee

governing team.



Authority and Responsibility **at the executive level**



At BdC, we have a 'Governance Instruction Manual' which clearly defines the responsibilities and delegated authorities according to the administrative structure of the Bank. Our Governance Manual also provides a coherent description of the Chairman of the Board of Directors' main responsibilities. Among his most important responsibilities is the proficient performance of the Board in

general, providing guidance and direction for the Board, and ensuring the effectiveness of its performance. Other responsibilities of his sovereignty include the following:

01 Ensuring that decisions Ensuring that decisions are taken on a sound basis, with the need for an appropriate mechanism to ensure the effective implementation of those decisions in a timely manner while utilizing a follow-up method.

02 Encouraging discussion and criticism

Encouraging discussion and criticism and ensuring the possibility of expressing and discussing opposing opinions within the framework of the decision-making process

05 Ensuring that decisions are taken on a sound basis

Ensuring that sufficient and accurate information is available in a timely manner to the members of the Board and the shareholders.

06 Ensuring the effectiveness

Ensuring the effectiveness of the corporate governance system applied at the Bank, as well as the effectiveness of the performance of the Board's committees.

03 Ensuring the board's commitment

Ensuring the board's commitment to complete its duties in the fullest manner in the best interest of the Bank, with the need to avoid conflict of interest

self-assessment

Ensuring that all members of the council carry out a self-assessment that includes the member's commitment to his/her job duties and the needs necessary to raise his/her efficiency according to what will be mentioned later.

04 Preserving the bonds

Preserving the bonds of trust among all members of the board, especially between the executive and non-executive members, with the need to strengthen the relationship of the board as a whole with the senior management of the Bank.

Calling on the council

12

Calling on the council to meet at least once, eight times during the year, and setting its agenda.

28



Governing Sustainability at the Executive Level

As a Bank that is committed to embedding sustainable practices within every dimension of its organization, we recognize the importance of having a sound governing structure to facilitate an effective implementation process. Therefore, we have constructed a framework for the Bank's organizational structure which appoints executive officials to economic, environmental, and social issues per our vision to play a role in these fields. This helps aid the Bank's contribution to the development of society through general management of the institution's communications and support provided in the areas of health, education, charitable contributions, organizations, and attention to the environment.

The Bank publishes various reports in accordance with the applicable laws and regulatory instructions. Importantly, BdC publishes a sustainability report which first must be approved by the BoD and appears alongside the Bank's annual corporate governance report. These reports, as well as all others, review the application of the Bank's internal policies and rules and are presented to the competent authorities; board committees, supervisory authorities, or the Board of Directors.

To communicate with our stakeholders (shareholders, customers, employees, etc.), we employ various channels of communication such as our website, the employees' union, and the Customer Complaints Department at the Bank. These channels help us inform them of our progress concerning sustainable activities. These channels are used additionally to consult stakeholders to support the BoD in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities.

Business Ethics Compliance

Mechanisms of Employees Complaints

At BdC, compliance with all laws and regulations is among our top priorities. All employees are required to report illegal practices and complaints through numerous channels within the Bank, including a special direct number dedicated only to employee's complaints, a specific email dedicated to whistleblowing, or a written letter delivered by hand. There were 25 reported complaints during 2020.

We handle reported complaints very seriously as immediate investigations are opened to follow up with the complaint and proceed with the necessary actions. We create a form for reporting illegal practices which are presented by the Head of Business Ethics for approval to the head of Compliance and Corporate Governance Group. Our procedures also include conducting an internal deliberation and presenting it to the heads of departments concerned with the complaint, whether the head of the Inspection (audit) Department, the head of the Legal Affairs Department, the head of the Human Resources Department, or the Security Group to follow-up on their sides and move forward with necessary investigations.

The Compliance Group's management approach in dealing with recorded complaints is carried out systematically to ensure speedy reactions to complaints, and that the Bank operates in an ethical environment free from any form of discrimination, corruption, harassment, or any other unethical or illegal practices. As a first step, the compliance team completes the form for reporting illegal practices including all available information about the complaint. Afterward, the team follows up with the heads of departments concerned with the complaint as per the Group's recommendations, until the case is finalized, and results are concluded. The Group conducts confidential investigations to not harm the employee and to protect his/her rights. The team avoids this by guaranteeing that colleagues apply fairness, transparency, and impartiality when dealing with cases.

During the reporting period, all cases were resolved

BdC's Values and Code of Ethics

At BdC, all our internal and external transactions, activities, and relationships are guided by our values and code of ethics

We ensure that all newly hired individuals are familiarized with our core values and code of conduct to maintain an ethical environment based on respect, integrity, trust, confidence, and teamwork.

BdC's code of ethics outlines its guidelines for expected behavior from all members and consequences for noncompliance. It includes a set of disciplinary procedures and legal actions to be taken in case of misconduct by an employee of the Bank. The code is a document that all members of our institution should refer to when in doubt about a certain action or the presence of an ethical dilemma. These values ensure smooth day-to-day business operations and the maintenance of a healthy and ethical environment where we train and prepare the leaders of the future.



Dealing with Conflicts of Interest

Integrity and transparency are two key values to running any successful institution. At BdC, we place great emphasis on these values to ensure that all our operations are ethical and that our reputation is preserved with no harm. All our employees are trained on potential conflicts of interest that might arise during their working period at the Bank. Our Compliance and Governance Departments are responsible for guiding our employees in the

case of a conflict of interest. Our conflict-of-interest code complements our code of conduct, listing all possible conflicts and guiding individuals on appropriate actions. We ensure that our code is comprehensive and addresses all stakeholders, so we maintain smooth operations without putting our integrity at risk.

Our conflict-of-interest policy includes, but is not limited to, the following provisions:



Personal

finances and

investments



Personal benefits and financial or commercial conflicts of all types

Dealing treatment to all parties



Board of Directors conflicts of interest and loyalties

The Bank has set policies to guide conflict of interest with different stakeholders, entailing that all dealings should be done fairly, as such:

• All employees of Banque du Caire must adhere to fairness and integrity in dealing with all internal parties (colleagues, heads, and subordinates) as well as external parties (clients, suppliers, and competitors).

• Among other areas of conflict of interest, personal benefits or advantages should not be obtained from any of the aforementioned parties in any way.

• Employees of Banque du Caire are prohibited from investing their money in stock exchanges, and they are only permitted to deal in securities in the operations of public subscription, buying, and selling, according to a specific set of controls defined in our policy.

 No party is allowed to exploit any information available on some of the Bank's contributions that are not available to dealers in the market or to deal in shares of companies related to the Bank. Employees who possess such essential information that is not available to the public as a result of their work or while carrying out their duties and job responsibilities are prohibited from purchasing the shares of any company in their name, spouse, or minor children. It is also prohibited to disclose this information to persons outside the Bank, work for external entities, or have personal relationships with staff. • It is not allowed for Banque du Caire, directly or indirectly, to buy, sell, lease, or own from any of the Bank's employees or their relatives unless it benefits the Bank and is conducted fairly. If any of the employees have personal benefit from any transaction that the Bank is a party to, it must be disclosed to the Bank's top management as well as to the Chief Commercial Officer (CCO).

• Employees are not allowed to work for entities outside the Bank (except for the Bank's representatives in the companies in which the Bank is a shareholder) or to become a member of the Board of Directors of any association, company, or a partner in a commercial business without prior Chairman and CCO written approval.

• Whenever there is a commercial transaction in one way or another between the Bank and one of its employees, it must be reported immediately to the CCO.

 BoD members shall exert all efforts to achieve the Bank's benefit, taking into consideration two basic factors, the first of which is working honestly and in good faith, and the second is their loyalty while taking their duties in protecting depositors' and beneficiaries' rights by treating them equally.

Internal Audit

Banque du Caire Internal Audit Group is responsible for ensuring that all transactions and activities abide by all the applicable national and international laws and regulations and that all our activities are operated in an ethical environment free from corruption. The Internal Audit Group falls under the direct supervision of the Audit Committee, the Chairman, and the CEO. The Group has numerous responsibilities including ensuring that our business is conducted transparently and sustainably, the two values permeating our internal strategy. The Group provides risk-based assurance and advice while creating and updating reports on internal policies and procedures. By providing insights and recommendations on key governance and risk issues, the Group enhances the effectiveness of the Bank's internal control system. Due to the efforts of the Group, management can make key decisions regarding the strategy of the Bank, the risk control system, and any policies and regulations that directly impact the Bank or its stakeholders.

Furthermore, the Internal Audit Group is responsible for conducting fraud investigations and providing directions and recommendations on ways to mitigate fraud risk. The Group's main efforts could be summarized as improving the effectiveness of the governance policies at the Bank, ensuring that transactions are free from fraud, corruption, risks, and that there are efficient control measures in place to eliminate any breach of laws or regulations, and avoid the occurrence of any unethical activities. The Internal Audit Group guides top management in continuously updating the Bank's strategies, policies, and regulations to preserve transparency and integrity, thereby avoiding reputational risks. The team is composed of multiple highly trained professionals including general auditors and specialized auditors in the financial sector. Their solid skills and experience enable them to carry out analytical reviews and provide well-educated recommendations and policy updates to different activities of the operation.

Customer Protection

Dealing with Clients, Principles of Fairness and Equality, Transparency policies, Customer data protection policies, and account confidentiality

BdC complies with the Central Bank of Egypt (CBE) directives regarding Customer Rights Protection. Customer privacy is a focus at our Bank. We ensure that all our transactions are safe and secure and that no data leakage occurs. We deal with complaints very seriously and follow up with our clients regarding the actions taken against any party that might infringe upon the rights of our clients. Non-discrimination, transparency, security, fairness, and equal treatment are the values that we have built our foundation on. We ensure that all clients are treated fairly without discrimination based on gender, religion, or race, as well as provide clear information about the Bank's products, services, and procedures. We maintain internal and external channels of communication with our clients and customers, ensuring that our means of communication and messages are understood and easy to grasp, in line with the regulatory requirements issued by the CBE. BdC's channels of communication include the official website, annual reports, sustainability reports, social media, internet

banking platforms, and the reports addressed to regulators. With the focus on digitization as a national direction towards a cashless society, Banque du Caire is obligated to maintain customers' right to protection on automated and electronic platforms. The Bank ensures that customer protection is always maintained, client's data is protected and not shared with any party without the client's prior consent, our products and services are communicated in a way that is understood by all, and that fair treatment is maintained in all our transactions. Customer protection and satisfaction remain top priorities. 2020 was a unique year; with the worldwide spread of panic from the pandemic, working from home was the new norm. The Bank applied multiple procedures to maintain customer data protection and privacy. Within the Customer Protection Sector, scope data protection is secured according to our policies and procedures.

No complaints were received from outside parties nor regulatory bodies, and no identified cases of leaks, thefts, or losses of customer data



ROTECTION

5. Engaging with Stakeholders, Identifying Material Topics and Managing Risks





Engagement

Stakeholder	Channels of communication and frequency of engagement	Feedback and Interests			
کم کریک Shareholders	 Annual Meetings Annual, Semi-annual, and Quarterly reports Investor Relations Department Board of Directors Meetings Press Conferences and Press Releases 	 Business Continuity ROI Risk Management Clear strategy, Mission, and Vision Strong Corporate Governance Digital Transformation Strategy Implementation Financial Inclusion 	Governmental Entities	 Regulations Monthly Reporting to Regulatory Authorities Audit and Compliance Report Regulatory Reviews 	 Compliance and Ethical Conduct Supporting Government COVID-19 Efforts
MAN Customers	 Website & Social Media Conferences & Events Customer Service Surveys Annual Reports Banking Channels Deventees of Generation Contents 	 Seamless Banking Experience Digitalization Services Cyber Security and Data Privacy Support During the COVID-19 Pandemic 	The Community	 Volunteering Campaigns Social Media BdC Website Sustainability and Annual Reports Sponsorships, Donations, Events, and Initiatives (CSR activities) 	 COVID-19 Pandemic Support Support for Social Needs of the Community
Suppliers & Business Partners	 Branches and Service Centers Complaint Systems Contracts Meetings Supplier Audits 	 On-time Payments Fair selection Process Providing Top Services to Clients Adequate Pricing Investment in Local Suppliers Based on Ethical Practices 	The Environment	 Green Finance Alignment with the SDGs and Climate Change Restoration Initiatives Supporting Environmental Agencies Establishing Green Buildings Operational Improvements Monitoring of Resource Consumption 	 Reducing Environmental Footprint of Operations Energy Management Waste Management Water Management Paper Recycling Monitoring of Resource Consumption



INCLUSION

- Accessibility, Affordability, & Proximity
- Microfinance
- Financial literacy
- Promoting a Cashless Society



EXCELLENCE

- Financial Performance
- Business Continuity
- Market Presence
- SMEs
- Customer Satisfaction and Protection
- Digitalization and Automation
- Supply Chain Management



- Community investment and engagement
- Managing Environmental Footprint
- Partnerships for sustainable development



- Business Ethics
- ESG Risk Management



Significant to Stakeholders

EMPOWERMENT

- Employee Wellbeing
- Diversity and inclusion
- Learning and Development
- Employee Engagement



Assessed on a frequent basis, Banque du Caire categorized their identified risks as follows:



Risk Management

Aided by our digital transformation, our risk governance is amplified through data analytics and reporting, allowing us to assess and respond to risk by leveraging internal and external data. Preceding appropriate control measures, identifying our risk types is the pivotal first step of our process.

Risk is managed proactively through various departments. In addition, a Risk Committee, composed of independent non-executive board members is in charge of overseeing Risk activities. Our Risk and Opportunities Departments are identified as follows:

Established in 2009, the risk management function is responsible for identifying, measuring, controlling, and reporting risk exposures that could negatively impact BdC.



Credit Risk

Primarily responsible for monitoring, measuring, managing, and limiting risks associated with credit across the Bank's various lines of business (Corporate, SMEs, FIs, Retail, and Microfinance). This is the second line of defense following the business lines, alongside our Credit Administration, responsible for monitoring and reporting credit facilities. Additionally, to reduce credit risk we conduct

investigations to provide market information on borrowers and prepare investigation reports, as part of the credit assessment process. While we remain ambitious and maintain our strong momentum for growth, we are mindful of achieving our goals sustainably. We are conscious of the threats facing our world from climate change, global warming, environmental and social challenges, and others. Out of our keenness to play a vital role in the UN's sustainable development goals, BdC is working on developing an ESRM system as we believe that improving ESG performance is the foundation to pursue our business growth.



Market Risk

Responsible for managing, measuring, and monitoring all positions exposed to market risks and ensuring that the necessary limits are set to reduce and limit those risks related to the activities of the Treasury Group, money market, investment sector, and securities such as interest rates risk, currency and exchange rates risk, volatility risk, and investment risk.



Liquidity Risk

The liquidity risk function's primary objective is to provide assessment, measurement, monitoring, and control of liquidity risk across the Bank. At an aggregate level, its goal is to maintain sufficient funding in amount and tenor to ensure all payment obligations and provide an appropriate amount of cash and high-quality liquid assets, even in times of stress.



Treasury Middle Office

Monitors and controls the entirety of the Treasury Group's positions on a daily basis including prices, and CBE reserve ratios to ensure that BdC is in line with the CBE's updated policy changes and regulatory requirements.



Interest Rate Risk in the Banking Book (IRRBB)

The primary responsibility of the IRRBB function is to monitor, assess, and control potential interest rate risks that arise from adverse market movements, it is imperative to accurately monitor the associated interest rate risk due to its material impact on our financial position.



Operational Risk

Following a comprehensive approach to operational risk management due to the inherent nature of operational risk within the Bank's functions. The Bank's approach aims at identifying and preventing fraudulent acts, business interruptions, cybersecurity attacks, non-conformant employee behavior, non-compliance with applicable laws and regulations, or failure of vendors to perform per their agreements. Events such as these have a direct impact on our operations and ability to deliver products and services to our stakeholders. The Department develops a structured risk and control self-assessment process to avoid financial losses, litigation, and regulatory fines, and other material damages.



Cybersecurity Information Security

Protecting the Bank's information and monitoring cyber

security.



Outsource Risk (Third-Party)

Outsource or third-party risk is the risk associated with transactions that occur through our third-party vendors. We monitor the relationships with all third-party vendors to ensure the continued sustainability of the business and to avoid any negative impact on business performance. We have developed a comprehensive third-party management program to ensure clear reporting and accountability chains, appropriate classification and optimization of vendor portfolios, managing transitions among third-party vendors, and monitoring the relationship between the Bank and these vendors.



Enterprise Risk

Ensuring proper governance across risk functions by executing multiple IFRS 9 Expected Credit Losses (ECL) runs quarterly for Corporate, Small, FI, Sovereign, and Corporate Bonds portfolios, calculating the ECL for proposed transactions, submitted by business lines, and providing reports/requested data for external rating agencies, investors, and external borrowers.



COVID-19 as a BdC Risk

Notwithstanding pre-existing risks encountered by BdC, 2020 witnessed new challenges as COVID-19 introduced a proliferation of volatile risks. This subsequently drove us to develop a new risk management system to anticipate, resolve, prevent, and report the uncompromising risks brought on by the crisis. The pandemic heightened the need for workplace health and safety procedures to protect employees, so we developed a system to accommodate these needs.





Crisis Management Committee

The governance body for issuance and decision making for COVID-19 related actions, such as staff reduction plans, activated business continuity sites, suspected and positive cases treatment, reports, and KRI for positive cases approval rates.



Operational Risk Sector

The operational risk sector is the owner of the business continuity plan, crisis management committee secretary and is the BdC representative to the CBE regarding reporting and any other correspondents. This sector is primarily responsible for staff reduction plan activation, follow up and monitoring, business continuity locations, VPN access approvals, sanitizing, evacuation locations approval body, positive KRI measure and recommended actions, coordinating between HR, BR, Admin, and IT to facilitate the day-to-day activities and report daily the status of cases.



Human Resource (Medical Department)

Follow up daily with all staff and our medical company and report daily suspected, positive, and recovered cases. Coordinates with the Ministry of Health and Population for PCR. Establishes new protocols and provides medical treatment for infected staff.



Public Relation and Sustainability Department

Creates awareness campaigns for staff and clients on our social media accounts, website, physical locations, and ATM screens. It handles any press release of the Bank regarding the COVID-19 situation and status.

Security Department

Scans all staff, visitors, workers before entering the Bank for body temperature. Prepares ambulances for emergency cases, monitors staff reduction plan execution, and prevents positive or suspected cases from entering the Bank premises.



Admin Department

Provide all sanitization materials including masks, provide body temperature devices, assist to locate new empty places for business continuity addition locations, and vaccinate any infected department or branch with positive cases.



Information Technology Department

Assist in setup all needed hardware, software, and applications to continuity sites, provide all portable laptops, and create VPNs with security measures.

In addition to our new COVID-19 risk management system, and to navigate the nebulous of COVID-19, we revisited BdC risk profiling and appetite with renewed focus, while concurrently re-profiling corporate borrowers. Each industry was assessed based on its prevailing threats and opportunities in light of the pandemic and the evolving business environment, and actions were taken accordingly to maintain a healthy portfolio.

esg **Risks**

Striving for sustainable performance, we continue to focus on our environmental, social, and governance performance as the foundation to pursue our business growth. With environmental, social and governance challenges becoming more acute due to the COVID-19 crisis, and their potential financial and reputational impact, it was apparent that responding to these challenges required coordination across the entire bank at a greater scale. To undertake these challenges with robust due diligence, we strengthened and enhanced our Risk Group. In doing so, we established the Policy & Portfolio Management Department responsible for:

- Developing risk policies and procedures
- Setting risk appetite and risk tolerance limits
- Setting the early warning signals and risk triggers policy
- Setting the stress testing framework
- Preparing Internal Capital Adequacy Assessment Process
 (ICAAP)

Reaffirming our objective as a purpose-driven bank, we ambitiously work across boundaries to have a positive impact on society. We recognize the threat of the climate emergency and are committed to becoming part of the solution. Climate change has a number of far-reaching consequences that have a direct impact on individuals and businesses. We endeavor to mitigate these threats through our introduction of green financing solutions to our customers, such as providing green loans to SMEs. Through our multidimensional approach, we address the range of barriers to social inequality by deepening our inclusion commitments. We diligently support SMEs by providing job opportunities. Moreover, our lending activities contribute to national priorities such as employment and equitable and inclusive economic growth.

