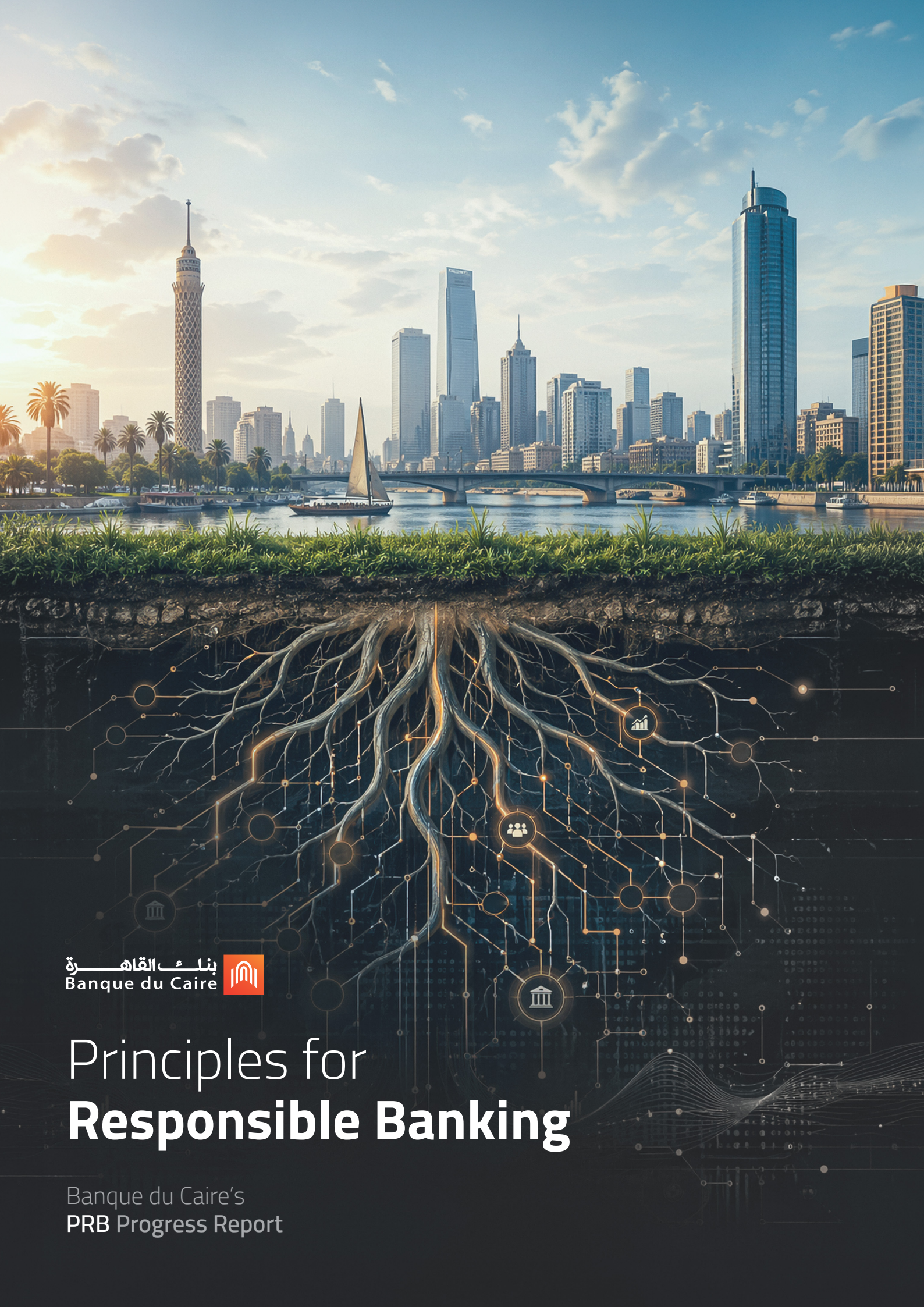

بنك القاهرة
Banque du Caire

Principles for **Responsible Banking**

Banque du Caire's
PRB Progress Report



About the Report

This report represents the fourth progress report for Banque du Caire (BdC) on its implementation of the Principles for Responsible Banking (PRB). It outlines the initiatives and measures undertaken by BdC to advance these principles and deliver value to all stakeholders. The report covers the period from January 2025 to September 2025. During this reporting period, BdC updated its portfolio impact assessment using the UNEP FI Portfolio Impact Analysis Tool (Version 3). Throughout this report, "BdC," "the Bank," "our,'' and "we" refer to Banque du Caire, a full-service bank headquartered in Cairo, Egypt.