Forward-Looking Strategy

Going into 2021, we aim to preserve an optimal balance between growth and developmental objectives vs. risk targets, to efficiently allocate resources and continue indefinitely to pursue improvements. We aim to further improve our portfolio management techniques, reach full automation of the Credit Administration function, develop an advanced MIS analytical and reporting tool, and implement a credit control and utilization monitoring tool. We are also developing preliminary KPIs such as turnaround time to provide feedback to business lines; abiding by CBE regulations.

50

- Conducting industry studies
- Monitoring portfolio related behavior and setting thresholds
- Ensuring proper governance across risk functions in terms of organization structure, roles and responsibilities, and committee structure.

Some projects currently underway include enhancing the credit utilization and control system, loan origination system, Bl analytical tool, lending workflow system, fraud detection system, market risk systems, and a digital library for Key Risk Indicators, procedures, processes, and control. We believe the implementation of these new projects will intensify our risk response, propelling us towards a more ambitious future.



6. Perpetual **Commitments**

portance.

Committing to our Investors

At BdC, we recognize that investors are among our main stakeholders and therefore consider maintaining a solid and transparent relationship with them to be of utmost im-

We believe that communicating our Bank's operational activities and financial performance is only a fragment of what should be conveyed. While we previously focused on portraying our operational and human capital transformation since the appointment of our new board, we are now very keen on conveying our progress concerning the development and implementation of our environmental, social, and governance (ESG) principles. Discussions are linked to new investor relations (IR) related services, including investor reports and sustainability-related communications.

Striving for sustainable performance, we continue to focus on our environmental, social, and governance performance as the foundation to pursue our business growth. With environmental, social and governance challenges becoming more acute due to the COVID-19 crisis, and their potential financial and reputational impact, it was apparent that responding to these challenges required coordination across the entire bank at a greater scale. To undertake these challenges with robust due diligence, we strengthened and enhanced our Risk Group. In doing so, we established the Policy & Portfolio Management Department responsible for:

1. Value Creation

Our ultimate goal is to increase shareholders' returns through sustainable value creation. We achieve this by driving financial and operational excellence to maintain and expand growth in our balance sheet and our market share.

2. Digitization

We continuously invest in and develop new digital solutions, for both front and back-end interfaces, to adhere to the Bank's overall digitization strategy.

3. Governance

We implement governance requirements of the highest international standards, along with adhering to an institutional culture that motivates board members, executives, officials, and all employees to improve the efficiency of our activities and operations.

Communicating with our Investors

To ensure that investors are communicated with clearly and frequently, we adopt multiple channels of communication such as emails, press releases, earnings releases, updating the website with financial statements, and utilizing the Bloomberg Terminal chat boxes.

Channels of Communication	Name of reports	Frequency
Email	• Earnings release	• Quarterly
Website	• Financial Statements	• Quarterly
Email	• Press release	• Event driven
Bloomberg terminal	Chat boxes	• Daily/ Weekly

In addition, we further solidify our relations by conducting interactive engagements with investors where discussions are carried out and feedback is received. Such feedback is then relayed to top management through our weekly market intelligence report, which is delivered to the CEO and the deputy chairman.

Engagement Channels	Frequency	Feedback
 Roadshows 	Once in 2020	Most of the inve exposure throug BdC given its po
 In person meetings 	Event driven	Management w growth strategy

Key Messages conveyed	
We notify our potential shareholders of the progress of the business quarterly. This is primarily a financial report	
It demonstrates our transparency, as these statements are essentially private, and we publish them at our discretion to keep communication channels open. Other private institutions do not publish their financial statem- ents.	
We stay in touch with our pool of investors by providing updates on notable events/ new agreements and partnerships.	
We stay in contact with our investors and pitch the Bank to new ones.	

nvestors are familiar with the Banking sector in Egypt with ough other listed banks and were keen to learn more about potentially large listing size.

t was very well received along with the turnaround and egy of the Bank.



The occurrence of COVID-19 and the associated lockdowns have resulted in a fundamental change in the way we operate. We have set our strategy with major achievements in 2019 on the retail banking front and more offerings on the corporate side during 2020. This allowed us to respond to the rapid shift in customer needs in regards to digital banking. The rate of digital adoption has massively accelerated our ability to cope with changes in human behavior post the pandemic. Accordingly, investment in technology has become a top priority as the trend extends beyond retail to reach institutional clients.

A wide range of retail and corporate products are now being offered to cater to the change in customers' needs, such as, mobile apps, internet banking services, electronic wallets, contactless payments, and many other products.

These digital solutions allow our customers to carry out their daily banking transactions without the need to visit our branches 24/7.

Highlighting BdC's strengths for potential investors

As one of Egypt's national private banks, we are proud of our performance as a whole and of the strong institution we have carefully built over the years, so we would like to underscore specific elements which we consider to be vital for potential investors to take note of:





Although we currently do not communicate with any sustainability rating institution, we are working towards getting an ESG rating. We have shortlisted multiple independent research firms to which we intend on reaching out to, these include: S&P Global ESG score and MSCI ESG. We also communicate with DCarbon Egypt and Global Sustain on sustainability-related products. We strongly believe that our current and planned communications with the aforementioned reputable institutions will help solidify our relationship with our investors.







7.Prolonging Our Corporate and Institutional **Relations**

Corporate Banking at BdC

Banque du Caire's dynamic **Corporate Banking Department** offers its customers various banking solutions,

such as credit management, asset management, cash & liquidity management, trade, securities and custody services (SSP), and underwriting to large corporations. By extending multiple services and result-driven solutions to our customers, we ensure that we have a well-established relationship with them, allowing us to guide and inspire our customers to maximize their growth potential as well as fulfill their financial and banking needs. Importantly, we offer our customers loans and credit, trade and supply chain finance (such as letters of credit), and employer services (such as payroll) to assist them in optimizing all opportunities posed their way.

which took place:



To maintain our commitment to providing business excellence, at BdC, we aim to deliver to our customers a full experience that goes beyond the standard financial services provided by banks. Hence, during 2020, we extended our non-financial corporate services and revisited multiple initiatives to guarantee that our customers receive a high-quality experience. The below is a summary of the activities

01	We introduced client segmentation based on clients' turnover & nature, whether borrowing or non-borrowing such as large corporations, Midcaps, Multinational companies.		
Segmentation 02 Diversification	We aim to diversify and grow our client base across segments by onboarding new clients and deepening relationships with existing clients.in addition to reengineering processes and workflows to ensure a seamless client experience.	To support our strateg KPIs that enhance the growth, and improve o	quality of our produc
03 Product-Based Approach	We initiated a Product-Based Approach to enhance the cross-sell and improve the share of the wallet.	Responsibility by Product/Services	KPI(s) relevant to Service/Product
04 Portfolio Management	We introduced the portfolio management approach to track profitability and return hurdles at the client, segment, and product level. An MIS unit was established to improve monitoring and analytics and enable targeting new clients and cross-selling. We created a corporate service team to enhance corporate customers' experience and free up	Advisory services	 Improved relationship managem Improved client loyalty, reflected Market positioning of BdC to be and to be considered a fully-fledge quently shall sustain the client relation
05 Client Experience 06 Organizational Realignment	RM's. We restructured the organizational framework to support the delivery of business objectives. We also hired top-notch coverage and product team, equipped them with the right tools, and	Credit facilities	 Balance sheet growth Increased net interest income Increased market share Expanding client base
07	introduced sound corporate management practices. A corporate service team was created to enhance corporate customers' experiences and free up RMs.	Trade business	 Increased trade finance and fees
Customer Services Unit	our state-of-the-art electronic banking platform was launched, it enriches our clients'	Corporate clients liabilities	 Expanding client base Balance sheet growth Improved relationship managem
U8 Electronic Banking Plat- form	experience and focuses on digitization, QR codes, digital branches, and auto banks.		

formance, we implement various ucts and services, accelerate

to each

ement and cross selling.

- ted in higher share of wallet and cross selling.
- become one of the main financial consultation providers,
- dged financial service provider for its clients. This conse-
- elation with our bank.

ees based income

ement and cross selling

Department External Stakeholders

The multifaceted nature of the Department means that, aside from dealing with other internal functions within the Bank, it engages with external stakeholders to guarantee high awareness of the operating environment. External stakeholders are vital to the performance of the Department to avoid operational disruptions. Therefore, we align with stakeholders such as CBE regulators, external auditors, and the Accountability State Authority with regards to the necessary governmental regulations to ensure that clients receive well-ordered and untroubled operations and services. Accordingly, we frequently engage with external stakeholders and provide them with detailed analyses of our activities to ensure that we are on the correct path.

alize BdC
alize BdC
_

Through consulting with all stakeholders, the Department has gathered that there are key topics that should be kept on the radar as they pose either risks or opportunities to the Department. By making these topics highly relevant to our Department, we embark on new opportunities and prepare for repercussions that could occur from the acknowledged risks.

The Material Issue	Risk/Opportunity	Impact o
Non-performing loans	Risk	• A decreas
Competition	Risk & opportunity	 Attractive focus is qua Pricing, di Focusing and green f
Exchange rates	Risk & opportunity	• Foreign c matter that
Customer satisfaction	Opportunity	• Custome increase pro

Growing **Responsibilities and Goals**

As the Department evolves and focuses on continuous improvement, it sets many responsibilities and targets for the team to achieve. Its responsibilities vary on both the internal and external fronts. Within BdC, we aim to enhance our team's workflow and build a substantial relationship with other relevant teams and management. We focus on furthering our financial performance and developing products per market behavior, by steering our focus towards digitization. On an external level, the Corporate team is responsible for enhancing client loyalty, expanding client base, and strategically situating the Bank within Egypt's banking industry to enlarge its market share and generate further financial growth.

on KPI Performance

ase in the quality of the portfolio is considered a loss of client.

- e pricing offered by competitive market players. BdC's main ality of services.
- delivery channels, QR code, digital branches, and auto banks.
- g on renewable energy, clean energy, solar or hydrogen fuel, finance.
- currency rates increase against EGP the utilization increases, a t is reflected in the portfolio growth rate and profitability.
- er satisfaction & cross-selling are among our main targets to rofitability per client.

Corporate **Portfolio**

In 2020, the Corporate portfolio achieved positive results for a myriad of changes including a new client base, success in applying the Bank's new strategy, rebranding, and attracting new companies in different sectors.

ata Landing hu Cliant Cin

Corporate Lending by Client Size

Corporate Lending by Client Size							
	# of c	lients	(%) Growth rate y-o-yTotal Volume of Lending (EGP) mn(2020 vs.2019)2019			(%) Growth rate y-o-y (2020 vs.2019)	
	2019	2020		2020			
Large	189	242	34%	39	42.7	10%	
Medium	172	242	41%	2,478	3,530	42%	
Microfinance	14,894	15,016	1%	2,500.3	2,316.9	-7%	
SMEs	2,633	2,509	-5%	4,547	5,413	19%	

Corporate Finance by Sector

We experienced significant change in 2020, which impacted the sectors we finance. We experienced a decrease in financing in the oil and gas sector due to the double blow of Coronavirus (COVID-19) and the oil price shock hitting oil-export in developing countries at a time when the fossil fuel industry is facing a process of structural decline.

We experienced an increase in the Food and Beverage sector due to Egypt importing about \$5.8 billion worth of food and beverage ingredients and additives in 2020. This is about an 18 percent decrease from the 2019 import value of \$7.2 billion.

The Construction sector in Egypt was impacted by the pandemic as it prompted a downward growth revision by global agencies: Construction in Egypt was expected to grow 7.7% in 2020, down from 9.5% in 2019, according to October GlobalData projections. This shows a slight downward revision from GlobalData's April projected growth of 7.9% for 2020. Finally, the Real Estate Sector has been the most fortunate in terms of recovery from the repercussions of the coronavirus outbreak since the beginning of 2020.

Corporate Finance by Sector

Sector	Total value of finance by Sector (EGP) mn		Total value of finance by Sector (EGP) mn		(%) Growth rate y-o-y	
	2019	2020	2019	2020	(2020 vs.2019)	
Chemicals & Petrochemicals	5.4	5.7	11.67%	11.07%	6%	
Oil & Gas	5.0	3.7	10.75%	7.07%	-26%	
Real Estate	4.7	4.2	10.05%	8.03%	-10%	
Food, Beverage, & Tobacco	3.3	5.0	7.23%	9.49%	47%	
Construction	3.2	4.4	6.84%	8.60%	41%	
Other Industries	24.6	28.8	53.45%	55.73%	17%	
Total funded Exposure	46.1	51.7	100.00%	100.00%	-	
			1.1.11			

Public vs Private Sector Financing

	Public vs Private Sector Financing						
		Total value (EGP	_	Total value of financing (%) (%) Growth rate y-o-y			
		2019	2020	(2020 vs.2019)			
	Public Sector	21.4	20.2	-6%	Ę		
	Private Sector	24.7	31.6	28%			
	Total	46.1	51.8	12%			

Corporate loans by Geographical location

Corporate loans by Geographical location			
Region	Total Loans Value (EGP)mn	(%) of EACH Region's Total Loans Value from the Total of Corporate Loans	(%) Growth rate y-o-y (2019 vs.2018)
Greater Cairo	43,923	85%	7%
Delta & Suez	2,535	5%	48%
Alex	3,142	6%	47%
Upper Egypt & Sinai	2,125	4%	24%
Total Corp. Loans (Funded Exposure)	51,726	100%	-

Global Transaction Banking

Banque du Caire launched the Global Transaction Banking Division (GTB) in 2018, mandated to focus on expanding the Bank's reach through a value-added solutions methodology to the plain vanilla products proposition.

GTB's purpose is to carry forward its customer-centric strategy for all Institutional Business clients and promote the cross-selling methodology, by tailoring customized solutions to meet clients' evolving needs. This will also allow us to cement a sense of partnership that goes beyond traditional client-bank relations with our customers. This approach has directly influenced our market position within the institutional business space. It has allowed us to become one of the most successful banks in the market. Additionally, it demonstrates our robust yet flexible manner which enables us to cover all segments and industries within our portfolio such as local businesses, SMEs, large corporations, and non-bank financial institutions (NBFI).

2020 is a year of many vital milestones for us. By capitalizing on our Department's activities, we managed to direct our operations and our clients to become more eco-friendly as we maximized and encouraged the use of digital products and green solutions. Our sustainable offerings support the Bank in reducing waste such as paper and aid the national movement in becoming cashless.

In addition, we won the award for 'Best Global Transaction Banking' and our Securities and Custody Services function was recognized as the 'Best Sub-Custodian Bank in Egypt' by Global Finance.

Furthermore, our digital and innovation function collaborated with the national trade portal 'BuyMasry' to promote local products to the international markets and develop new opportunities.

Cash & Liquidity Management

Cash & Liquidity Management is the process of managing cash inflows and outflows, by offering businesses cash products and solutions tailored to meet business needs and requirements to achieve financial growth by understanding the market data and providing clear guidelines and recommendations.

This team manages, develops, and leads the product team through proper assignment of responsibilities. It also trains and coaches front liners and new employees with regards to the Bank's offerings and product features.

Its role is to enhance current processes and ensure proper implementation of new ones, as well as monitor the overall outcome and behavior of the products. Cash & Liquidity Management also proposes new tools for income generation in line with market practice; ensuring proper customer communication to maximize gain and benefits. Its objective is to lead the innovation and digitalization agenda in cooperation with the innovations and e-Channels team; helping clients digitize their cash flow cycle by tailoring customized advanced digital products.

Success Tools

Our key success driver is the Continuous Market surveys which allow us to compare products/services and prices within the market. We embrace cross-selling methodology in addition to displaying agility, hard work, ownership, and teamwork with internal and external departments. All of which has inspired us to offer new products to help businesses with payment and collection solutions, for example, E-Statement for Corp/Centralized Department for Cheques, Cash and Cheques pick up, Large Cash Deposit Machine.

On the path of growth, in 2020, Cash & Liquidity management transactions witnessed a 32% increase versus 2019 20.7% increase in institutional business liabilities.

By better understanding business needs with the full business cycle and nature of our clients, we offer them suitable and/or tailor-made products and solutions to aid them in meeting their financial requirements and improving their cash flow cycle.

Some of the products we offer include LCY & FCY cheques for collection, ACH and Swift Transfers, Corpay, E-Finance (Governmental Payments), Meeza Prepaid Cards, draft, certified cheques, cash, and cheques pickup service.

Our 2020 Milestones

Following the current economic direction moving towards a cashless society, we are working on launching a new product 'Meeza Prepaid Cards' for corporates; (fuel prepaid cards serving the fleets and regular cards serving domestic expenses and online payments)

Forward-looking Strategy

Our plans include widening our market penetration, increasing BdC's share of wallet by targeting new business segments, providing cashless solutions, and customer's level engagement with BdC.

Trade & Supply Chain Finance

The Trade & Supply Chain Finance division is dedicated to introducing and developing a wide range of services including conventional and non-conventional trade finance solutions through an understanding of our client's business needs, allowing it to identify and grasp trade finance and supply chain opportunities, across a wide range of products.
Success Tools

Our key success tools include delivering advanced trade & supply chain finance solutions to manage any working capital gaps and expanding the product offering base through proposing the most convenient solutions with the most reasonable pricing schemes.

The team works on enhancing trade and supply chain finance existing products in terms of process, workflow, SLAs, etc., and customizing specially tailored supply chain finance products and solutions based on clients' needs.

Demonstrating consistent success, the Trade and Supply Chain Finance Division's share in the Bank's portfolio is 20% as of 2020 while in 2019 it was 17%. Moreover, trade fees growth from 2019 to 2020 was +30%.

With a purpose to improve clients' working capital for self-funded growth, we introduced Trade and Supply Chain Finance solutions. This helps customers unlock funds trapped in inventory or receivables to keep the supply chain moving forward. 2020 witnessed several milestones through the introduction of several supply chain finance products (payable & receivable finance products, in addition to our partnership with the Export B2B marketplace, as it is an advantage to our manufacturer clients.

Forward-Looking Strategy

We plan to continue developing supply chain finance products in collaboration with fintech to optimize customers' journeys and make raising finance requests as simple as using a mobile phone or online application.

Securities and **Custody Services**

Securities Services is a key business line in all local and international banks, it includes concentrating on clearing and settlement, custody, asset servicing, receiving bank, and global custody. It is responsible for launching new services and product lines to achieve the vision of offering one-stop-shop to cover all clients' needs, streamlines the process to ensure smooth and timely processing, and introduces innovative solutions to meet clients' segregation and reporting needs and thus being the go-to-bank in the Securities Services space in Egypt.

Success Tools

Building on its strategy to increase client satisfaction, in 2020 The Securities and Custody Services team is responsible for Securities and Custody Services team introduced key products in introducing post-trade products and transaction banking services. It also focuses on the diversification of clients' the securities space, and in turn won the Global Finance Award for the Best custodian in Egypt. segments. The team ensures that it is cross-selling with other products and business lines and that the Bank offers competitive pricing. The team's income growth from 2019 to 2020 increased by approximately 140%.

Forward-Looking Strategy

Continuing from the progress achieved in 2020, in 2021 the team looks to introduce margin trading, roll out BdC's proposition as a settlement bank, position BdC as the go-to bank for securitization transactions, and meet Securities and Custody Services budget.



Business Development Managers

Securities and Custody Services

The Business Development Department is the key implementation function in the GTB Division. Its focuses in 2020 include implementing the strategy of all product functions, steering in the direction of change and innovation, digitalization, supply chain finance, advanced treasury optimization solutions for liquidity, and innovative products.

Business Development also aims to increase BdC's wallet share by onboarding new corporate relations and enhancing existing ones by introducing customizable solutions that cater to receivables and payables management tools. Our focus is also extended to Trade Finance, as we introduce highly effective, value-added Supply Chain Finance schemes that fit buyers' and sellers' requirements for both the local and international markets. All our propositions rely on increasing both utilization and balance sheet deposits.

Success Tools

It has two main success factors aiding in achieving its objectives, collaboration, and proper delivery. The collaboration includes 360 stakeholder management to streamline processes between the product teams, coverage, and clients. Proper delivery, as it is always keen to deliver the most convenient solutions to our clients, using innovative, tailor-made, and unique propositions.

By successfully identifying the client's business plan and requirements, using our deep knowledge for both business

industry trends and product's key features, we can propose the most convenient solutions tailored to every client's needs.

In 2020, we ardently attained many of our goals including, QR codes implemented deals, supply chain techniques implemented deals, increasing the cross-sell ratio for the corporate portfolio, increasing our share of wallet within the market, and positioning BdC as a market leader when it comes to Transaction Banking.

Innovation and **Digital Banking**

The innovation and digital banking team is focused on building the digital roadmap, assisting the sales lifecycle, and supporting Banque du Caire's digital products portfolio for all institutional business segments including FI, SME, Corporate and Local Business, and GTB. It acts as the focal point for such products and their support. In addition, it is liable for enhancing business opportunities through partnerships with fintech and firms to expand BdC's products' footprint and/or offerings.

Success Tools

With the collaborative efforts of all the institutional business lines	C
along with our partners, both internal and external, we come up	ri
with innovative ideas to enhance our client's digital banking	p
journey and day-to-day financials.	C
In addition to enhancing our internal banking capabilities by	
building an 'agile approach to culture', we progress by running,	2
managing, and optimizing digital banking apps using	E
state-of-the-art technology.	У
	b
Construction of the second sec	

Compared to the traditional business approach, digitization

Forward-Looking Strategy

Our plans to prolong our growth are not only to develop using our internal bank resources but to utilize partnerships and technology enablers as well.

Forward-Looking Strategy

In 2021, we plan to continue our progress by commercializing acquiring a business, sustaining existing clients' business market share, acquiring new MNCs and large corporate clients, and increasing customer awareness towards financial inclusion.

catalyzed new benefits including affordability and building a risk-free environment. Accordingly, we are responsible for preparing our customers for their digital journey by offering them custom-made banking products for their business.

2020 is a remarkable year as it marks a momentous milestone in BdC's institutional banking digital product offering. During this year we launched the 'BdCbusiness'; our corporate internet banking platform, which provides our customers with access to a wide variety of products.



Management Information System (MIS)

The MIS team is considered the information analytics cerebellum as it works closely with all the organizational stakeholders in alignment with Finance, Credit Risk, Information Technology, Operations, Audit, and Retail MIS. It produces data analytics for all business units within the organization about Institutional Business, namely GTB, Corporate, FI, Local Business, SME, and Treasury.

The team is the main information provider, as it provides numerous reports to top management with valuable insights about the Bank's performance. It also supports all business units by collecting, maintaining, and visualizing their client's data to create unique products and services to satisfy client's needs. Additionally, it provides day-to-day calculations about corporate clients, using data mining techniques to extract data to produce profitability reports, income analysis, balance sheet and P&L reports along with customized business reports to meet business requirements with the available data and tools.

Non-financial Products and Services

Our offers extend beyond financial products and services, to ensure diversity and innovation. We offer a wide range of non-financial products, such as BdCbusiness, large deposit ATMs (smart deposit machines), swift notifications, and direct integrations, amongst others. Moreover, through our customer-oriented approach, we update clients on any market changes with their potential effects and conduct monthly service calls. Finally, we offer unfunded assets covering the Bank's obligation of Letters of Credit and Letters of Guarantee.

Success Tools

The three main success factors in the MIS team are availability, integrity, and holistic view. As the MIS team is the information core for all business units and the GTB team as well as top management. All the data from the MIS team is available at all times, for all institutional business clients. Integrity, as the MIS team takes great pride in the data they provide. It is calculated to ensure all the data available is correct and on the best effort basis. Finally, holistic view, as the MIS team provides an in-depth view to the corporate team for each client, their respective groups, segments, industries, going up to a holistic view for the overall bank's performance.

While helping the business units, the MIS team also provides the Bank with information and insights on the total assets and liabilities, volumes and balances, to balance sheets, and profitability reports in all industries, segments, as well as the Bank's overall performance.

In 2020, we integrated the new System T24, utilized better technology as a micro strategy, and accelerated the automation of reports.



Financial Institutions

Through multilateral and bilateral collaboration and engagement, our Financial Institutions Division is a dynamic platform responsible for regulating Correspondent Banks, Non-Banking Financial Institutions, Financial Institutions Structured Products Division, and Remittances.

To regulate our sustainable activities, our Financial Institutions Sector contains four main departments with various mandates as follows:

• Correspondent Banking: positions BdC's business propositions across the globe through partnerships with over 600 banks across six continents.

• Non-Banking Financial Institutions: manages BdC's business relations with 170+, insurance companies, microfinance providers, securities brokerages, auto finance, factoring, leasing, funds, mortgage, and e-payment companies.

• Financial Institutions Structured Products Division: acts as a focal point in availing funding channels to BdC in partnership with DFIs & Multilateral Funds by conducting direct and indirect lending syndicated/bilateral loans. FISP serves in sustaining BdC's presence in the global market, in addition to offering tailored solutions to better serve our clients' business needs. Moreover, it manages BdC's relationship with the international rating agencies.

• Remittances: plays a vital role in managing the Bank's relationships with 70+ money transfer organizations worldwide to attract Egyptian expatriates' remittances, a cornerstone of the Egyptian economy.

Our Road to Sustainable Investments

Green finance is an essential component of sustainable environmental and economic development. Contributing to social and environmental problems, green finance considers ESG categories leading to positive impact.

To create harmony between the economy and the environment and enhance our sustainability profile, we have been engaging in partnerships with several funds including the European Investment Bank, Arab Fund for Economic and Social Development, Sanad Fund, and Green for Growth. Utilizing sustainable investment, Banque Du Caire's multilateral collaborations target energy efficiency projects, such as the deal with "Green for Growth Fund" for USD 10Mn, which was constructed during 2017-2018, and aims to support projects that achieve a minimum of 20% primary energy saving and/or 15% reduction in CO2 emissions.

Making enduring and purposeful contributions, BdC's partner The SANAD Fund for MSME (SANAD) provided a loan of USD 15Mn to BdC for on-lending to micro, small, and medium enterprises (MSMEs), agricultural producers, and microfinance institutions (MFIs) in Egypt. This investment strengthens BdC's efforts in alleviating adversities facing business owners and farmers during COVID-19 by offering much-needed liquidity.

With the purpose of investing in the future, we consider all economic sectors, unless particular sectors are specified by the donors (funds) when granting funding. However, to lead to more impactful growth we target small, medium, and micro enterprises as well as corporates. The eligibility criteria for corporations to receive funding are based on the eligibility criteria designated by each fund; some funds target social impacts, value chain, women empowerment, and climate and green projects.

To guarantee continuous development and success we constantly evaluate and assess our performance. Besides utilizing financial KPIs such as assets and liabilities, the Financial Institutions Sector has established a set of non-financial indicators to ensure widespread success. In addition, we are in the process of building the Green Finance unit.

Mega Projects and **Syndicated Loans**

Alongside the standard corporate portfolio, we have an ever-growing megaprojects portfolio. We are proud to be participating in large-scale projects across Egypt. Our Bank's share in megaprojects has only witnessed increases over the past two years.

In 2019, our total share in mega projects totaled 500mn, whereas this year, the value has jumped to 2,163mn.

Notwithstanding the challenging circumstances the entire world faced, we still participated in such projects through investment and financial monitoring. We aim to increase our involvement in such projects over the following years.

During 2019					
Client's Name	Project's Description	BdC Role	BdC Share	Total Syndication	
Samcrete Engineers and Contractors	Syndicated Medium Term Facility amounting up to EGP 3.1Bn to finance the awarded construction transactions from NUCA to build the Fifth Residential District R5 at the new capital in Egypt.	IMLA	EGP 500Mn	EGP 3100Mn	
Total EGP	Project's Description		500	3100	

During 2020						
Client's Name		Project's Description	BdC Role	BdC Share	Total Syndication	
	Wood Technology	Financing 70% of investment cost of construction of a MDF factory	Facility Agent , Accounts bank , IMLA & Book-Runner	EUR 51Mn	EUR 152Mn	
	Marakez EL Sokhna	Financing 50% of investment cost for the 2nd stage of Katameya Mall (Administrati- ve offices and the commercial walkway).	Agent Bank	EGP 235Mn	EGP 670Mn	
	Suez Methanol Derivatives co. "SMD"	Financing 70% of investment cost of construction of methanol derivatives plant	IMLA , Book Runner	USD 21Mn	USD 84Mn	
	International Oil Multi Seeds Extraction Co (OILEX)	Increase of tranche (c) limit of "working capital'' pertaining to the syndicated loan, To be the total limit of tranche (C) is EGP 3Bn instead of EGP 1Bn with participation of our bank EGP 300Mn to be our participated is EGP 670Mn .	IMLA	EGP 300Mn	EGP 2000Mn	
	Alex Port Authority	Syndicated Medium Term Facility for purposes of : - Financing the Port Authority's share in paid capital of Egyptian Group for Multi-Purpose Terminals Company. - Paying the cost of evacuating families of Nagai. Also Aluminum to be used in the port development. - Paying the rest of cost of the lands to increase the area of the sidewalks.	IMLA	EGP 603Mn	EGP 1807Mn	

During 2020					
Client's Name	Project's Description	BdC Role	BdC Share	Total Syndication	
Egyptian Sponge Iron and Steel Company	To finance the company's permanent level of working capital.	IMLA, underwriter & book runner	EGP 675Mn	EGP 2900Mn	
Cairo 3a Poultry	To finance up to 65% of the project's total investment cost amounting to EGP 1.945Bn	IMLA & DSAA bank	EGP 350Mn	EGP 1255Mn	
Orascom Development Egypt	Syndicated Facility divided into two Tranches as follows: Tranche (A): Up to USD 215Mn to refinance existing banks' exposure" Tranche (B): USD 50Mn to finance refurbishments and expansions of the Borrower's tourism facilities in Egypt	MLA	USD 70Mn	265Mn	
Total EGP			2163	8632	
Total USD			91	349	
Total EUR			51	152	

Number of Customers					
	Borrower	Non- Borrower	Total		
2019	287	148	435		
2020	309	272	581		
%	8%	84%	34%		

Corp. Liabilities Mn					
December 2019	13,227				
December 2020	16,618				
%	26%				

Main Achievements

	Assets Portfolio Mn.				
	Outstanding	NPL	Total	Debt Capital Market	
2019	38,898	1,728	40,626	90	
2020	42,795	1,692	44,487	2,595	
%	10%	-2%		2783%	



8. Advancing our **Retail Services**

84

Our vision for a more inclusive society places retail banking at the center of our efforts, thereby making it a significant contributor to the Bank's growth. Utilizing advanced technology to achieve innovation and a highly qualified and motivated workforce, we deploy a variety of strategies to achieve competitive advantage while contributing to the SDGs. Our Retail Banking Sector provides equal opportunities through its support of micro enterprises, digital transformation, and commitment to microfinance.

Due to the diversity of our Retail Banking Sector, it has many responsibilities. We achieve inclusivity in our Retail Banking Sector through the development and initiation of segmented products and services to meet all clients' needs. To ensure competitiveness, we continue to enhance existing products to achieve optimum efficiency. Additionally, we analyze offered rates in the market to guarantee ambitious rates to our customers. To further extinguish ourselves, we regularly maintain and improve existing processes to reach peak productivity, deliver results, and enhance our position in the market.

85

Department Responsibilities and External Stakeholders

To establish long-lasting goals and support our strategies, our Department has extensive responsibilities. Its responsibilities include providing ongoing support, increasing efficiency, enhancing existing products and services, and introducing new and innovative offerings. To develop the right strategies and offerings, we emphasize the importance of stakeholder satisfaction and continuously engage to assess our development to recognize the importance of all our stakeholders.

Types of Services offered at BdC

We have a diverse range of customers and excel in offering a wide range of services to meet their needs. By consistently improving our quality and offerings, our services lower access barriers to ensure accessibility across all segments.

Continuously evolving our scope to respond to clients, we offer many services.

01 Personal Finance for Salaried & Pension customers

O2 Personal Finance for Governmental Sector Employees

across the market.

O3 Cash Finance for Self Employed or Self Professions for personal usage

04 Auto Finance

Mortgage Loan

05

Support customers to buy a new or used vehicle for private usage with down-payment starting from 0% up to 70% of car price with a relaxed payment plan and a competitive interest rate across the market.

Residential and Commercial mortgage finance with a very relaxed installment plan. In addition to the CBE mortgage finance initiative for low- & middle-income borrowers.

86

Cash finance for salaried customers that fulfill their needs; employees of either private or public sector are eligible for the product with a competitive interest rate and relaxed installment plan.

Cash finance is based on salary transfer for governmental employees with a competitive interest rate and loan amount that fulfills personal needs and supports the cost of living. Finance is offered with a very relaxed payment plan monthly with the fastest loan execution

Cash Finance for business owners to fulfill their personal needs with a suitable payment plan.

87

Types of Accounts at BdC

New Programs and Products

New Offerings	
1. Launched Qahera Rewards Program	1.Laur and ne
2. Launched 3D Secure Service	1.Incre 2. Avo
3. Launched Debit Card "Titanium''	1. Issu increa
4. Launched O-PLUS Meeza Prepaid Card	1. Incr 2. Incr 3. Incr
1. Adding Merchant discounts: agreed on 50 Merchants of different types and different offers 2. Seasonal Campaigns discounts (Cashback + 0% Interest)	1. Pro merch 2. Incr 3. Incr



Current Accounts

Savings Accounts

Certificate of Deposits

03

A deposit with a specific maturity date or a period to maturity, commonly referred to as its "term". Time deposits differ from call deposits, such as savings or checking accounts, which can be withdrawn at any time, without any notice or penalty.

Manages client finances through Banque du Caire's Current Account with on-demand access

Banque du Caire's Savings Account offers a competitive periodic return which is calculated on a

Is a savings account that holds a fixed amount of money for a fixed period of time, such as six

months, one year, or five years, and in exchange for interest. Clients can redeem their CDs, and

tiered-rate basis (monthly, quarterly, semi-annual, or annually). With flexibility of account

designed with a range of benefits to suit client's banking needs.

withdrawal and deposit at any time.

receive the money originally invested plus any interest.



Objective

aunched loyalty program to increase credit card spending I new acquisition.

crease credit, debit, and prepaid card spending. woid fraud losses.

ssued a new high category card for BdC customers to rease higher spending and increase collected - issuance fees

ncrease the base of BdC prepaid cards. ncrease the outstanding balance. ncrease prepaid spending.

Provide new offers for BdC cards through different rchants.

ncrease credit cards ENR.

hcrease BdC cards customer base.





Certificate of Deposits













Base Year **BY**

93

Retail Partnerships

To achieve our wider vision, we have developed many partnerships to overcome the deficit of inclusive products and services. We recognize that an integral component of success is the establishment of strong partnerships to achieve a future that supports and nurtures differences. In 2020, we continue to amplify existing partnerships and create new ones with a goal to provide equal opportunities for all.

Bancassurance

In 2020 we continued our partnership with Allianz Life Assurance Company – Egypt, a member of Allianz International Group and one of the world's largest providers of financial services that offers an integrated set of insurance and investment programs.

This partnership aims to provide a wide range of tailor made insurance solutions with varying terms, tenors, and payment frequencies to meet the needs of our customers. We unite in our efforts to sustain customer loyalty and continuously provide inclusive guidance and support throughout their lives and precedential times, by exercising consistent customer interaction and notification.

Demonstrated through our partnership with Allianz Policyholders where customers are notified that Life Insurance policies include COVID-19 among their basic coverage.

Tharwa Segment

Building on its establishment in 2019, our Tharwa Segment continues with a purpose to grow our client base and ensure customer satisfaction through the delivery of top services and quality. As a wealth management service, our Tharwa Segment targets high net-worth individuals offering them a wide range of products and services customized to their needs. In 2020, to continue growing and enhancing the Tharwa Segment, we partnered with Les Concierge to provide End-to-End loyalty services and tailor loyalty solutions while handling technical, operational, and commercial services.

As a primary tool to account for our performance, we use KPIs to monitor our progress towards our goals and objectives. In our Thawra Segment, we look to increase our client base and product penetration ratio while building loyalty through service level provided and products offered. Additionally, we aim to deliver excellent services and quality while ensuring that the Bank is at the top for high-net-worth individual segments.

Products

To break down barriers and reinforce our inclusion values, we have partnered with Mortgage Finance Fund (MFF) to finance low-income individuals who are applying for residential units that are available at MFF.

	2014	2015	2016	2017	2018	2019	2020
Booked Acc	49	1,231	5,693	11,000	9,546	5,255	5,179
ENR (mn)	2.4	81.9	423.4	895.8	1,703.2	2,123.3	252,977.2

Automotive Showroom

We continued magnifying existing partnerships with automotive showr client acquisition.

Number of Cars (Booked Accounts)

Banque du Caire Cards

At Banque Du Caire, we optimize our clients' experience and contribute to their satisfaction through our wide range of reliable and distinctive credit and debit cards. Establishing partnerships with a purpose, our collaboration with D-squares provides new offers for BdC Cards through different merchants to improve client acquisition and shopping experience. In addition, to enhance inclusivity, we partnered with Cashless Company to sell prepaid cards on traffic units.

addition to c	creating new o	nes to impr	ove our
	2018	2019	2020
	7,003	7,054	5,179

External Initiatives

We have external initiatives in place to facilitate ease and candor throughout our offerings to guarantee customer satisfaction. Our initiatives support us by assisting clients in utilizing our services, easing processes, and initiating adaptations to changing circumstances.

In line with CBE initiatives we facilitated the following: postponed loan installments to support customers during the pandemic, waived internal transfer fees to assist clients in using banking channels during the pandemic without burdening the financial cost, aiding the CBE's Aman project, as well as allowing 6 months of no payments and waiving ATM off-us fees to increase the ENR for credit cards.

We have been issuing Aman Certificates since 2018 as a supporter of CBE's Financial Inclusion Initiative. The objective is to engage the unbanked and underprivileged individuals under the umbrella of the Banking sector; CD bundled with life insurance policy incase of death or accident. We issue two types of Aman Certificates, the first type issued for individuals and the second type issued for the enterprises laborers and workers. We target individuals with Egyptian nationalities aged 18 to 59 years with low-income.

Volume in EGP per type per year

Total	63,968,500
Enterprises	39,886,000
Individuals	24,082,500

Number of Customers per type per year

		Forward-Looking Strategy
Individuals	21,348	We plan to change product features to be more suitable within market ra campaigns that meet the need of the market with simpler requirements f
Enterprises	34,875	proliferation of new bank branches to increase target for all source chan
Total	56,223	

)

0

)

range and more contestable, launch new products and s from customers, and exploit the opening and annels.

A Strong Portfolio

We have a substantial retail lending portfolio distinguished by its strength and diversity. Continuously growing to serve a range of geographical locations, genders, and ages.

Retail Lending Portfolio	Volume of # of clients Lending (EGP)				# of clients	Volume of Lending (EGP) mn
	2018	2019	2018	2019	2020	2020
Loans and Cards	802,279	857,668	26,240	32,749	830,500	40,214.0

Total Loans Value (EGP) mn

2019

2018

3,902.2

32,367 39,614.4

2018

4.15%

35.30%

2018

EACH age category's total Loans Value from the Total

Retail loans

2019

6.98

2020

59.21%

Retail loans by Geographical Location

Age group	Total Lo	ans Value	(EGP) mn	EACH age category's total Loans Value from the Total Retail loans		
	2018	2019	2020	2018	2019	2020
North Cairo	5,113	6,270	8,163.0	19.64%	19.37%	20.6%
South Cairo	4,935	5,873	7,196.4	18.95%	18.15%	18.2%
Alex & Behira	2,665	3,373	4,382.0	10.23%	10.42%	11.1%
Delta	5,512	6,810	8,223.5	21.17%	21.04%	20.8%
Canal & Sinai	1,886	2,302	2,941.0	7.24%	7.11%	7.4%
Upper Egypt & Red Sea	5,927	7,739	8,708.6	22.76%	23.91%	22.0%
Total Retail Loans	26,037	32,367	39,614.5			

Retail loans by age group

Age group

Re	tail	50	INS	
b	y C	iel	nd	er

Age group	Total Lo	ans Value	(EGP) mn		ender's Tota m the Total Loans	
	2018	2019	2020	2018	2019	2020
Female	7,811	9,823	11,369.4	30%	30.3%	28.7%
Male	18,226	22,544	28,245.1	70%	69.7%	71.3%
Total Retail Loans	26,037	32,367	39,614.5			

Under 30

Above 50

Between 30-50

Retail Lending During the Pandemic

The main objective in liabilities portfolio growth during 2020 was to align with our strategy to increase our liabilities portfolio. Although the impact of COVID-19 challenged our liabilities portfolio growth from several perspectives, such as CBE decisions in decreasing the corridor rates and competitor's movements in increasing some of their products interest rates.