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Editorial Policy

As a founding signatory of the PRB and a regional leader, this report reflects our ongoing commitment to implementing these principles. It highlights our efforts to enhance sustainability performance and governance while addressing national and regional challenges and priorities.

Forward-Looking Statements

This report includes forward-looking statements based on current expectations, projections, and estimations. While BdC's management believes these statements are reasonable, there can be no guarantee that they will prove accurate, as actual results and future events may differ materially from those anticipated.

Errors and Typographical Corrections

If any errors are identified after publication, corrections will be made and published on our website. In line with our commitment to environmental responsibility, this report is published exclusively as a downloadable PDF on our website.

Summary Template
Banque du Caire

Principle 1:
Alignment

Since its establishment in 1952, BdC has grown into one of Egypt's leading financial institutions, serving 3.2 million clients as of 2025 through a comprehensive range of banking services tailored to diverse customer needs.

BdC employs 8,318 staff members and operates a network of 233 branches, of which 11 are temporarily closed. The Bank has also expanded its ATM network from 1,765 to 2,075 ATMs, reinforcing service accessibility and distribution capacity. Looking ahead, BdC plans to further strengthen its physical presence by opening nine additional branches during 2026 and 2027.

The Bank continues to expand locally and regionally, operating in Egypt, the UAE through a representative office, and Uganda through a subsidiary. In response to ongoing digital transformation, BdC remains committed to enhancing online banking services, optimizing internal processes, and upholding international governance standards to ensure a seamless and modern customer experience.

BdC aligns its strategies with key national and global sustainability frameworks, including Egypt Vision 2030, the UN Sustainable Development Goals (SDGs), and the UN Global Compact (UNGC). Since joining the UNGC in 2016, the Bank has demonstrated continuous commitment to its Ten Principles, integrating them across operations. These principles encompass human rights protection, non-complicity in abuse, labor rights and non-discrimination, the elimination of forced and child labor, environmental protection and responsibility, including the publication of the Bank's first Carbon Footprint Report in 2021, the promotion of environmentally friendly technologies through digitalization, and robust measures to combat corruption in all forms.

Links & References
BdC Sustainability Report 2024
BdC PRB Report 2024

Principle 2:
Impact & Target Setting

BdC conducted an updated portfolio impact assessment covering corporate, SME, and retail banking. The Bank expanded coverage of its corporate and SME portfolios to approximately 97% and 87%, respectively. The updated assessment revealed that certain sectors have emerged among the top-financed sectors within these portfolios.
In terms of target progress, BdC has successfully achieved its Circularity target during the reporting period. Regarding financial inclusion targets, the Bank is progressing toward its targets and remains committed to fully achieving them in the coming reporting period.

BdC's Target Progress:

Financial Inclusion:
In terms of BdC's financial inclusion progress, the Bank increased the share of women in its credit portfolio to 30% compared to 24% in 2024. Additionally, the number of youth holding bank accounts increased by 3.6% from 2024 to 2025. The Bank remains committed to increasing youth's share, supported by the financial inclusion products launched during the year. Accordingly, next year, BdC aims to continue progressing to achieve the targets set in the previous reporting period .

Circularity:
BdC successfully achieved the target by engaging 5% of its corporate clients in the iron and steel, construction, and real estate sectors. Survey results provided insights into the maturity levels and the needs of these clients to advance circularity practices. Accordingly, in the next reporting period, we will engage an additional 5% of corporate clients in these sectors to develop tailored, actionable strategies that advance and integrate circularity practices aligned with their priorities.

Links & References
Internal data



Principle 3:
Clients & Customers

In 2025, BdC continued to embed sustainability across its operations, ensuring responsible engagement with clients and customers. The Bank's Climate Finance Strategy and Environmental and Social Risk Management (ESRM) framework guide lending decisions, ensuring that environmental and social risks are identified, monitored, and mitigated. Relationship Managers received specialized green lending training under the French Development Agency (AFD) partnership, with ongoing capacity-building supported by local and international experts.

To advance the digital banking experience, we introduced a two-way SMS service, enabling real-time, interactive communication that allows customers to respond directly to alerts and notifications. Furthermore, digital services are being upgraded and will be relaunched to provide an improved customer experience, alongside the introduction of a new ATM interface.