Accordingly, we took the following steps,

• BdC Retail Liabilities diversified its pricing strategy across its wide range of products focusing on increasing its interest rates on Certificate of Deposits that reached up to 12.25%. This was done to cope with the fierce competition in the market and sustain clients who needed long-term investment during the pandemic.

• BdC Retail Liabilities launched new products with a unique selling proposition to fulfill customer's savings and investment needs which contributed to acquiring fresh funds as well as New to Bank clients such as:

- New Savings Account with daily interest rate.
- Revamping the pension current account to serve pensioners' needs.

• BdC Retail Liabilities launched a contest for all branches with EGP 6.2Bn, of which EGP 4.7Bn were from individual deposits, and EGP 1.5Bn from local business deposits.

The Microfinance

Microfinance is a critical component to promoting and enhancing inclusion. In line with our aim to provide fair opportunities for all, our microfinance segment is an effective tool for generating a positive impact on people and society. Led by a strong and experienced team, our Microfinance Department ensures the ease and speed of product procedures, diversification of available products, high financial capacity, and availability of liquidity necessary for financing operations. With a geographical spread all over Egypt, BdC maintains the largest market share.

Banque du Caire's first microfinance strategy was launched in 2001. The strategy aims to provide digital financial services to micro-entrepreneurs at their workplace throughout the country. Through the experience we have in microfinance, which extends to over 20 years, we have provided about 1,300 million job opportunities and a sustainable production project that serves various segments, most notably the youth and female.

Loans were granted to 500,000 clients over the last three years, with 60,000 loans issued in 2020.

Our distinction in this field is due to our geographical spread, especially in the governorates of Upper Egypt, which represent 53% of our total microfinance portfolio. Women represent 35% and youth 40% of the total number of clients.

Clients Served and Loans	201	18	2019		2020	
provided in EGP	Total Clients	Total Loans mn	Total Clients	Total Loans mn	Total Clients	
Micro Enterprises	210,000	4,466.6	242,206	6,968.0	200,000	6,500.0
):))))					
- 100000	2200					
))))				

Micro **Enterprises**

Microfinance enterprise is defined as the enterprise whose capital doesn't exceed 50k EGP and its profit or revenue doesn't exceed 1Mn EGP, according to the CBE. We recognize that supporting micro-enterprises is one of the key components to maintaining and enhancing sustainable finance. We aim to provide products and services that best serve the interests of micro-enterprises to strengthen their institutional capacities and stimulate innovation. We support micro-enterprises through a range of innovative offerings. Our creditworthiness assessment and underwriting process are characterized by their speed and ease. Our Time to Yes and Time to Cash, takes one day to approve or reject the case and to appear in the customer account. Additionally, through cross-selling we offer customers virtual wallets on their mobile and Meeza/ATM card. Our cost of credit stands at about 14% to 16% flat interest and admin fees at about 1% to 2%.

Main Sectors Receiving Microfinance

	# of clients in 2019	# of clients growth rate y-o-y (%)	otal loans in 2019 (EGP) mn	Total loans growth rate y-o-y (%) # of clients in 2020	# of clients in 2020	# of clients growth rate y-o-y (%)	Total loans in 2020 (EGP) mn	Total loans growth rate y-o-y (%)
commercial sector	138,835	12%	4,387.7	55%	110,161	-21%	3,716.5	-15%
Services sector	34,552	14%	1,031.4	59%	26,279	-24%	852.1	-17%
Industry sector	23,857	7%	726.3	47%	18,139	-24%	581.9	-20%
Transport sector	15,468	50%	395.5	89%	12,767	-17%	300.0	-24%
Profession sector	29,494	26%	427.2	47%	21,658	-27%	310.4	-27%

Microfinance Sectors

We have numerous sectors receiving microfinance, including, commercial, services, industry, transport, and the professional sector. In 2020, we experienced a decreased growth rate due to a large number of customer activities being negatively impacted as a result of the COVID-19 pandemic. Further impacting our business, we were forced to utilize conservative policies that resulted in

a cease of new loan issuing for about 9 months and postponing installments for 3 months which had a significant negative impact on the freedom of movement. Despite these challenges, we look forward to making breakthroughs in 2021 and creating lasting and enduring impact.

Microfinance Value by Geographical Location

	+ of clients in 2019	# of clients growth rate y-o-y (%)	otal loans in 2019 (EGP) mn	Total loans growth rate y-o-y (%) # of clients in 2020	# of clients in 2020	# of clients growth rate y-o-y (%)	Total loans in 2020 (EGP) mn	Total loans growth rate y-o-y (%)
Greater Cairo	14,802	6%	523.8	45%	11,405	-23%	438.9	-16%
Alext	25,806	12%	967.5	51%	20,276	-21%	799.7	-17%
Suez and canal	6,076	22%	190.5	84%	5,363	-12%	180.0	-6%
Lower Egypt	66,931	18%	2,122.9	69%	54,572	-18%	1,845.3	-13%
Upper Egypt	128,591	15%	3,163.5	50%	97,388	-24%	2,496.9	-21%



Microfinance Value by Gender

	# of clients in 2019	# of clients growth rate y-o-y (%)	otal loans in 2019 (EGP) mn	Total loans growth rate y-o-y (%) # of clients in 2020	# of clients in 2020	# of clients growth rate y-o-y (%)	Total loans in 2020 (EGP) mn	Total loans growth rate y-o-y (%)
Micro Enterprises:								
Male	148,859	13%	3,132.0	32%	115,169	-23%	2,425.9	-23%
Female	78,453	8%	1,335.7	21%	58,819	-25%	1,018.1	-24%

Non-Performing Loans

Banque du Caire provides support to customers in case they default to pay installments by implementing the scheduling Policy. This policy is applied when the customer faces uncontrollable and unfavorable conditions and therefore, requests the scheduling policy. Applicable conditions are circumstances that the customer has no control over, or general market circumstances that affect the customer's payment ability.

The percentage of non-performing loans for Microfinance is as follows:

2019	3.70% (·
2019	3.70% (·

As pioneers in the microfinance sector, we aim to stay ahead by persistently and regularly improving and expanding our offerings. In 2021, we plan to introduce new products, increase existing finance groups and categories, and transform informal clients into formal clients. With our extensive plans for the future, we look forward to elevating our progress.

Microfinance Value by Age Group

		# of clients in 2019	# of clients growth rate y-o-y (%)	otal loans in 2019 (EGP) mn	Total loans growth rate y-o-y (%) # of clients in 2020	# of clients in 2020	# of clients growth rate y-o-y (%)	Total loans in 2020 (EGP) mn	Total loans growth rate y-o-y (%)
Micro Er	nterprises:					\leq			
Less tha	n or equal 30	55,905	9%	1,028.8	27%	38,161	-32%	702.3	-32%
Greater	than 30 to 40	80,319	14%	1,614.8	34%	62,141	-23%	1,250.6	-23%
Above 4	0	91,088	10%	1,824.1	24%	73,686	-19%	1,491.1	-18%

+30) +30)



ATMs

Despite the unprecedented challenges of COVID-19, we continue in line with the Bank's strategy by introducing and enhancing services. Our ATMs channel is in a continuous development phase expanding geographically to guarantee availability. In addition, in 2020 we introduced innovations by adding new options to our ATMs such as (Dynamic currency conversion) DCC, wallets, USD ATM.

We provide many digital services such as instant account opening and card printing as well as activation through interactive tellers, issuing CDs and TDs, forex exchange, and more. Our objective is to serve our customers 7 days a week, and offer them a seamless digital banking experience.

With the many challenges of the crisis, we ensured proper maintenance and performance of our ATMs by increasing the number of ATM monitor team agents to keep track of performance, increasing the number of cash replenishments, and adding a new shift for the monitor team to monitor ATMs around the clock.

As a firm believer in equity and inclusion, we strive to ensure accessibility to people with disabilities through our plan to install lower-height ATMs to support wheelchairs and provide voice guidance support for the visually impaired. Enabling ATMs with services (transfer between accounts, deposits, bill payments, withdrawal limits) encourages disability and old age segments to conveniently perform transactions without visiting branches. To continue ensuring availability and accessibility we strategically placed our ATMs in locations that had payroll agreements with BdC to ease the salary payment process to workers.

Branches Network

BdC has witnessed many achievements with regard to the expansion of its branches network. Throughout 2020, we restructured branches, automated MBOs and scorecards, opened 10 new branches, renovated 2 branches, relocated 2 branches, ran business with less capacity due to COVID-19, and handled all CBE initiatives during the pandemic.

Notwithstanding the dangers of COVID-19, we were led to make slight adjustments to our operations in order to ensure that all employees and clients are in a safe environment. Accordingly, we concentrated on increasing staff and client awareness with all safety measures through various communication channels, encouraging usage of digital solutions, implementing social distance, and reducing the manpower capacity to 50% at Branches Network and adopting a work from home approach.

Although the pandemic posed many obstacles for us to not only maintain regular operations but also proceed with our growth plans, we persevered and resumed all activities. Our team focused on achieving all preset goals, including the upgrading and restructuring of branches and the development of branch employees through training.

We conducted online training for 4106 branch employees and we employed 376 new people for our branches across Egypt

Not only have we worked towards accomplishing our key performance indicators, but we also set new ones for the remainder of the year and 2021.

New KPIs	
Branch Expansion	To compete in the market and to inc
Branches Optimization	To reallocate branches to prime loca
Branch Renovation	To achieve state-of-the art branche
Process Enhancement	To eliminate redundant activities thr opening centralization.
Upgrading Staff Capability	To close staff performance gaps to e objectives.
Hunting Good Caliber	To close the staff age gaps by hiring our strategic objectives.

ATMs	2018	2019	2020	Growth Rate y-o-y
Cairo Region	266	440	458	15%
Alexandria and Beheira	110	165	156	31%
Delta	130	197	212	88%
Upper Egypt and the Red Sea	128	160	163	118%
Canal Cities and Sinai	37	58	58	63%

Purpose
o increase our market share.
locations.
nches with enhanced look and feel rebranding.
s through centralization with a clear set of all functions ex. account
s to enhance our customer satisfaction level and achieve our strategic
s to enhance our customer satisfaction reverand achieve our strategic
iring fresh, experienced, and productive employees that will achieve

Our widespread **network**

As part of our overarching strategy to grow our network and our commitment to providing a better experience for our entire client base, we have worked relentlessly to grow our branch's network. In order to guarantee that we are expanding into optimal geographical locations, we use a set of determining factors:

- Market geographical research to close geographical gaps.
- Feasibility study to measure the expected branch performance and break-even per location.
- Cluster Managers and Regional Managers feedback regarding the proposed location.

Such determining factors assist us in targeting different market segments and customer categories, reaching non-banking customers, as well as launching branches in unique locations like our Siwa Branch making BdC the only bank in Siwa. In 2020, the following branches were launched across the country:

Location	Branch Name
Alexandria	Sidi Beshr, Al Syoof
North Cairo	Madinaty, Katameya Heights, Al Rehab, Obour Building, Makram Ebied (City Light)
Upper Egypt	Meqbel
Canal & Sinai	City Sharm
South Cairo	Gezira Club, Al Ahly Club-Zayed, Mall of Egypt

In addition to increasing the number of branches, we have also diversified our types of branches. As part of our 2020 digitization movement, we opened our first digital branch in the Mall of Egypt. The purpose of e-branches is to provide instant account opening and card printing as well as activation through interactive tellers, issuing CDs and TDs. Our objective is to serve our customers 7 days a week, educate them on digital alternatives and methods to transact on their accounts, and offer them a great banking

Accommodating all customers

experience.

As a bank that is devoted to supporting all customers, we accommodate persons with disabilities by giving them queuing priority at all our branches. We also assign a customer service officer or branch manager that is dedicated to providing customers with all the necessary transactions at our branches. Additionally, we have trained all employees at branches to identify people with disabilities/special abilities to better serve them.

Branches	2018	2019	2020
Cairo Region	77	85	92
Alexandria and	29	49	31
Delta	43	43	43
Upper Egypt and the Red Sea	55	55	57
Canal Cities and Sinai	17	17	18
Total Network	221	221	241

Additionally, our branches play a role in promoting financial inclusion as we have centralized the opening account procedures to facilitate the role of branches in order to serve more customers and unify and guarantee customer data submissions. In addition to centralizing the collection of stamp duties on documents signed by customers to ease the procedures and time taken to serve customers.



Digital Banking for Our Retail Customers



In line with our vision to continuously innovate and evolve, our digital strategy is geared towards achieving sustainable business growth and fostering our sustainability commitment through the creation of value. With 480,708 online banking customers, we developed our digital capabilities to tap into financial inclusion opportunities, lower the cost to serve, and decrease turnaround time. Our strategy, launched in 2019, is focused on facilitating all banking services through our channels and platforms, whether online or through mobile banking, digital wallet, ATMs, Chatbot, etc. This will allow customers to speedily and easily utilize our services, as we gradually avail these services through different releases. Overall, our digital business plan aims to improve customer experience and satisfaction.

Looking forward, we are targeting digital onboarding by 2022 on the infinity platform which will provide the youth segment with a wider range of financial products and services, at lower costs, accelerated speed, less documentation, convenience, and security. Ultimately contributing to increasing the efficiency of operations of financial service providers. We will continue to invest in improving and expanding Qahera Cash, particularly through acquisition channels, displaying a commitment to maintain high performing transactions. In the future, we look to upgrade IVR service and launch Chatbot & WhatsApp services as part of Phase 2.



Number of Customers per segme	ent per Year - Women
	Number of Customers 2020
Mobile Wallet (QaheraCash)	129,893
Number of Customers per segme	ent per Year - Men
	Number of Customers 2020
Mobile Wallet (QaheraCash)	397,251
Number of Customers per segm	ent per Year - Youths till
	Number of Customers 2019
Mobile Wallet (QaheraCash)	137,528
Number of Customers per segm	ent per Year - Customers
	Number of Customers 2019
Mobile Wallet (QaheraCash)	166,978

Growth Rate y-o-y	
176%	
Growth Rate y-o-y	
172%	

l 40 years old

Number of Customers 2019

310,629

Growth Rate y-o-y

226%

s more than 40 years old

Number of Customers 2019

16,515

Growth Rate y-o-y

111

Digital **Banking Services**

Qaheracash

Our digital transformation coincides with our inclusion efforts, to serve those who do not have the minimum abilities required to use traditional banking services. Qahera Cash is a powerful tool for integrating unbanked and underbanked people into the formal financial sector due to its ability to increase access to low-cost financial services including receiving remittance transfers, loan repayments, money transfer, airtime, donations, utility bill payments, school fees payments, and many other services without the need to visit bank branches, which makes this service a key enabler of financial inclusion.

As one of our most popular digital services, it combines all essential daily financial transactions in one mobile application. It is a highly effective and affordable tool to facilitate and simplify secure financial transactions, all in a few simple steps. QaheraCash secured the availability to

transfer money to 16 million people across Egypt who have mobile wallets. Customers can pay for financial services and cash in and out money from any ATM or Aman outlets without the need to visit bank branches.

In order to promote the service and raise awareness of its benefits and attract more customers, we heavily invested in Above the Line (ATL) marketing campaigns next to welcome gift offers to encourage and drive the customer usage. Qahera Cash applied cancellation of fees and commissions applied to the following services: Cash withdrawal from ATMs, money transfer fees, and issuing virtual cards (VCNs) from the wallet. In addition, a number of exceptions were issued to facilitate the use of the service, such as Avail consumer self-registration through the BdC website and mobile application.

The acquisition and distribution plan started in February 2020 with a concentric marketing and branding plan which resulted in the acquisition of 35,000 merchants with the total value of transactions reaching 67Mn EGP. By the end of December 2021, we are targeting 170,000 merchants as agreed with the Central Bank of Egypt.

In 2020 we experienced a 73% increase in wallet base, a 55% increase in the number of QaheraCash transactions, and a 481% increase in the value of QaheraCash transactions

Considering the vast instability posed by the pandemic, we consider such growth to be a success and aim to sustain this progress indefinitely.

Forward-Looking Strategy

In 2021, we plan to achieve a greater number of customers by introducing new and innovative payment services including payroll disbursement. In addition, we plan to introduce a new savings account with affordable fees, no opening account fees, no minimum balance, monthly fees of 5 EGP, and a free Meeza debit card.

We obtained the QR Code Acquiring License in September 2019 and performed the first financial transaction in October 2019, making BdC the first bank in Egypt to launch this service.

The service enabled the acquired merchants to receive payments instantly from any electronic wallet in Egypt and cash out their money from any ATM. Furthermore, it contributed to decreasing cash dependency during COVID-19.





Internet Banking

BdC made strides in its digital transformation services and customer awareness since the launch of its online service in April 2019. As we work to enhance and build on our services every year, we ended 2020 with a total customer portfolio of 74,000 with an active ratio of 40%. This was a result of the mobile banking service launched in May 2020 available in all official stores. Ongoing enrichment of our platform with new digital services including revamped cards module with more features and online payments, transfer options via IBAN and transfer to any mobile wallet, inquire to customer's IBAN number for their accounts and different offline requests.

To ensure customer awareness, we launched small educational animated videos for every type of transaction to retail customers on social media platforms and big TV.

Forward-Looking Strategy

In 2021, we have a very ambitious plan to achieve a higher number of registered base and active customers with financial and nonfinancial transaction targets. In addition, the E-channels Department is planning to increase internet banking customers to reach 92,000 subscribers with an activation ratio of 50%.



With its devastating effects on health and businesses globally, the COVID-19 crisis transformed the way we live and operate. It presented many new challenges to our operations, forcing us to reassess existing policies and strategies. Due to its impact on our operations, retail banking and direct sales were the most affected departments due to 3% corridor cuts and CBE regulations to postpone lending installments for 6 months. As a result, our call centers were inundated with calls received from customers to inquire about the CBE initiatives.

In the face of all challenges, we actively apply all health and safety precautions such as work from home policy and social distancing. Additionally, we work with 50% capacity, conducting virtual meetings, and avoiding gatherings to limit disruptions and protect our employees.



As the global pandemic emerged, so did the risks attributed to it. In 2020, our Retail Banking Sector faced an exorbitant amount of risks. The pandemic negatively affected all asset portfolios due to customer installment delinquency. Immediate and decisive actions were taken to mitigate risks and capitalize on opportunities. Many new policies, strategies, and products were launched to adapt to market changes.

We faced many challenges and eagerly worked on a contingency plan to reduce risks. All product pricing was revisited to maintain reasonable rates that kept BdC within the market average along with solid profitability. Moreover, we increased the rates of Certificate of Deposits and offered the new Diamond CD to maintain our market share. Despite our ongoing efforts to abate all risks, our portfolio and profitability growth was negatively impacted due to the above circumstances.



Committing to our duty to combat the varying and severe effects of the pandemic, we continually monitor the evolving situation. We re-focused our efforts to address urgent client needs through innovative launches toward a more resilient portfolio while seeking new opportunities. To meet the expectations and challenges of market changes, we introduced new products.



9. Supporting **Nationwide SMEs**



At Banque Du Caire, we are committed to facilitating and expanding Egypt's financial inclusion strategy through building an extensive SMEs network. Through our dedication to encouraging entrepreneurship, creating opportunities for the youth, and offering an all-encompassing service to people across the country, we are devoted to growing the SMEs market in Egypt. We believe that small and medium enterprises generate financial and non-financial value on both the national and individual levels, thus making this an integral market in the Banking industry. As a bank that greatly supports national activities, we are proud of our developments which have allowed us to be the Bank of choice with regards to SME financing.

Supporting Nationwide SMEs



The SMEs team aims to expand BdC's market share through the thorough implementation of its transformational strategy. We strongly believe that differentiation within the Banking industry is mainly driven by the quality of the value proposition along with exceptional service level, digitalization, and ease of access. All working simultaneously, capitalizing on the attraction of new clients and the retention of existing clients via:

• Introducing additional services to differentiate the customer experience for SME Clients through non-financial service hubs and a call center, with more focus on customer-centricity.

• Strategic alliances with key service providers to support SME value proposition, innovation in addition to a unique segment-focused innovation lab and incubation program supporting entrepreneurship and the startup ecosystem. Furthermore, building partnerships with industrial developers and vendors to finance clients.

n. 10-

As for the year 2020, we set multiple targets for ourselves, which we proudly attained, including 4 times growth in SME lending, achieved 20% of total bank portfolio, established 30 business centers, completed the decentralization business model application, and witnessed the graduation of 50 highly skilled staff from NAWAH SME Business School.

To best serve our SMEs network, we have developed our SMEs banking group with various strengths such as an extensive specialized business network with various geographical coverage, a decentralized business model, dedicated account managers for each client focusing only on SME products, in addition to offering startup financing and non-financial services.

• Consistent coaching is provided to defaulters/NPL by a dedicated team that monitors collections, analysis of the reasons for delays in payments, and accordingly, provides solutions or advice, and the full support required to avoid default.

• Continue to drive a tailored "Go to Market" approach to increase awareness, promote our offerings and create a unique identity for SME businesses in BdC

Main **Achievements**





Developing specialized/non-standard **Products & Lending programs**



Crafting and driving Performance **Management System**

Supporting the creation and management of Non-Financial Services & Financial



SME Portfolio Evolution

Profound **Relations**

Due to the nature of our Department's activities such as financing projects of different scales and managing clients of all types, we frequently communicate and engage with a wide array of internal and external stakeholders to ensure smooth operations and business excellence for our clients.

Our Ongoing SMEs Strategy

Due to the nature of our Department's activities such as financing projects of different scales and managing clients of all types, we frequently communicate and engage with a wide array of internal and external stakeholders to ensure smooth operations and business excellence for our clients.

The SME Banking Group ended the year positively, having successfully attained the CBE's 20% requirement for SME lending back in December 2019. Accordingly, we implemented a growth strategy focused on driving sustainable and scalable expansion, which positioned the Bank as the partner of choice for SMEs in Egypt.

01 **Business Model Design & Organizational restructure**

a. SME Sales in branches to be dotted line reporting to SME Group b. Established two new units to drive strategy implementation and achieve targeted growth: i. Strategy & Business Development ii. Propositions & Products c. Launching SME Business School (NAWAH)

02 **Enhanced Sales & Coverage Model**

03

04

Products &

Propositionsusage

Risk Excellence

- a. Design and develop the targeted business model and determine the targeted locations for the Business Centers.
- b. Build the effective infrastructure/tools to support the salesforce to achieve growth
- c. Increase no. Business Centers/Units to reach 40 by end of 2021
- d. Offering two new service channels:
 - i. Through the Corporate Service Team.
 - ii. Call Center.
 - iii. Lead generation through data analytics for existing BdC portfolio
 - iv. CRM (Salesforce Management)

a. Establish a dedicated team for developing new products and propositions for different segments in SMEs b. Non-financial services

a. Modernization of credit assessment & approval processes

b. Establish a Workflow system

05 Tailored Marketing Plan

strategic alliances

- b. Develop customized marketing materials to target specific segments

06 **Develop a performance** management toolkit

07 Boosting staff skills via implementation of more than 1500 training hours

08 Establishing 5 new business centers

a. Develop a tailored marketing plan to increase awareness and build partnerships with

- c. Organize a bi-annual meeting for press/media representatives to share BdC updates in SME
- Business to position BdC as the best partner for the SME segment (medium-term plan)





NAWAH Program

NAWAH program, the SME banking Business School, is an end-to-end journey composed of innovative and practical programs. These programs seek to build and enrich the competencies of the fresh graduates hired in the SMEs business network, creating high business impact and fostering future leaders, with more focus on allocating those calibers in the needed geographical areas where SME clients exist (mainly Delta & Upper Egypt). NAWAH employs a life-cycle approach that is constantly nourished, tracked, and assessed.

Supporting Nationwide SMEs

Nile Preneurs

At Banque du Caire, we lead a solid strategic focus on the non-financial services front, which is an integral part of our value proposition offered to SME clients supporting the financial inclusion national agenda and driving the implementation of the non-financial services model. The SME banking group has a specialized unit taking care of all the non-financial services activities and driving all related initiatives. In light of this, we actively participate in a fast-growing national initiative funded by the Central Bank of Egypt and implemented by Nile University towards a single goal 'expediting SME and entrepreneurship growth'. This is done through the establishment of three 'Business Development Service Hubs' in Delta & Upper Egypt, with a clear plan to expand our footprint according to market needs. Moreover, we are sponsoring the 'Export Excellence Center' located at the Nile University premises, which provides capacity building and educational programs to SME clients to support their export business capabilities.

EEC

The Export Excellence Center (EEC) is in line with one of the strategic objectives of Egypt; to promote and empower Egyptian exporters to scale out their businesses globally. EEC offers a rich variety supported by targeted partnerships for export promotion, addressing export challenges, and promoting export as a driver for SME growth and employment generation.

We sponsor all the activities under the EEC umbrella to

In EEC Training & mentorship sessions the following topics are enhanced and enriched for all participating companies with in two tracks:

E-commerce Track

1.Website Building & Management	1.Bu
2.Marketing Cores	2.Inr
3.Website Structure	3.Ne
4. Target Marketing Identification	4.Re
5.Website Modification & E-catalogue	5.Lei
6.Content Creation & Email Drafting	6.Su
7.Trade Agreements	7.Diş
8.Legal Procedures & Export Documents	
9.Marketing Plan	
10.Website Addons & WordPress	
11.Search Engine Optimization SEO	
12.Digital Marketing Plan	

support SME clients to start/boost their export business. Through innovative interventions and capacity-building programs ranging from technology transfer, digital

transformation of business models, product development, and awareness about certification compliance programs to improve export capabilities, we assist in improving the positioning of Egyptian products in international markets.

Innovate to revive your business (IRB)

- usiness Model Canvas
- novation Management & Technology Transfer
- lew Product Development
- everse Engineering & Prototyping
- ean Manufacturing
- upply Chain management
- gital Marketing

In EEC Training & mentorship sessions the following topics are enhanced and enriched for all participating companies with in two tracks:

45 companies trained 232 training hours

260

companies

19 courses offered

225 persons empowered

Our focused growth approach includes building SMEs capacity through specific programs and subject matter experts know-how transfer and providing technical support to enhance existing products and push new products to various export markets. We achieve this by constantly improving technical capabilities through capacity-building programs to leverage and adapt technologies to advance companies' value-add covering (Product Design, Material Selection, Managing Innovation, digital marketing, export incentives, latest available trade agreements, Banking & Trade, and Supply Chain Finance). Moreover, we develop by emphasizing quality improvements and awareness about certification compliance and digitizing SMEs sales and marketing channels to boost outreach in the global market.

mentorship hours for 29

BDC Partnerships

Partner's Name	Start Yea Partners
CBE	201
Nile University	201
CGC - Credit Guarantee Company	201
EBI - Egyptian Banking Institute	201

ear of rship	Partner's Name
019	Nile Preneurs Initiative
019	Export Excellence Center
018	Master Agreement to guarantee customers against multiple risks
019	Initiation of NAWAH SME Business School through which 50 grads were graduated during 2020.



SMEs **Portfolio**

To create our SMEs portfolio, we first categorized enterprises by the value of sales turn-over. Hence, enterprises are defined as small when sales turnover ranges between 1 Mn and EGP <20 Mn, whereas small enterprises are businesses with sales turnover between 20 Mn and <50 Mn, and medium is between 50 Mn to ≤ 200 Mn EGP.

Clients Served and Loans provided in EGP	2019		2020	
ciferto servea ana coaris providea in Edi	Total Clients	Total Loans (mn)	Total Clients	Total Loans (mn)
Small Enterprises	2,460	348	2,258	428
Medium Enterprises	162	208	231	288
Total	2,622	556	2,489	716
Ratio Growth y-o-y	-		-5%	29%

of clients **Main Industries** (%) 2020 2019 Small Enterprises 2,460 2,258 Construction 287 246 Manufacturing 1,012 1,046 Other 6 10 35 Services 45 Trade 1,120 911 Medium Enterprises 162 231 55 64 Construction 44 69 Manufacturing 20 Services 18 Trade 43 80

Location	# of c	lients	# of clients growth rate	Total	loans	Total loans growth rate
	(*	(.)	y-o-y (%)	(0	(6)	у-о-у (%)
	2019	2020		2019	2020	
Small Enterprises	2,460	2,258	-8%	348	428	23%
Alexandria and Beheira	28597	562	-6%	61	71	17%
Cairo	1,469	. 438	-7%	196	271	38%
Delta and Canal	785	717	-9%	52	50	-3%
Upper Egypt and Red Sea and Sinai	609	541	-11%	39	36	-9%
Medium Enterprises	162	231	43%	208	288	38%
Alexandria and Beheira	22	42	91%	22	36	61%
Cairo	100	126	26%	147	188	28%
Delta and Canal	20	33	65%	17	27	62%
Upper Egypt and Red Sea and Sinai	20	30	50%	22	36	65%

# of clients growth rate	Total	Total loans growth rate	
у-о-у (%)	(%	у-о-у (%)	
	2019	2020	
-8%	348	428	23%
-14%	42	34	-18%
3%	237 321		35%
67%	1	4	376%
29%	10	12	26%
-19%	58	57	-2%
43%	208	288	38%
16%	59	71	21%
57%	34 64		89%
-10%	77 96		25%
86%	39	56	45%

The struggles of 2020 created an environment of ambivalence, leading people to become more hesitant with regard to risk-taking and entrepreneurship. This meant that fewer people were inclined to take on new enterprises and therefore our client pool did not witness overall increases. In 2020, the number of small enterprise clients saw a 5% decrease, whereas the number of medium enterprise clients witnessed a 49% increase, which resulted in an overall 2% decrease in the total number of clients. Nonetheless, we managed to secure and support our existing clients and that is evident in our growing number of loans provided along the year, which grew by 32%.

We have taken multiple initiatives throughout the year to ensure that we have a well-grounded and diversified portfolio, all while considering the challenges posed by the pandemic. Our provisions included:

- Upgraded decentralized business model
- Competitive fee pricing (no upfront/commitment fees)
- Intensive training plans for business teams
- Business network through geographical expansion
- Medium Enterprises team enlargement and enhanced skillset

SME Loans and number of clients by industry

Location	# of clients (%)		# of clients growth rate	Total Ioans (%)		Total loans growth rate	
	2019	2020	у-о-у (%)	2019	2020	у-о-у (%)	
Small Enterprises	94%	91%	-5%	66%	59%	+19%	
Manufacturing	37.15%	40.75%	+8%	46.3%	44.84%	+27%	
Trade	43.44%	38.11%	-14%	13.6%	10.29%	0%	
Constructiont	10.81%	9.55%	-13%	3.44%	1.64%	-37%	
Servicest	1.49%	1.77%	+17%	2.21%	2.01%	+20%	
Other	1.10%	0.69%	-39%	0.27%	0.65%	+216%	
Medium Enterprises	6%	9%	+49%	34%	41%	+57%	
Trade	1.56%	2.75 %	+73%	6.29%	11.96 %	+151%	
Trade	1.92%	3.26%	+67%	9.83%	10.42 %	+40%	
Construction	1.92%	2.50 %	+28%	3.60%	4.10 %	+50%	
Services	0.60%	0.62 %	0%	14.3%	14.09 %	+29%	

Total number of clients and loans

	Clients Served and Loans provided in EGP	2019		2020	
		Total Clients	Total Loans (mn)	Total Clients	Total Loans (mn)
	Small Enterprises	2644	4546	2511	5404
	Medium Enterprises	169	2350	252	3689
	Ratio Growth y-o-y			-2 %	+ 32 %
		MG			



SME Loans and number of clients by Geographical location

Location	# of c	lients	# of clients growth rate	Total loans (%)		Total loans growth rate
	(%	()	у-о-у (%)			у-о-у (%)
	2019	2020		2019	2020	
Small Enterprises	94%	91%	-5%	66%	59%	+19%
Delta, Canal and Sinai	29.72%	28.85 %	-5%	10.46%	7.49 %	-6%
Alexandria and Beheira	22.72%	22.48 %	-3%	13.43%	11.86 %	+16%
Cairo	18.45%	18.06 %	-4%	34.48%	34.73 %	+33%
Upper Egypt and Red Sea	23.11%	21.50 %	-9%	7.55%	5.36 %	-6%
Medium Enterprises	6%	9%	+49%	34%	41%	+57%
Delta, Canal and Sinai	0.82%	1.34 %	+61%	1.77%	2.42 %	+80%
Alexandria and Beheira	0.78%	1.59 %	+100%	2.78%	4.68 %	+122%
Cairo	3.66%	4.99 %	+34%	26.03%	27.96 %	+42%
Upper Egypt and Red Sea	0.75%	1.19 %	+57%	3.50%	5.50%	+108%

2019

2020

Other **Services**

We offer a range of diversified products to our clients with simple, clear, and fast lending procedures, such as:

Trade Finance

 Tailored banking solutions to support clients in managing their day-to-day business

- the requirements and nature of each business activity.
- business activity needs.

the right tools.

• Provide leasing products and services tailored to meet SME clients capital expenditure needs through our subsidiary Cairo Leasing Company (CLC)

 Offer Non-Financial **Password NFS services** enjoying pre-set convenient packages and service bundles.

• Time to Yes and Time to Cash: Currently at 21 days, however, we are aiming at 15 days in 2023.

• Cost of credit, fees, and fine - BdC SME banking offers competitive fees pricing. We do not require any upfront/commitment fees.

Non-performing loans

% of Non-performing loans

132

• Issuing Letters of Guarantee: Bid Bond, Performance, and advanced payment according to

• Opening Letter of credit and managing IDCs operations to facilitate accuracy in our business.

• Cash & Liquidity Management: Collection and management of cash flows to make the best use of liquidity based on the business activity cycle and earn extra income through investing in

• Treasury: We also offer Foreign Exchange (FX) and arrange forwarding deals based on

• In 2020, The SME Banking group led a big focus on the non-financial services front, which is an integral part of our value proposition offered to SMEs supporting the financial inclusion national agenda and driving the implementation of the non-financial services model - which includes but is not exclusive to - building strategic partnerships with selective service providers like accounting & audit firms, insurance companies, logistics companies, etc. who in turn extend their services to the SME clients based on the segmentation & needs analysis of each segment

Digital Banking for our **SME clients**

Our digitization strategy strongly supported SME banking during the COVID-19 pandemic via the availing BdC business internet banking service and remote conference tools.

Our SMEs team managed to quickly cope with the rapid digital transformation by launching multiple digital channels and remote support tools and equipment to maintain the same level of support to SME clients.

We are still progressing in our digital transformation journey, which is adequate to current market conditions, yet we expect a dramatic change in the next couple of years.

Our 2020 Digital Projects

The SME Workflow System mega project was launched with the following scope:

1. Fully automated lending business process management system

2. 50% reduction in internal SLA for credit cases cycle

3. Video conferences/meetings tools

Future Digital Projects

As we expand our digital footprint we look to launch many projects including, a Digital Scoring platform for a seamless lending experience for customers, an online Customer Request Platform for customer self-service for loan application, and CRM rollout across all customer services for clients 360 degree management and customer service.

Digital Risks and Management Approach

Risk	
Introducing new digital solutions required specific skills & training to be provided.	BdC S rapidl maint during
Inability to access the Bank's database when working from home.	We iss home via a s

Management Approach

SME Banking provides the necessary training and guidance dly to ensure all SME staff are able to use all new tools to ntain the SLA with our clients and avoid any interruptions ng work from home.

issued VPNs and delivered laptops to all staff working from ne in order to be able to continue their operations from home a safe internet service.



Some projects were impacted by the pandemic, nevertheless, we managed to cope with the situation by video conferencing and virtual meetings as well as work from home solutions. Consequently, the scope of our running projects was updated to adapt to the pandemic and help control the impact through providing seamless and automated customer services and features.

To ensure that we are in compliance with governmental regulations and that we are endorsing our SME clients, we have applied the payment holiday as mandated by CBE to our clients. This was carried out to de-pressure our customers from paying their loans and facilities dues and installments during the tough and challenging times of the COVID-19 pandemic.

In addition to that, we offer free of charge banking advice through our relationship managers to SME clients on how to mitigate the normal risks as a result of the pandemic in some of the impacted industries. Such advice covers the required knowledge to guide our clients on how to manage their collections, day-to-day business, better manage their financial debts, shortages, etc.

COVID-19 presented various opportunities which we efficiently capitalized on. Despite the negative effect the pandemic had on many industries, some industries were positively impacted such as the medical supplies and equipment industry which provided an opportunity for us to effectively accommodate their needs. Other opportunities included digital and online products financing, the increased demand for online purchasing/e-commerce, and financial inclusion support for customers to increasingly utilize online banking.

Forward-Looking Strategy

In 2021, we plan to launch a new product for the very small segment - Ingaz, and a performance management toolkit. Moreover, we will continue boosting staff skills via the implementation of over 9500 training hours, and open 5 new business centers.





solutions.

10. Treasury and **Capital Markets**

Banque Du Caire Treasury & Capital Markets Group (TCM) has an array of responsibilities including assisting clients in managing their financial activities, minimizing risk exposure, as well as providing

The TCM Group leverages Banque du Caire's position as Egypt's third largest public sector bank and the Bank's large and diverse client base to offer innovative and customized Treasury solutions that effectively hedge clients' balance sheets against price fluctuations.

Treasury and Capital Markets



The TCM Group leverages Banque du Caire's position as Egypt's third largest public sector bank and the Bank's large and diverse client base to offer innovative and customized Treasury solutions that effectively hedge clients' balance sheets against price fluctuations.

The group's activities aid in creating economic opportunities, fostering growth, and empowering individuals. The TCM group engages in seven key endeavors as follows:

Money Markets

Participates in market activities, including the provision term deposits denominated in currencies such as EGP, USD, GBP, and SAR, with durations ranging from one week to one year and more.

Foreign Exchange

Assists clients in managing their facilities and minimizing exposure to market volatility through the execution of spot and forward foreign currency transactions.

Financial Derivatives

Provides a variety of financial derivatives to hedge customer's potential exposure like Interest Rate Swap (IRS) and FX Forward Contracts.

Fixed Income

Authorized to act as a primary dealer on behalf of the Ministry of Finance, BdC receives funds from clients applying and submitting orders at primary market auctions and actively assists in the secondary market for government securities.

Sales Desk Direct Access

Responsible for bringing the TCM Group into close contact with BdC's clients and enhancing the Group's understanding of their needs and risk profiles. The desk offers real-time quotations, pricing, advice, solutions and acts as a point of sale for all of BdC's Treasury products. In addition, it is responsible for hedging customers' portfolios and maximizing their returns as well as evaluating customer's cash per their business needs.

Research and Analysis

Offers research and analysis services. These include the preparation and distribution to clients of a daily morning briefing which covers topics such as; FX rates, LIBOR, deposits rates, latest market bulletins and news, major commodity rates, top stock exchanges indices and other useful information.

Wholesale Banknote

As a key market player in the Banknote export/import business, the TCM group collects foreign banknotes from the local market and exports them to correspondent banks.

2020 **Highlights**

TCM activities generated EGP 9.37Bn in interest income during 2020, from EGP 11Bn in 2019. Interest income from TCM activities represented 45.7% of the total interest income booked by Banque du Caire in 2020 (2019: 51%) and was generated primarily by the following activities:

- EGP 7.73Bn from T-Bonds and T-Bills (local and foreign CCY)
- EGP 1.00Bn in deposits with the CBE
- EGP 631.1Mn without interest expenses from money market transactions (local and foreign)

2020 Awards

The achievements of the Treasury and Capital Markets Group were recognized with eigh prestigious awards during 2020, including awards from international institutions such as: International Finance Magazine

Best Foreign Exchange Bank – Egypt 2020 (second consecutive year)

International Business Magazine:

- Best Foreign Exchange Bank Egypt 2020.
- Best Bank for Treasury Egypt 2020

The European Award

- Best Treasury Management Bank Egypt 2020/21
- Best Foreign Exchange Banking Provider Egypt 2020/21
- Best Fixed Income Banking Provider Egypt 2020/21
- Best Liquidity Management Provider Egypt 2020/21

Forward-looking Strategy

In 2021, the TCM Group will strive to consolidate Banque du Caire's leading position in the FX and wholesale banknote markets, while seeking opportunities for efficient and profitable expansion of business across all activities. The Group will also work to maintain its position in the liquidity management space.