In terms of financial inclusion, BdC expanded its efforts through the following initiatives:

1. Offering two new products:
   - **Waffar Micro:** Enables microloan customers to conduct commercial transactions through their accounts, including paying installments and receiving payments efficiently.
   - **Waffar Dollar:** Enables individuals aged 15 and above to open accounts using only a national ID, without requiring a guardian, and to receive remittances through financial channels instead of over-the-counter cash.
2. **Empowering women** through a microloan campaign that waived administrative fees.
3. **Advancing accessibility for people with disabilities (PWDs)** through a 14% increase in accessible branches, with a target of 30 accessible branches by the end of 2025, alongside comprehensive sign language training for front-line staff across the branch network.
4. **Partnering with Misr Life Insurance Company** to open financial inclusion accounts for customers to receive claims instead of cash payments.
5. **BdC's financial literacy initiatives** focused on university students and internal staff through summer programs, workshops, internships (such as German International University (GIU) programs), and engagement competitions. These efforts reflect BdC's commitment to promoting sustainable practices, supporting inclusive economic participation, and implementing actionable ESG targets across client and customer interactions.

Links & References
BdC Sustainable Finance Framework:
Sustainable-Finance-Framework.pdf
BdC Sustainability Report 2024

Principle 4:
Stakeholders

BdC continuously consults, engages, and collaborates with stakeholders to implement sustainable finance principles, understand environmental and social impacts, set ambitious targets, and advocate for enabling policy environments. Our stakeholder mapping and engagement approach remain consistent with previous reporting periods, ensuring ongoing dialogue, feedback, and alignment on governance, sustainable growth, and community development.

During 2025, BdC maintained its national and international partnerships, which continue to provide technical assistance and advisory support aligned with the Bank's sustainability agenda.

BdC's key international collaborations include:

- **The German Development Bank (KfW):** advancing green lending and promoting market access to best-in-class technologies.
- **Finance in Motion – Green for Growth Fund (GGF):** supporting the Bank's green business model and sustainable transformation.
- **Finance in Common – French Development Agency (AFD):** supporting sustainable finance projects for BdC's SME and mid-cap clients.

Links & References
Sustainability Report 2024
Bdc PRB Report 2024



Principle 5:
Governance & Culture

BdC has established a robust sustainability governance framework to support PRB implementation, integrating ESG considerations into decision-making and the management of material environmental and social risks. A key development was the establishment of the Green Lending Department, which expands environmentally and socially focused financing, develops green financial products, and strengthens alignment with national and international sustainability standards.

To foster a culture of responsible banking, BdC provides extensive training, including 608 sustainability-focused programs, to build awareness of ESG risks and sustainability principles. The integration of ESG considerations into lending is reinforced through finalized ESRM frameworks for large corporates and MSMEs, supported by environmental and social due diligence and monitoring processes. Additionally, the Climate Finance Strategy, developed in partnership with IFC, guides the Bank's sustainable growth and climate risk management for the period 2025–2030.

Links & References
Sustainability Report 2024
Bdc PRB Report 2024



Principle 6:
Transparency & Accountability

BdC regularly publishes its sustainability report in accordance with GRI Standards and in alignment with SASB Standards and UNGC principles, alongside its annual and corporate governance reports.



Supplements Template

Banque du Caire

Principle 2:
Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and the environment resulting from our activities, products, and services. To this end, we will set and publish targets where we can have the most significant impact.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector, as part of its initial or ongoing impact analysis.

Links & References
Internal provided data for portfolio composition

Response

- **Scope and Portfolio Composition**

By updating our regular impact assessment using the UNEP-FI tool, we included our core business lines: corporate, SMEs, and retail banking. We expanded coverage across our corporate and SME portfolios, reaching approximately 97% and 87%, respectively. During the year, two sectors emerged among the top ten financed sectors within the corporate portfolio: Construction of utility projects and Manufacture of fertilizers and nitrogen compounds. Within the SME portfolio, five sectors emerged among the top ten financed sectors, such as Manufacture of plastics and synthetic rubber in primary forms, Manufacture of other transport equipment n.e.c., Packaging activities, Manufacture of other electronic and electric wires and cables, and Manufacture of furniture. This change requires closer attention and consideration in the Bank's impact management approach going forward.