The TCM Group aims to continually expand its base of clients and counterparties, with a particular emphasis on the Direct Clients Portfolio. To achieve this, the Group will leverage a continual enhancement in its team's capabilities, Banque du Caire's strong foreign exchange resources, and the Group's upgraded infrastructure of IT systems. The Group anticipates the completion of Phase II of the Kondor+ front office system within 2021, with an eye to facilitating activity in the derivatives, options, IRS, and repo spaces. TCM continuously works to roll out a differentiated and innovative set of derivative, FX, and carry trade products, with an eye to capturing a larger share of business with top-tier foreign investors. To support its own capabilities and Banque du Caire's strategic transition towards a more customer-centric business model, the TCM Group will work to attract and acquire top talent in the treasury field during 2021, with a further eye to constructing a solid second-line team. Meanwhile, the Group will press ahead with plans to develop a fully-fledged in-house economic research desk, deepening its relationships with clients through the provision of unique insights into changes in the Egyptian and international markets.
11.Committing on All Fronts



Cairo Bank Uganda Limited Uganda Limited

Cairo Bank Uganda Limited (CBU) incorporated in 1994, is a fully owned subsidiary of Banque Du Caire. Primarily focused on conventional SME and retail finance, with a mission to provide excellent customer service and products that grow the SME segment.

The Bank has a growing customer base of over 14,570 clients, creating opportunities for leading Egyptian corporations in need of financing from Ugandan firms.



Committing on All Fronts



After becoming a fully owned subsidiary of BdC in 2019, it embarked on a progressive journey with shareholders committing to a phased capital plan.

As of September 2020, Cairo International Bank rebranded to Cairo Bank Uganda Limited (CBU), with a new promise of "Growing with you". The transformation included mobilizing domestic resources to support customers by providing endless opportunities and being a key player in the Ugandan economy, with a strategy geared towards sustainable economic growth and employment. The Bank aims to achieve its goal by being a dynamic force in supporting the economy with the strategic intent of establishing itself as the preferred Small and Medium Enterprise bank in Uganda.

2020 **Highlights**

Despite the challenges of the COVID-19 pandemic and its profound impact on the economy and society, in 2020, CBU ambitiously maintained its transformation journey. CBU recognizes the importance of implementing quality management systems and has in turn developed new management systems to inculcate inclusion, maintain innovation, and facilitate economic prosperity while ensuring development and coordination on all fronts.

Uninterrupted by COVID-19, the Product Development Unit was launched aiming to coordinate the development of all new products, track their performance, report to Executive Management on their viability, and monitor the performance of existing products. Moreover, 2020 witnessed the introduction and implementation of the Marketing Department responsible for enhancing the Bank's brand positioning, aligning its efforts with its core business strategy, and playing a key role in driving utilization, transaction volumes, and changing market perception of the Bank.

To supplement these achievements and further measure and monitor progress, the Bank introduced several performance dashboards and reports to track performance against budget. Alongside that, to ensure responsible and strategic allocation of resources, CBU introduced capital planning and Efficient Cost and Capital management.

The Bank experienced a reduction in cost to income ratio from 133% to 100% with a loss of UGS 2.8Bn less than the budgeted loss of UGX 5.6Bn.

UAE **Representative Office**

To boost international presence, Banque Du Caire's Representative Office in the UAE is oriented to promote our wide range of products and services. This is accomplished through a generation of strategic partnerships with leading businesses in the Gulf Cooperation Council (GCC).

Enduring COVID-19, we continued to successfully expand our international business during 2020, as we secured business with numerous large corporate clients based in the Emirates, with combined facilities valued at EGP 900Mn.

Such activities were coupled with the introduction of a cash export business with existing key exchange house partners in the UAE. Additionally, the UAE Representative Office succeeded in maintaining and advancing its efficiency with savings secured on all relevant travel and other costs to yield a reduction of 23% on the Office's cost budget for 2020. To maintain our advantageous standing, we aim to continue efficiently growing and developing our international business.

Forward-looking Strategy

Anticipating and effectively engaging with the future, CBU plans to continue its journey towards sustainable growth. Looking forward, it plans to set up a Trade and Supply Chain Finance team to drive non-funded income, enhance portfolio monitoring, improve stakeholder engagements, and develop a Branch-led approach where relationship managers are attached to branches.



Cairo Leasing Corporation (CLC)

CLC is BdC's leasing arm that was established in March 2018 as an Egyptian Joint Stock Leasing Company under the provision of law No. 159 for the year 1981 with an Authorized Capital of EGP 500Mn. It was established to provide leasing products and services to meet corporate and SME capital expenditure needs for a wide variety of assets covering all industries. Although it is a newly established company, CLC is a profitable investment as it successfully broke even during its first year of operations, realizing an impressive ROE of 15%.

As part of our strategy to expand product offerings to include non-banking financial products, aiming at promoting financial inclusion and becoming a Universal Bank, we plan to continue growing CLC. For the future, the company is working on initiating the factoring business, starting with its current customers.

As per Financial Regulatory Authority's report in December 2020, the company has been one of the most active companies in the leasing market capturing a market share of 3.99%.



12. Driving Financial Inclusion

solutions.

The TCM Group leverages Banque du Caire's position as Egypt's third largest public sector bank and the Bank's large and diverse client base to offer innovative and customized Treasury solutions that effectively hedge clients' balance sheets against price fluctuations.

Banque Du Caire Treasury & Capital Markets Group (TCM) has an array of responsibilities including assisting clients in managing their financial activities, minimizing risk exposure, as well as providing

Financial Inclusion



Our Financial Inclusion (FI) Strategy

Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs - transactions, payments, savings, credit, and insurance - delivered responsibly and sustainably. At BdC, we ensure that we integrate all underserved and underprivileged segments in society into the formal banking system and provide them with solutions, through our various and diversified products and services. We cater specific products to women, youth, the elderly, and other underserved segments in society. We also ensure that people with disabilities are well served through our specially crafted products and services. We comply with all CBE laws and regulations regarding financial inclusion and financial literacy and ensure that our internal strategy is aligned with the CBE's strategy, Egypt Vision 2030, and UN SDGs to ensure that no one is left behind.





Our History with Financial Inclusion

From 2017 to 2019, we developed several initiatives to serve financial inclusion including a comprehensive development process for payment services through the mobile phone wallet QaheraCash. This included providing new banking services to reach a larger segment of customers and encourage them to subscribe and use the service, by facilitating subscription procedures and reducing fees. Moreover, we added new outlets for withdrawals and deposits from the wallet, making it more efficient for customers to obtain their money without the need to visit the Bank's branches.

In 2019, we launched the internet/mobile banking service for retail customers. In addition, we also prepared to launch a corporate internet banking service alongside the ongoing development plan by adding new services to the mobile banking service. Our plan expands financial inclusion by including new customer segments through several axes, the most important of which is the development of banking products and services provided to customers as we work on updating them continuously to facilitate access to services with high efficiency.

In addition to launching new banking products and services, we introduced the Meeza card for direct debit and prepaid, which contributes to limiting the use of cash. We recently launched the "Bokra" account, specially

designed to meet the banking needs of women enabling them to manage their financial affairs through a range of banking solutions and benefits, as part of our effort to support the culture of financial inclusion for women.

In addition to the expenditure of the ATMs network and deposit machines. We participated in all the initiatives organized by the Central Bank of Egypt to support financial inclusion. During the events, we offered a variety of banking products and services, the most prominent of which is the "Arab Financial Inclusion Week", which aims to provide an account for every citizen. In addition, we are increasing awareness and banking culture among all segments of citizens, especially youth and women, in a way that contributes to bolstering economic growth, encouraging self-employment, and integrating the informal economy into the formal economic system. We have extensive experience in financing micro-enterprises, which extends to over 20 years and is based on the advancements we have achieved in this field. We contributed to providing jobs and a sustainable productive project serving various segments, most notably the youth and breadwinner women, representing about 25% of the total financing available from the Banking sector for this segment. Our uniqueness in this field is due to our geographical spread, especially in Upper Egypt governorates.

2020 **Highlights**

BdC's FI strategy for 2020 is based on Digitalization growth through

 Promoting payments through Mobile Wallets by increasing customer base, increasing usage in terms of volumes and values, introducing new services, and enhancing the efficiency of application and its subscription.

- Promoting internet banking in terms of customer base, the number of transactions, Launching mobile banking applications on the 3 digital stores (Android, IOS, Huawei).
- Expanding ATMs network across all regions increases its efficiency, enabling new services.
- Expanding Merchant QR code in terms of customer base and number of transactions.
- Launching campaigns including several benefits and cashback

BdC also concentrated on the segmented products as follows:

- · Promoting Bokra women accounts to encourage women to use the official resources for its saving by launching marketing campaigns and staff contests.
- Introducing a new product for pension segments with low cost and suitable interest rates.
- Promoting usage of debit and prepaid cards through launching periodic offers and discounts to customers.
- Promoting payroll by offering attractive packages including several benefits and waivers to encourage enterprises to pay their workers through opening banking accounts with full services.

Financial Inclusion Scope of Service

Women

Includes all women either working, housewife, or private business ownerst

Youth

All products and services can be given to age with guardian or without guardianv

Unbanked

Clients that are new to the Bank without holding an account in BdC.

Underprivileged

Clients with low-income, laborers or any other clients with limited resources of income.

Microfinance

For individuals owned either enterprise or first time business owners.

Segment	Products and Services
Women	Bokra account for women
Youth	Prepaid cards
Unbanked	Mobile Wallet – Prepaid cards
Underprivileged	Aman CD Mortgage Finance for low Income
Pensioners	Pension Loans
Governmental employees	Governmental Loans
Microfinance	Microfinance Loans

Our Financial Inclusion Initiatives in Alignment with the Essential **Objectives Required by CBE**

The Central Bank places the increasing of financial inclusion rates at the top of its priorities in line with Egypt Vision 2030, which is based on ESG dimensions. We align ourselves with the Central Bank of Egypt by increasing our efforts to create an environment for financial inclusion by establishing rules and regulations aimed to facilitate the procedures of financial banking transactions in all its forms. Within CBE's initiatives, is the decision to oblige banks to establish an independent Financial Inclusion Department. In addition, CBE promulgated additional laws and regulations to ensure previously underserved and underprivileged segments of the population are better integrated into the formal economy. We abide by these laws by:

• Setting up initiatives to provide financing to micro, small and medium enterprises

- Celebrating the 4 annual events approved by the Central Bank of Egypt, which extend to about three months spread throughout the year, starting with International Women's Day in March, Arab Day for Financial Inclusion in April, International Youth Day in August, and finally World Savings Day in October. Through these events, we target all segments of society by being outside the branches and opening accounts without fees or a minimum, as well as sponsoring financial education activities for citizens.
- Our Financial Inclusion Department provides recommendations and proposals to the financial administration of financial inclusion at CBE and coordinates towards implementing financial inclusion activities.
- Ensuring that financial inclusion is embedded within the Bank Departments.
- Expanding the provision of financial services, especially electronic services, including mobile e-wallets and prepaid cards, and spreaded financial culture, as well as sponsoring the relevant activities while supporting entrepreneurs and innovative projects.
- Setting up a mechanism to follow the implementation of projects that are related to financial inclusion, including following up the strategy and work plan and determining the issues and gaps to avoid them.
- POS. QR code, ATM.
- Ensuring the availability and spread of channels that help individuals and companies obtain banking services. (Geographical spread of the branch network, internet banking, mobile banking, and banking agents) • Dividing customers into segments, and working on providing them with appropriate products using our customer-centric approach.

Focusing on our presence in villages adjacent to main cities in the different governorates and setting a priority on our presen-

• Issuing real estate finance initiatives for low and middle-income segments at low-interest rates.

• Building suitable infrastructure to enable merchants and various entities with tools/channels accepting E- payments, such as

ce in the remote and rural areas (areas with high population and with less financial services).

• Providing different types of incentive programs to motivate customers using banking products /services (especially for mobile wallets and cards).

• Providing financial education for different customer segments, through cooperation with several entities to reach the target groups and benefit from the existing partnerships of the Central Bank with the National Council for Women, the Ministry of Social Solidarity, and the Ministry of Youth and Sports, and others.

• Continuously training FI Department staff and providing awareness seminars for the Bank's employees, especially those at the front lines.

• Working on the suitability of financial products and services for both genders, as well as for the hiring process within the Bank, to implement equal selection for both genders.

• Developing appropriate financial services for youth.

• Constantly measuring the satisfaction of existing customers and surveying the opinion and requirements of potential customers and neglected groups.

Moreover, we submitted our FI strategy in July 2020. We are also working on launching new products per CBE regulations for financial inclusion products to allow all segments to easily open accounts using national ID only, as well as with affordable fees and commission. The product will be launched by the end of 2021.

Inclusion for Persons with Disabilities/Special Needs

We aim to serve disabilities segments in diverse ways to guarantee their full rights. In our branches, they have the priority to be served through proficient customer service representatives, with utmost dedication to ensure their financial needs are fulfilled. We plan to train a minimum of 2 employees in each branch on how to provide for customers with disabilities.

Women and Youth Support Women Bokra Account for women:

Our Bokra Account is a savings account in Egyptian Pounds tailored for women to fulfill their future needs by paying monthly fixed installments with different tenors to gain the principal and cumulative interest at the end of the period plus the benefit of life insurance. Duration and installment determined by the customer, starting from 1 year to 10 years and installments starting from 100 EGP. In addition to the possibility of granting a credit facility or secured credit card against a Bokra account with the same currency on favorable terms.

FI Product or Service	# of Clients Under 30 years old	# of Clients 30-50 years old	# of Clients above than 50 years old	Total
Bokra Account	510	1,505	604	2,619
	Balance of Clients	Balance of Clients	Balance of Clients	
FI Product or Service	Under 30 years old (mn)	30-50 years old (mn)	above than 50 years old (mn)	Total

Youth

Prepaid Card

- Cards issued to individuals (minimum 16 years old)
- Parents can purchase up to five cards to themselves and their children (10 years old and up) and replenish the card with amounts to give children the sense of independence by using the card.
- No need to open an account at BdC to issue the card.
- Flexibility in replenishing the card through any of the Bank branches or deposit at BdC ATMs that accept deposits.
- Cards can be used in purchases and ATM withdrawals, domestically and internationally, and also for internet purchases.

Digitalization Aiding Women and Youth Support

Digital Solutions, Digital Channels and ATMs helped in achieving FI through an easier access to our services due to the following reasons:

- 24 hours availability
- All Governorates coverage
- Easy to use with a friendly interface.
- Support Payrolls and pension payments.
- Cash Withdraw Service
- Cash Deposit Service.
- Balance services.
- Bill Payments.
- Money Transfer.
- Located in safe areas and easy access.

Unbanked and Underprivileged Support

- BdC offers mortgage finance catering to the low-income segment based on CBE's initiative with a very relaxed repayment plan and is exempted from fees and commission.
- Pension loan to serve underprivileged customers with suitable loan amounts that fulfill their needs and easy installment plan.
- Aman CD to serve low-income and unbanked customers with a life-insurance policy.

Total clients and loans to unbanked and low-income individuals per year

Clients Served and Loans provided in EGP	2020		Ratio Growth y-o-y		
chents served and cours provided in Edr	Total Clients	Total Loans (mn)	Total Clients	Total Loans (mn)	
Pension Loan	13,154	524.9	39%	88%	
Mortgage	29,947	2,529.8	15%	19%	

Remittances

Remittance has a positive impact on serving a wide segment of Egyptians working abroad; as it provides them with a quick and safe way to send money to their families.

We already had a role in developing this service by serving The Egyptian expats resident in Jordan, sending our representative to market incoming money transfers from Jordan to Egypt, as well as opening accounts for Egyptian expats residents in Jordan. We are planning to develop remittance to be a more efficient tool for financial inclusion using digital channels to serve families to send and receive their savings without visiting branches, which will help our customers in rural areas.

We plan to launch Prepaid Remittance Card - a branded MasterCard - for customers receiving remittances from abroad in Egyptian Pounds and who do not have bank accounts.

Financial Technologies (FinTechs)

With consumer demand for banking on the move, there are exciting reasons to extend our channel delivery mix with mobile services. Mobile Cash Withdrawal (MCW) will not only meet our customers' demand for extra levels of convenience, but this new service will also extend our customer reach, improve customer retention, achieve operational efficiency and increase wallet share.

Capitalizing on the power of mobile devices, which our customers routinely use to manage their digital lifestyles, to offer convenient and unique customer banking.

Mobile Cash Withdrawal (MCW) solution is an innovative system enabling BdC to provide our customers with a cash withdrawal service initiated from a mobile device and fulfilled via ATMs. It complements the existing functionality of ATMs by providing quicker and more convenient access to cash than existing card-based systems, in addition to providing potentially increased transaction security.

Digital lending offers us a lot of opportunities to improve productivity, close more loans and increase revenue per loan with cheaper and faster automated services.

Know Your Customer (KYC)

The Application form of opening account was revamped to include more services such as account opening, debit card, mobile wallet, and mobile banking. All of these services are combined in one application form, instead of using separate forms. This helps to engage customers in all services at once, lowering their visits to branches to participate in the mentioned services and making the overall process more efficient by simplifying it.

The MEEZZA Card

Since CBE guidelines and governmental encouragement for Digital transformation, BdC was the first bank in Egypt to issue Meeza Debit cards to serve the National Social Objective.

Banque du Caire launched the first Meeza Debit card on the Egyptian Banking market for all account owners. In addition, BdC also launched Payroll & Prepaid Retail Meeza Cards to encourage the sustainable and digital transformation to comply with CBE's guidelines in achieving more financial inclusion.

Financial Literacy

Financial literacy is the acquisition of financial knowledge, skills, and confidence. This includes the understanding of earnings, savings and investing, spending, borrowing, and protecting. Our financial literacy activities include marketing campaigns for the Bank's products and services, awareness activities, advertising campaigns, and initiatives supporting financial inclusion.

Total clients and loans to unbanked and low-income individuals per year

eracy Activities			Date/		
Males	Females	Location	Duration	Description	
		Indoor in all branches and no outdoor	15 days in	CBE financial inclusion event to include below offer: free opening	
8,245	2,749		locations due to 2020		account for NTB, free prepaid card for NTB, free debit card for
2,443	1,046			NTB, free mobile wallet.	
2,707	2,127				
		Indoor in all branches and There was outdoor	15 days in October	CBE financial inclusion event to include below offers: free opening	
10,826	3,641	existence in average of 40 locations (clubs –	2020	account for NTB, free prepaid card for NTB, free debit card for	
3,217	1,317	governmental entities –		NTB, and free mobile wallet.	
3,585	2,584	universities) with all precautions taken for COVID-19.			
	Males 8,245 2,443 2,707 10,826 3,217	Males Females 8,245 2,749 2,443 1,046 2,707 2,127 10,826 3,641 3,217 1,317	MalesFemalesLocationMalesFemalesIndoor in all branches and no outdoor locations due to COVID-192,4431,046	MalesFemalesLocationDate/ DurationMalesFemalesIndoor in all branches and no outdoor locations due to COVID-1915 days in August 20202,4431,0462,7072,12710,8263,6411,317Indoor in all branches and There was outdoor outdoor in all branches and There was outdoor governmental entities – youth centers – universities) with all precautions taken for	

Forward-looking Strategy

BdC is compliant with all laws and regulations promulgated by the CBE related to financial inclusion and financial literacy and follows closely with any amendments or updates to the laws. In 2021, during the time of drafting this report, the CBE drafted new laws, and we have embedded these laws into our strategy to ensure compliance and create new products and services, or amend old ones to match with the CBE directions

• CBE had announced in 2021 to increase the number of events to be 6 instead of 4 to include Farmer's celebration to be in September and Special needs event to be in December. BdC will participate in these events to ensure better inclusion for the underserved segments in the society.

• Aligning with CBE's strategy for 2021 to increase the financial inclusion of youth and people with disability, BdC will focus on the youth segments by allowing youth starting from age 16 years to open accounts without their guardian, and special needs segments by providing them access to all products & services and to facilitating their transactions in the branches.

• BdC will participate in new regulations promulgated by the CBE published in 2021, for dormant accounts to encourage all segments to reactivate their old accounts and to unify rules through all banks.

13. Building Organizational **Capabilities**

creativity.

Part of our long-term success factors includes providing opportunities for professional and personal development, health and safety, and equal and fair treatment of employees.

Due to our resiliency, our team can achieve success in the most unique and perplexing situations. With the onslaught of the COVID-19 pandemic in 2020, we effectively overcame the many challenges it presented. A total of 798 confirmed cases of COVID-19 were reported within BdC, all of which were handled diligently per our health and safety guidelines. Through major internal communication efforts and safety measures, we were able to prevent and mitigate the crisis and protect our employees while limiting disruptions in our work environment.

At BdC we recognize that our valuable, diverse, and continuously developing workforce is indispensable to our success.

As the center of our expertise, our culture is characterized by diversity, equal opportunities, innovation, and



With its devastating effects on health and businesses globally, the COVID-19 crisis transformed the way we live and operate. It presented many new challenges to our operations, forcing us to reassess existing policies and strategies. Due to its impact on our operations, retail banking and direct sales were the most affected departments due to 3% corridor cuts and CBE regulations to postpone lending installments for 6 months. As a result, our call centers were inundated with calls received from customers to inquire about the CBE initiatives.

In the face of all challenges, we actively apply all health and safety precautions such as work from home policy and social distancing. Additionally, we work with 50% capacity, conducting virtual meetings, and avoiding gatherings to limit disruptions and protect our employees.

Diverse Workforce

Our success in enduring turbulent times is coupled with HR practices that establish a workplace climate that fosters equity and facilitates inclusion. We view the diversity of our employees and clients in our core markets as a strength, which is why we promote diversity and inclusion to create an environment that is optimal for our performance. A diverse workforce brings many different perspectives giving us the capacity to be competitive and better equipping us to deal with a dynamic industry. With diversity embodied in our commitments, our HR team is consistently working to structure a workforce that mirrors the diversity of our clients while creating fair opportunities for all.

To cultivate an inclusive environment, we focus on retaining and attracting talented and diverse employees.

Employees

2020							
	Unde year:		30- year		Over 50 years old		Total
	Males	Females	Males	Females	Males	Females	Number
Number of Employees (Male)	1,269		2,124		3,716		7,109
Number of Employees (Female)		617		737		175	1,529
Number of Employees (per age category)	1,8	86	2,8	61	3,891		8,638

2020		
30-50 years old	Over 50 years old	Total Number
33%	45%	
		82%
		18%

(per age category)				
		2020		
	Under 30 years old	30-50 years old	Over 50 years old	Total Number
% of employee (per age category) (to the total of employees)	22%	33%	45%	
% of employee (Male) (to the total of employees (Male*)				82%
 % of employee (Female) (to the total of employees (Female**)				18%

Inclusive Hiring: Women & Youth (New Hires)

Achieving required success by making progress on the SDGs, we accelerate our commitments to generating an inclusive and equitable workforce. At BdC, we recognize that our employees are the source of creativity that fuels innovation driving the development of a sustainable society.

Through our recruitment policies, we place a strong emphasis on including women and youth within our workforce.

Despite the COVID-19 pandemic and its vast and varying consequences, in 2020 the Bank hired 541 new employees, 79.91% of which were under 30 years old, and 22.2% of which were women.

New Hires

2020							
	Unde years		30-50Over 50years oldyears old			Total	
	Males	Females	Males	Females	Males	Females	Number
New Hire (Male)	438		117		1		556
New Hire (Female)		123		31		0	154
Total Number of New Hired by Category	l'add		148		1		710

Learning and Development

We have an HR strategy that is geared towards the ongoing development of our employees, allowing them to operate purposefully and successfully. We aim to continually develop their skills and knowledge through various activities while simultaneously enhancing individual and future performance. We continue to introduce new training and development opportunities to resourcefully enhance our employees and the Bank's capabilities. At BdC, we have developed a learning culture partially attained through a multitude of differentiated opportunities available to our employees. Due to the diversity of our operations and functions, our employees acquire unique skill sets that we continue to develop through our wide range of training opportunities. We focus on developing and enhancing their technical and interpersonal skills.

Ongoing Talent Identification

BdC has launched its first Fast Track Program combining talented individuals from different sectors across BdC attending a comprehensive learning journey gaining knowledge on technical banking aspects as well as interpersonal development programs and concluded with international exposure. There are ongoing plans to provide specialized functional certification to all employees with the certification related to the field of work.

Impact of COVID on Learning Plans

The pandemic has imposed new ways of thinking and new methods of learning that have provided different exposures and expanded the horizon for all employees. More e-learning and gamified solutions have been applied to provide a differentiated learning portfolio suitable for all without disturbing employee's schedules or disturbing the business. Due to COVID-19 in 2020 and despite the training hours increasing by 52%, the training cost decreased by 26% on the back of enforcing the online training activities.

Fair Learning Opportunities

Learning is never limited to a specific cluster or to certain employee categories, from dynamic simulation sessions, virtual and e-learning solutions, specialized development tracks for each line of business to ongoing general awareness programs, our differentiated solutions target learning exposure to all Banque Du Caire employees.

		2020		
	Under 30 years old	30-50 years old	Over 50 years old	Total Number
Rate of New Hire (per age category) (to the total of employees)	79%	21%	O.1%	
Rate of New Hire (Male) (to the total of employees (Male*)				78%
Rate of New Hire (Female) (to the total of employees (Female**)				

171

Training Courses in 2020

Training Course		of Trainees	Total Number of Training Hours	
Talling course	Male	Female	9073	
Certificates	76	29	142	
Conferences	14	2	45505.25	
Control / Regulatory	3985	1056	7986	
Induction	52	40	22748	
Interpersonal Skills	5248	1289	56	
Overseas	1		55149.1	
technical	4346	1070	9073	
Total Number by gender / Total Hours	5778	1356	140660	

Employee Compensation, **Incentives, and Benefits**

The wellbeing of our employees is our priority as we emphasize their fair and equitable treatment through our actions. Our HR Department invests significant resources to safeguard the health of and empower our employees. To sustainably enhance human capacity, further developments in education and healthcare are necessary. Our ambitions are complementary to our goal to increase health and wellbeing, reduce inequalities, increase gender equality, and advance education, all of which we achieve through our systematic approach. We provide appropriate welfare and additional benefits to all full-time employees through the emergence of new and existing policies that provide the necessary perspective to instigate long-term prosperity.

We have developed a comprehensive list of benefits to meet the varying needs of our people, including but not limited to:

- Life Insurance Services
- Health Care benefits
- Disability
- Parental Leave
- Retirement provisions
- Stock ownership
- Housing (fixed amount related to area and job grade)
- Company Vehicles (Available to top management)

To ensure consistent improvement and progress, we are committed to ensuring our employees are fairly compensated. In 2020 BdC annual salaries were raised across the board between 8% and 20%. In addition, we offer competitive packages for both entry-level talent and senior staff. Due to the year's unforeseen circumstances, an exceptional 2-month bonus of employees' basic salary was distributed.

During the pandemic the need for medical insurance was prominent, therefore, we enhanced our medical services in part by increasing the employee medical services budget to EGP 106Mn.

The budget for family medical service increased to EGP 37Mn. During the year, the Bank renewed its life insurance program for all employees, and increased the staff loan limit by 25% to reach EGP 2.5Mn.

The Total amount of direct Economic Value Generated and Distributed (EVG&D) on the basis of employees' wages and benefits as per the following categories for 2020:

- 1. Total payroll: 2020 Yearly Fixed Cash: 2,025,114,741 EGP
- 2. Amounts paid to government institutions on behalf of employees: 2020 Total Yearly Amounts Paid: 415,082,453 EGP
- 3. Total benefits: 2020 Total Yearly Benefits Amount: 69,135,396 EGP

- Interest free loans (applied with conditional rules)
- Staff loans (BdC employees enjoy special interest rate and long tenor)
- Public transport assistance
- Educational grants
- Educational Allowance
- Remote Area Allowance
- Redundancy payments

Security **at BdC**



Under the responsibility of the HR Department, we have a well-established, multidimensional, and highly active Security Department. Given the nature of our organization's activities, the Security Department plays a vital role in maintaining smooth operations as well as ensuring that all of the Bank's premises are well protected and function with minor interruptions.

Our Security Department has various responsibilities, among which is the protection of the headquarters, and branches, as well as the safeguarding of employees, from any of the pre-assessed risks. The Department is also responsible for managing the entire security manpower and ensuring that every facility has the appropriate number of personnel. Moreover, it conducts training sessions for its employees to increase the efficiency of security operations while constantly updating the security systems in place to remain in compliance with all security policies set forth by the Central Bank of Egypt.

Security training includes:

- Training in civil defense and fire at the Ministry of Interior Institutes.
- Training in occupational safety and health work at the Ministry of Manpower Institutes.
- Training of bank security guards and officials (revitalization courses).
- Training through management on security situations and scenarios.

To ensure that all dimensions of security have been accounted for, the Department constantly assesses and highlights possible risks that could occur. Some of the risks which appear on the radar include burglary, fire dangers, vandalism, reputational damage, and complaints. The Department has also foregrounded other topics which are considered to be key for them to account for and monitor closely as these reflect on the team's performance as well. Such as the risk of facing penalties as a result of a failure to comply with the CBE's security policies. Additionally, the benefit of owning the security company and thus having the flexibility to choose security personnel with high competencies is due to our control over the recruitment processes.

Stakeholders and Responsibilities

Given that the Security Department has multifaceted activities, it has a diverse set of stakeholders on both internal and external levels which it interacts with to ensure that all responsibilities are upheld and all performance requirements are met.

During the reporting year, the Security Department witnessed many accomplishments which not only benefited the Department but also assisted in increasing the Bank's capabilities. Firstly, the restructuring of the security sector in line with senior management's strategy and the requirements and rules of governance was completed. In addition, integrated solutions and modern security systems were utilized for all of the Bank facilities and a plan was developed to secure all the Bank's facilities against the dangers of fire per the Egyptian code of conduct. Furthermore, we established our own security company in partnership with the National Security Sector at the Ministry of Interior, which aided in solidifying partnerships with local authorities and contributed towards national activities by providing the market with a crucial service; an efficient and trained security component. The security company contributes to the Bank's financial activities by achieving a financial return through its profitable goals. Additionally, it aids the Bank in saving expenditures on the value of storing and archiving documents with external companies by raising the efficiency of the Wardian warehouse and transforming it into a model archive for document preservation. Our achievements are reflected in our positive KPI results, as we have been observing progressive results over the past two years.

anpower Institutes.

KPIs' Results and Progress

KPI	Base Year (BY)	Reporting Year (RY)	KPI Performance (Growth Ratio)	Target Year (TY)	Additional Comments
Providing the man power to secure all facilities	100%	100%			
Conformity of security systems with the policies of the Central Bank	15%	25%	15%	2024	Implementation is carried out by the engineering sector
Training and raising the efficiency of employees on Security Operations	25%	40%	15%	2024	
Approval of all bank facilities for the require- ments of civil protection	25%	40%	15%	2024	Implementation is carried out by the engineering sector
Conducting security investigations for complaints	100%	100%			The security sector is specialized in the old branches

To maintain our high quality performance, we provide training to all personnel in the security sector, as well as security personnel appointed from external companies according to the nature of their work. Training is received from specialized external institutions, external security companies, or through those in charge of managing the Department as refresher courses. New members of the workforce receive induction courses before being appointed, whereas existing employees receive on-the-job training and refresher courses at their worksite.

Certifications

Name of Certification	Entity providing it	Ratio of team members
Training on the use of firearms	Ministry of Interior - General Administration for Training	64%
Training courses on civil defense and	Ministry of Interior - Institute of Civil Protection	52%
Conferences and workshops in the field of occupational health and safety	Ministry of Environment - Annual Conferen- ce for Safety and Security	2%
Refresher training courses for guards and security officials	Security Sector - Bank Training Center	100%
Occupational Safety and Health Specialist Course	Workers Cultural Foundation - Federation of Egyptian Trade Union Workers	8%
Training on security scenarios and situations	Security Sector - Bank Training Center	100%
Participation in security courses and conferences	Abroad	2%

Organizational Growth

2020 witnessed many developments in the HR Department. We continued to grow and innovate by committing to our digital transformation journey and introducing an integrated Human Resources Management System (HRMS), with the first phase of implementation completed and available, covering performance and learning management. We also implemented a time attendance system at our headquarters, as an integral part of our digital transformation.

The HR team managed a successful transition to digital platforms, with the performance appraisal cycle for 2020 carried out on the new system successfully. The team also implemented competency modeling for core and leadership competencies, and embedded in the promotion cycle as well as the Training Needs Analysis (TNA) cycle.

During the year, 1,362 employees were promoted, representing 16% of our workforce provided with new opportunities to explore and expand their careers. Forward-looking Strategy

We aim to innovate and develop our policies, systems, and practices to successfully grow and develop BdC. We will continue investing in our employees, new opportunities, training, and capacity building to develop our capabilities towards more positive results.

In 2021, we plan to launch a restructuring, job evaluation, and capacity building project to ensure alignment with market best practices. Additionally, we will work to develop a detailed Total Reward Strategy, and will conduct studies into new retention tools.

The Bank designed a program to fast-track high potential talents, targeting clerical and supervisory positions.



14. Creating Corporate Shared Value

Health Sustainabl Quality of e Economic e

Led by our core values, we continue to make progress on 2019 initiatives as well as expand our voluntary efforts to have a positive impact on society, the environment, and the economy. We recognize the value of sustainability, so we incorporate a CSR framework that allows us to foster effective solutions as well as deliver long-term sustainable returns to our stakeholders.

Despite unprecedented challenges due to the COVID-19 crisis, we continue in pursuit of our vision to ensure continuous and significant developments in our business and community through our commitment to Sustainable Development Goals (SDGs), Egypt Vision 2030, and United Nations Global Compact principles.

Our CSR activities are of paramount importance, as a result, the budget for CSR is given the biggest priority from our management with the highest percentage of the Bank's profit.

	2020		
	Number of projects	Total Investments in EGP (mn)	
	14	91.0 EGP	
e cities	5	118.7 EGP	
education	5	7.6 EGP	
empowerment	4	10.4 EGPt	



As one of the largest banks in Egypt, we had a significant role to play in combating the devastations and uncertainties manifested by the COVID-19 crisis. Exacerbating existing economic, environmental, and social vulnerabilities, the pandemic levied many challenges and called for a multi-faceted strategy. Responding from a position of strength, we worked alongside Civil Society and NGOs in an effort to anticipate and effectively manage the challenges of COVID-19.

We did not give up on the CSR activities we carried out, but rather during the pandemic, we assuredly delivered support to the underprivileged while maintaining all the precautions and protections to ensure a safe life to all sectors. Our objective is to protect the health and wellbeing of our people, their families, and our stakeholders through medical preparedness, awareness, and training.

• Economic support: At Banque du Caire, we lead a solid strategic focus on the non-financial services front, which is an integral part of our value proposition offered to SME clients supporting the financial inclusion national agenda and driving the implementation of the non-financial services model. The SME banking group has a specialized unit taking care of all the non-financial services activities and driving all related initiatives. In light of this, we actively participate in a fast-growing national initiative funded by the Central Bank of Egypt and implemented by Nile University towards a single goal 'expediting SME and entrepreneurship growth'. This is done through the establishment of three 'Business Development Service Hubs' in Delta & Upper Egypt, with a clear plan to expand our footprint according to market needs. Moreover, we are sponsoring the 'Export Excellence Center' located at the Nile University premises, which provides capacity building and educational programs to SME clients to support their export business capabilities.

• **Medical Support:** Further allocating our resources, BdC invested in equipping Ahl Masr Foundation's quarantine building with 200 beds and all necessary medical equipment required to support infected patients. Moreover, with a distinct focus on Upper Egypt, we provided hospitals in need with ventilators for their isolation rooms and intensive care units and provided medical teams with personal protective equipment.

• Food Support: We cooperated with non-governmental organizations (NGOs), to deliver emergency food supplies to over 22 thousand families that depend on irregular employment, a category especially affected by the spread of the virus.

• Awareness Support: To compound our efforts, we sponsored the "Egyptian Youth Volunteers" initiative in collaboration with the Ministry of Youth and Sports, which consisted of extensive campaigns launched at Cairo metro and railway stations to raise awareness on prevention measures that limit the spread of the virus.



TEAMWORK

Economic Empowerment



As a firm believer in equity and inclusion, we have incorporated an integrated approach to cultivating a more inclusive environment. To complement our wide range of products and services, we implement initiatives to simultaneously achieve these aims. We seek to ensure that no one is excluded from basic financial capabilities and skills. We place a priority on empowering women and youth.

Training and Financing Community Members:

In collaboration with NGOs the Bank provided 500 training opportunities on handcrafts for beneficiaries in the Sohag governorate and funded 2,000 small projects for struggling youth and mothers in the form of interest-free loans. Additionally, BdC participated in "Project Hope", in collaboration with MBC Hope, to empower Egyptian women in the field of entrepreneurship and support promising female-led ventures that indirectly benefit 650 women. The project offered an integrated training program that included workshops, lectures, and learning opportunities at the hands of field experts to support participants, fuel their business prowess, and enable them economically.

Special Businesses Supporting Egypt's Economy

Banque du Caire made several donations in 2020 to support national projects and bolster the country's economy, the most prominent of which was a donation to the Tahya Misr fund earmarked for the new Arts and Culture city located within the New Administrative Capital.



Education



• The field of education is of great importance within our policies, in the field of community work we offer scholarships to outstanding students in various scientific fields, and support students who are unable to attend public universities. During the year 2020, we signed a cooperation protocol with the Ministry of Higher Education and Scientific Research. In which we offer scholarships to outstanding students in new private universities, including King Salman International Universities, El Alamein International, Galala, and New Mansoura, in addition to establishing one of the most advanced information technology laboratories to support students in their distinguished educational experience in those universities. The Bank also provided Grants Lessons for outstanding students at the Naval Academy, Zewail, and Nile Universities.

• During the year 2020, we launched the "bgreen" initiative in conjunction with the initiative of President Abdel Fattah El-Sisi, "Prepare for the Green", which focuses on raising the level of awareness of the Bank's customers, suppliers, and all employees of the importance of achieving environmental sustainability through several axes related to "climate change and recycling projects." We recognize that finding solutions for pressing environmental challenges will require engagement and collaboration, which is why the 'Clean School' project sets out to educate the youth on the significance of preserving the environment and sustainability. In cooperation with the Ministry of Education in 150 schools in different governorates and the initiative to clean beaches during the summer season, we also launched our environmentally friendly initiative by carrying out a campaign to plant the roof of the Bank's administrative building within the initiative, and adopting the Bank's electronic products recycling project and sponsoring support for environmentally friendly products.



Health



At BdC, we aim to catalyze change throughout the community by eliminating health disparities, improving the quality of life, and making healthcare more accessible. Overall, our goal is to provide decent medical services, increase the number of hospitals across Egypt, and provide hospitals with needed medical equipment.

• In 2020, Banque du Caire supported an extensive number of public hospitals and university hospitals across the country that include AI Qasr AI Einy, Banha University Hospital, and Ayady AI Mostaqbal Hospital by developing their facilities and equipping them with medical devices. The Bank also donated to multiple large-scale entities such as Ahl Masr Hospital for burn victims, the Magdi Yaacoub Heart Foundation, 57357 children's cancer treatment hospital, Al Nas hospital, Banha University hospital, Baheya hospital, and the Rotary Club Union's floating hospital. It also provided the Baheya Foundation with funds to assist them in conducting the very first pet mammograms in the Middle East.

Sustainable Cities



We take all measures that comply with United Nations standards, as we are one of the leading banks in applying these practices within the Banking sector, and integrating the sustainability model as an essential element within our strategy.

• The village development initiative comes at the forefront of Banque du Cairo's priorities, as the Bank participated in village development projects through several axes related to the rehabilitation of schools, the development of health units, the delivery of clean drinking water, the implementation of all necessary infrastructure works for homes, and the provision of training Craftsmen for the residents of the village to establish projects that generate sustainable income, the latest of which was the Bank's "One Occupation" project in one of the villages of Mina Governorate, which generates sustainable income by providing fishing boats and a fish refrigerator that enables them to practice the profession of fishing.

• Banque du Caire is also one of the first banks to join the "Decent Life" initiative through partnership with the "Sonaa El Kheer" Foundation, as it is one of the most important implementation partners of the initiative to support the villages that are most in need within the initiative in the governorates of Farouk, Luxor, Qena and Gharbia, through several main axes, most notably the restoration Roofing homes, delivering sanitized water, and providing the necessary training for the people of the village on the main activities. The Bank provided fishing boats and a refrigerator to preserve fish for the people of Al-Santa village in Gharbia Governorate, in addition to developing a carpet factory in Daoud village in Fayoum governorate.

Persons with Disability (PWD)



Building on the importance of inclusion, we continue to provide opportunities to the disabled. We pay great attention to orphans and people with special needs by providing them with a better life through cooperation with several charitable societies.

• To continue our unrelenting efforts, we formed a partnership with Rotary Club Fayoum to renovate and renew the People with Disabilities school in Assiut to ensure that students are afforded a well-equipped, safe, and successful learning environment. It also distributed around 1,000 school bags to underprivileged students as part of its 'Back-to-School' campaign efforts.



Community Support



Although we emphasize environmental and economic empowerment projects we also increase the number of beneficiaries by creating a shared value with a social impact within our community.

• Nurturing Athletes: we are keen to support sports champions in various fields, as the Bank sponsors 11 Olympic champions in various sports. In addition to sponsoring the champion Nour El-Sherbiny, ranked first in the world in squash. In 2020, we added basketball to our long list of sponsored sports, becoming the first official sponsor of the Egyptian Basketball Federation, supporting both teams for both genders of all ages. In addition, BdC organized the celebration ceremony where we presented three Arsenal- Branded prepaid cards with balances up to 30K EGP as awards to the League's MVP, top scorer, as well as the top 3-points- shooter. We continue to promote sports as we participated in the "Your Bike... Your Health" marathons in collaboration with the Ministry of Youth and Sports. In addition to our efforts dedicated to developing and upgrading youth centers across the country to provide members with better resources for their needs.

• Dispatching Caravans: FFor the 8th consecutive year, BdC has remained devoted to accommodating the needs of the community by dispatching caravans during Ramadan; and for the 6th consecutive year during winter months. The Bank also provided around 15 thousand beneficiaries with meat during Eid Al-Adha (the Bairam) through Sukuk, covering many governorates across the

country, with a special focus on Upper Egypt.

- Empowering Individuals: In partnership with AI Orman Foundation, the Bank provided small business owners with non-returnable loans to support their operations and support their sustainable economic development.
- Supporting Children: We build on our ardent efforts to support orphaned children and children with special needs by improving their conditions and providing them with sufficient tools to support their development. Our partnership with Al Orman Foundation provides us with many opportunities to support our community, as we join them in providing children with school bags and supplies.
- Providing Supplies: In 2020, the Bank launched its community support initiative, Nour Ala Nour, to bring food supplies to underprivileged individuals and families in Al Arish city, North Sinai Governorate.
- In addition, to ensure full community participation, we launched a staff volunteering program named Tsharek that provides several volunteering programs for the staff.

Protecting the **Environment**



contributing to a sustainable society. Preserving and enhancing the environment is at the forefront of our efforts which we achieve through continuous improvement of our environmental management system. We promote sustainable products, raise awareness, and promote upcycling and recycling.

01 Paper Saving:	We continue the digital transition of mentally sustainable practices as consumption. All of the Bank's Depaper.
02 Energy Saving	In terms of energy consumption, w system as deemed fit.
03 Water waste Management	To save water, we install sensors o
04 Material Selection	We make an effort to reduce the u fit out works.

In line with our standards, we aim to reduce the environmental burden by

of our processes and products while adhering to environpart of our ongoing digitization initiative, preserving paper partments are asked to use double sided printing to save

we use LED lighting in our premises and have used a VRV

on water taps and employ double flushing tanks.

use of non-environmentally friendly material in new branches



Mapping **BdC's activities** with the SDGs

15. Contributing to the SDGs and SDS

198

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated-they recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability. Countries have committed to prioritize progress for those who're furthest behind. The SDGs are designed to end poverty, hunger, and discrimination against women and girls. The creativity, knowhow, technology and financial resources from all of society is necessary to achieve the SDGs in every context. Recognizing the importance and gravity of each goal, we commit our efforts to achieve all 17 goals.



Goal	Achievement		
1. No Poverty 1 ^{NO} POVERTY ጠ ∦ ተትትቶ	 Microfinance, a financial inclusion tool targeting low-income customers and small business owners, achieving the ultimate goal of poverty alleviation. During COVID-19, we supported our community by redirecting EGP 40Mn to provide aid and relief to impacted segments. 	5. Gender Equality	 "Project Hope': In collaboration of entrepreneurship and support women. The project offered an ini lectures, training, and learning opp participants, fuel their business pr Mortgage Finance and Pension Bokra Account for women
2. Zero Hunger 2 ^{ZERO}	 During COVID-19, we cooperated with non-governmental organizations (NGOs), to deliver emergency food supplies to over 22 thousand families that depend on irregular employment, a category especially affected by the spread of the virus. For the 8th consecutive year, we dispatched caravans during Ramadan; and for the 6th 	Ę	 Bokia Account for women We aim to provide equal opport women within the Bank. In 2020, the number over the years.
	 consecutive year during winter months. We also provided around 15 thousand beneficiaries with meat during Eid Al-Adha (the Bairam) through Sukuk, covering many governorates across the country, with a special focus on Upper Egypt. Nour Ala Nour: Launched in 2020 with the objective to supply food to underprivileged individuals and families in Al Arish city, North Sinai Governorate. 	6. Clean Water and Sanitation 6 CLEAN MALLER MID SANTARTON	 Water Waste Management. Access to clean drinking water. "One Occupation' ' project: Ensu "Decent Life' ' initiative: Delivering
3. Good Health and Wellbeing 3 MOD WELLARK 	 Providing hospitals with equipment and revitalizing the village's healthcare system, providing two units with medical equipment and tools, scheduling technical visits throughout the year, offering free examinations, medicine, and operations for critical cases. We support an extensive number of public hospitals and university hospitals across the country that include AI Qasr AI Einy, Banha University Hospital, and Ayady AI Mostaqbal Hospital by developing their facilities and equipping them with medical devices. The Bank also donated to multiple large-scale entities such as AhI Masr Hospital for burn victims, the Magdi Yaacoub Heart Foundation, 57357 children's cancer treatment hospital, AI Nas hospital, Banha University hospital, and the Rotary Club Union's floating hospital. It also provided the Baheya Foundation with funds to assist them in conducting the very first pet mammograms in the Middle East. 	7. Affordable and clean energy 7 HTDRIABLE AND CLEAN INTROD CLEAN INTROD	 Energy Saving: In terms of Ener have used a VRV system as deem
	 During COVID-19, we aided by equipping Ahl Masr Foundation's quarantine building with 200 beds and all necessary medical equipment required to support infected patients. Moreover, with a distinct focus on Upper Egypt, we provided hospitals in need with ventilators for their isolation rooms and intensive care units and provided medical teams with personal protective equipment. Donations and follow-ups 	8. Decent work and economic growth 8 ECENT WORK AND 8 ECENT WORK AND 8 ECENTIME A	 Financing to Key Sectors. Handcrafts Initiative: In collabor tunities on handcrafts for benefic projects for struggling youth and the Donations to the Tahya Misr fun economy.
4. Quality Education	• Scholarships: During the year 2020, we signed a cooperation protocol with the Ministry of Higher Education and Scientific Research. In which we offer scholarships to outstanding students in new private universities, including King Salman International Universities, El Alamein International, Galala, and New Mansoura, in addition to establishing one of the most advanced information technology laboratories to support students in their distinguished educational experience in those universities. The Bank also provided Grants Lessons for outstanding students at the Naval Academy, Zewail, and Nile Universities.		 In partnership with AI Orman For non-returnable loans to support to ment. Nile Preneurs: Supporting national
	 We support orphaned children and children with special needs by improving their conditions and providing them with sufficient tools to support their development. Our partnership with Al Orman Foundation provides us with many opportunities to support our community, as we join them in providing children with school bags and supplies. NAWAH program: SME banking Business School composed of innovative and practical programs. 		

ion with MBC Hope, to empower Egyptian women in the field ort promising female-led ventures that indirectly benefit 650 n integrated training program that included workshops, opportunities at the hands of field experts to support prowess, and enable them economically.

ons: Support the financial inclusion of women.

ortunities for all and we achieve this by ensuring the hiring of 20, 22.2% of our new hires were women and aim to increase

sure the delivery of clean drinking water to villages.

ring sanitized water to villages.

nergy consumption, we use LED lighting in our premises and emed fit.

boration with NGOs the Bank provided 500 training oppor-ficiaries in the Sohag governorate and funded 2,000 small nd mothers in the form of interest-free loans.

fund to support national projects and bolster the country's

Foundation, the Bank provided small business owners with rt heir operations and their sustainable economic develop-

ionwide SMEs

9. Industry, Innovation, and Infrastructure	 "Export Excellence Center': Developed to promote and empower Egyptian exporters to scale out their businesses globally. "Expediting SME and entrepreneurship growth' Digital Banking Innovation. SME Innovation. 	13. Climate Action	• Energy Saving
10. Reduced Inequalities	 "I Deserve a Chance' Initiative: Improves social inclusion and social security programs for disadvantaged children and their families. Our partnership with Rotary Club Fayoum allowed us to renovate and renew the People with Disabilities school in Assiut to ensure that students are afforded a well-equipped, safe, and successful learning environment. It also distributed around 1,000 school bags to underprivileged students as part of its 'Back-to-School' campaign efforts. 	14. Life Below Water	• Bgreen initiative: Nile cleanup.
	 Inclusion for Persons with Disabilities/Special Needs. Youth Support: Prepaid cards available for youth 16 years and over and digital solutions for easier access and inclusion. Know Your Customer (KYC): Increase access to financial services. To provide equal opportunities, we hire people of all ages, in 2020 79.91% of new hires were under 30. 	15. Life on Land	• Bgreen initiative: To raise aware importance of environmental sus included recycling projects in scho a Nile cleanup initiative.
11. Sustainable Cities and Communities	 bGreen initiative: Focuses on raising the level of awareness of the Bank's customers, suppliers, and all employees of the importance of achieving environmental sustainability through several axes related to "climate change and recycling projects." "Clean School" project: In cooperation with the Ministry of Education in 150 schools in different governorates and the initiative to clean beaches during the summer season, we also launched our environmentally friendly initiative by carrying out a campaign to plant the roof of the Bank's administrative building, adopting the Bank's electronic products recycling project, and sponsoring support for environmentally friendly products. 	16. Peace Justice and Strong Institutions	• The Internal Audit group is able of highly qualified professionals w specializations across the financia conduct analytical reviews and as Bank meets its strategic objective
	 "One Occupation' project: Village development initiative established for the rehabilitation of schools, the development of health units, the delivery of clean drinking water, the implementation of all necessary infrastructure works for homes, and the provision of training Craftsmen for the residents of the village to establish projects that generate sustainable income. "Decent Life' initiative: Support the villages that are most in need by restoring roofing homes, delivering sanitized water, and providing the necessary training for the people of the village on the main activities. We also provided fishing boats and a refrigerator to preserve fish for the people of AI-Santa village in Garbia Governorate, in addition to developing a carpet factory in Daoud village in Fayoum governorate. 	17. Partnerships For the Goals 17 MATINERSHIPS FOR THE GOALS	 Partnership with Allianz Life Ass Partnership with Ministry of You Partnership with Al Orman Partnership with Rotary Club Fa Partnership with the "Sonia El K
12. Responsible Consumption and Production	 Paper Saving. Energy Saving. Material Selection. Water Waste Management. The MEEZZA Card: Launched to encourage sustainable and digital transformation and financial inclusion. 		Partnership with Ministry of Ed

ıp.	
vareness among customers, suppliers, and employees on the sustainability. Individual initiatives under the platform schools, a beach cleanup in collaboration with Ban-plastic, and	
able to perform its responsibilities successfully due to its team Is whose diverse skill sets range from generalist auditors to Incial sector. These skills afford them the necessary tools to d assessments throughout all operations and ensure that the tives.	
Assurance Company	
f Youth and Sports	
b Fayoum	
El Kheer' ' Foundation	
fEducation	

Sustainable Development **Strategy (SDS)**



Inspired by the ancient Egyptian Civilization, linking the present to future, the Sustainable Development Strategy (SDS): Egypt Vision 2030 represents a foothold on the way towards inclusive development. Thus cultivating a prosperity path through economic and social justice, and reviving the role of Egypt in regional leadership. SDS represents a roadmap for maximizing competitive advantage to achieve the dreams and aspirations of Egyptians in a dignified and decent life. SDS has followed the sustainable development principle as a general framework for improving the quality of lives and welfare, taking into consideration the rights of new generations in a prosperous life; thus, dealing with three main dimensions; economic, social, and environmental dimensions. At BdC, we ensure full cooperation and contribution to the SDS by aligning our activities and operations with its 10 pillars. Identified below are our contributions.

Goal	Contribution		
1. Quality of Life	 "One Occupation" project "Decent Life" initiative Nour Ala Nour project Delivery of emergency food supplies to over 22 thousand families, during COVID-19. Provided around 15 thousand beneficiaries with meat during Eid Al-Adha (the Bairam) th rough Sukuk, covering many governorates across the country, with a special focus on Upper Egypt. Dispatched caravans during Ramadan to ensure reduction of hunger. Hospital donations and follow-ups Equipping Ahl Masr Foundation's quarantine building with 200 beds and all necessary 	5. Sustainable Environment	 Energy Saving and Paper Saving Material Selection Water Waste Management Bgreen Initiative
	 equipping AnniMasi Foundation's quarantine building with 200 beds and an necessary medical equipment during COVID-19. Offering Scholarships NAWAH program 	6. Governance	 The Internal Audit group External Auditors Transparent policies Account confidentiality
2. Equity & Inclusion	 Microfinance Financial Inclusion SME support "I Deserve a Chance' ' Initiative 		 Code of Ethics Principles of Fairness and Equiparties
	 Women and Youth Support (Project Hope, Bokra Account, prepaid cards) Know Your Customer (KYC) Equal opportunities and diverse workforce 	7. Peace and Security	Customer data protectionCyber security
3. Strong Economy	 "Export Excellence Center" "Expediting SME and entrepreneurship growth" Financing to Key Sectors 		
	 Handcrafts Initiative Donations to the Tahya Misr fund Partnership with Al Orman Foundation Nile Preneurs 	8. Leading Stature	 Partnership with Allianz Life A Partnership with Ministry of Ye Partnership with Al Orman
4. Knowledge and Innovation	 Digital Banking innovation SME Innovation "Export Excellence Center" 		 Partnership with Rotary Club F Partnership with the "Sonia EI Partnership with Ministry of E

aving

quality

Assurance Company Youth and Sports

ıb Fayoum . El Kheer' ' Foundation f Education

GRI CONTENT INDEX

Disclosure	Category of Information	Page Number
Organizatio	nal Profile	
G102-1	Name of the organization	1
G102-2	Activities, brands, products, and services	20 - 23
G102-3	Location of headquarters	1
G102-4	Location of operations	108
G102-5	Ownership and legal form	17
G102-6	Markets served	20 - 23
G102-7	Scale of the organization	17
G102-8	Information on employees and other workers	169
G102-10	Significant changes to operations, its location or supply chain	None
G102-11	Precautionary Principle or approach	45
G102-12	External initiatives	96
G102-13	Membership of associations	94 - 95
Strategy		
G102-14	Statement from senior decision-maker	08 - 11
G102-15	Key impacts, risks, and opportunities	45
Ethics and i	ntegrity	
G102-16	Values, principles, standards, and norms of behavior	32
G102-17	Mechanisms for advice and concerns about ethics	32
Governance		
G102-18	Governance structure	26
G102-19	Delegating authority	28 - 29
G102-20	Executive-level responsibility for economic, environmental, and social topics	30
G102-21	Consulting stakeholders on economic, environmental, and social topics	40 - 41
G102-22	Composition of the highest governance body and its committees	26 -27
G102-23	Chair of the highest governance body	26
G102-24	Nominating and selecting the highest governance body	27
G102-25	Conflicts of interest	33 - 34
G102-26	Role of highest governance body in setting purpose, values, and strategy	28 - 29
G102-30	Effectiveness of risk management processes	44 - 50
G102-32	Highest governance body's role in sustainability reporting	30
Stakeholder	rengagement	
G102-40	List of stakeholder groups	40 - 41
G102-41	Collective bargaining agreements	Not applicable
G102-42	Identifying and selecting stakeholders	40 - 41
G102-43	Approach to stakeholder engagement	40 - 41
G102-44	Key topics and concerns raised	42 - 43

G102-45 Entities included in the consolidated financial stateme G102-46 Defining report content and topic Boundaries G102-47 List of material topics G102-48 Restatements of information G102-49 Changes in reporting G102-50 Reporting period G102-51 Date of most recent report G102-52 Reporting cycle G102-53 Contact point for questions regarding the report G102-54 Claims of reporting in accordance with the GRI Stand G102-55 GRI content index G102-56 External assurance Key Performance Indicators Economic G201-1 Direct economic value G201-3 Defined benefit plan obligations and other retirement G203-1 Infrastructure investments G203-2 Indirect economic impacts Confirmed incidents of corruption and actions taken G205-3 Environment 302-4 Reduction of Energy Consumption Social K G401-1 New employee hires and employee turnover G401-2 Benefits provided to full-time employees G401-3 Parental leave G403-6 Promotion of worker health G404-1 Average hours of training per year per employee G404-2 Programs for upgrading employee skills and transitior G405-1 Diversity of governance bodies and employees G406-1 ncidents of discrimination and corrective actions take G413-1 Operations with local community engagement, impa

Reporting practice

	Banque Du
nts	Caire Egypt
	3
	42
	Not applicabl
	2
	2
	2019
	2
	1
rds	3
	208
	210
KPIs	
	21
ans	173
	191
	185
	None
al KPIs	
	197
Pls	•
	170
	173
	173
	173
	172
assistance programs	172
	26, 169
1	None
assessments, and development programs	182-195



Independent Assurance Statement

To the Board of Directors Banque du Caire (BdC)

Introduction

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

DCarbon was engaged by Banque du Caire (BdC) to perform an Independent Limited Assurance review on the Bank's Sustainability reporting process ('the Report'), in order to advance the implementation of GRI reporting principles and disclosures for fulfilling the GRI Standards Core option.

Scope, Boundary and Limitations

The scope of assurance has included data and information for the period 01 January 2020 to 31 December 2020 for operations in Egypt, based on the Global Reporting Initiative's (GRI) Standards in accordance with Core Option.

The boundary of the report comprises of data and information that were captured across its operational business lines. The boundary equally includes the Bank's Head Office support functions, Corporate Governance, and stakeholders' engagements, as part of this assurance and as indicated in the report.

Assurance scope excludes:

- Data and information in the Report outside this reporting period indicating looking-forward statements by **BdC**.
- Verification statements indicating testimonials, opinions, success stories, and / or aspirations.
- Verification of claims (limited to data and information presented)

Assurance procedures

Back-end reviews and data assessments were conducted by DCarbon's Senior Sustainability Analyst Mr. Mahmoud Amr and supporting analysts.

Reporting

20/30

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

The nature, timing and extent of procedures followed was based on the rounds of engagement with relevant departments and senior management at the Bank and the Sustainability department delegated by the Board of Directors.



DCarbon © Villa 78, road 282,

Investment Village, Cairo, Egypt. www.dcarboneg.com ehab@dcarboneg.com



The Bank was responsible for the identification of material sustainability issues, establishing, and ntaining appropriate internal performance management and the relevant internal control systems for the reported data.

Our Assurance Procedures: activities performed to obtain evidence about reliability of disclosures:

- Interviews with relevant management concerning BdC internal policy, procedures, and strategy
- Interviews with relevant staff members responsible for developing the report content. • Review all relevant documents as provided by the bank.
- Review of materiality and stakeholders' engagement process deployed by **BdC**.
- · Assessment of the systems used for data collection and reporting of the standard, including data collection through multiple channels; where applicable or available. Evaluation of the processing and monitoring of data collection for disclosures.
- Assessment that the report has been prepared in accordance with GRI Standards: Core option and Topic Specific Standard Disclosures of material topics as listed in the report.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement.

Reasonable Assurance was obtained in regard to the disclosures covering governance, strategy, stakeholders' engagement practices, scale of the organization, products and services, market presence, and employee well-being.

Limited Assurance level was obtained for disclosures on materiality assessment, environmental footprint and procurement practices, and management approach of activities under social investments.

We advise stakeholders to review the annual report for assurance on financial performance and other standards of practice.

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.

We have reviewed the Sustainability Report of Banque du Caire. Based on the activities performed and evidence received, in our opinion, Banque du Caire has complied, in all material respects, the sustainability report according to the GRI Standards for sustainability reporting criteria, Core Option.



- Review of the Report to ensure that there is no misrepresentation of disclosures as per the scope of





Banque Du Caire 2020 Sustainability Report