TOP 10 Financed Corporate Sectors

SECTORS (ISIC)	% OF PORTFOLIO
Construction of buildings	**16.03%**
Electric power generation, transmission, and distribution	**8.37%**
Real estate activities with own or leased property	**6.80%**
Manufacture of basic iron and steel	**6.02%**
Extraction of crude petroleum	**5.85%**
Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialized stores	**4.82%**
Passenger air transport	**3.69%**
Construction of utility projects	**3.20%**
Manufacture of fertilizers and nitrogen compounds	**3.07%**
Manufacture of pharmaceuticals, medicinal chemicals, and botanical products	**3.04%**

TOP 10 Financed SME Sectors

SECTORS (ISIC)	% OF PORTFOLIO
Manufacture of electric motors, generators, transformers, and electricity distribution and control apparatus	**9.94%**
Real estate activities with own or leased property	**7.49%**
Construction of buildings	**6.97%**
Manufacture of plastic products	**4.75%**
Manufacture of basic iron and steel	**4.15%**
Manufacture of plastics and synthetic rubber in primary forms	**3.33%**
Manufacture of other transport equipment n.e.c.	**2.98%**
Packaging activities	**2.73%**
Manufacture of other electronic and electric wires and cables	**2.66%**
Manufacture of furniture	**2.57%**

- **Retail Banking Portfolio**

BdC updated its retail impact assessment, covering 100% of its retail portfolio. Our retail portfolio is categorized into assets and liabilities and segmented by age, gender, and income level. Liabilities include current accounts, savings accounts, certificates of deposit, and time deposits. Due to tool limitations, certificates of deposit and time deposits were aggregated during the portfolio impact assessment. Assets are represented by credit products, including credit cards, consumer loans and overdrafts, home loans (mortgages), auto loans, and other loans. Although the retail portfolio is segmented by age, gender, and income level, credit card data by segment was not available due to data constraints.

Performance Measurement: Financial Performance Indicators

The table below presents the indicators selected by the Bank in the previous year to measure and monitor progress in financial inclusion, compared to the 2024 baseline. In 2025, BdC introduced two new financial inclusion products and increased the number of customers with access to basic banking services by 5.65% compared to the previous year.

INDICATOR	2024	2025	YOY CHANGE
	Data	Data	Change
Number of financial inclusion products and services	3	5	+25% (+2 products)
Number of customers with financial inclusion accounts	105,060	361,001	243%
Number of customers with access to a bank account	2,207,631	2,332,446	5.65%

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.
Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector (2024).

Links & References
Internal provided data

Response

- **BdC's Progress in Achieving Targets**

Financial Inclusion
In line with the SMART targets set in the previous reporting period, BdC made progress in advancing financial inclusion, with a focus on women and youth. The Bank strengthened its support for women by expanding its female client base and increasing their share of the credit portfolio to 30% in 2025 compared to 24% in 2024. For youth aged 15–35, the number of account holders increased by 3.6% compared to 2024. The Bank expects that newly launched financial inclusion products will contribute to a gradual increase in youth share in the coming years, supporting the achievement of its targets. We will continue progressing on the previously stated targets in the last report till the end of 2026.

Circularity
In line with the commitment made in the previous report, BdC achieved its target by engaging 5% of its corporate clients across the construction, real estate, and iron and steel sectors through a circularity assessment.

Circularity Exercise Outcomes 2025

Construction Sector – 5% Client Engagement Results

SCOPE	CIRCULARITY INFORMATION	OUTCOMES
Waste	Are the waste materials resulting from the use of raw materials properly collected and managed on-site for disposal or potential sale for recycling purposes?	75% of surveyed clients adopt this practice.
	Are there specialized awareness programs for workers on the importance of preventing and reducing waste of raw materials and products, and educating them on how to work efficiently?	100% of surveyed clients adopt this practice.
	Do any of the raw materials used consist of recycled or reused waste from previous processes?	25% of surveyed clients adopt this practice.
	Do you collaborate with other stakeholders in the value chain to improve the quality of recovered materials? (e.g., contracting waste management companies to increase the percentage of reused waste and recycling rates)?	50% of surveyed clients adopt this practice.
Energy	Are there policies or standards in place to avoid excessive electricity consumption at administrative or production sites?	100% of surveyed clients adopt this practice.
	Are renewable energy sources used (e.g., solar energy in administrative buildings)?	50% of surveyed clients adopt this practice.
Water	Are there standards in place for water usage?	50% of surveyed clients adopt this practice.
	Is water reused for operational purposes (e.g., cooling, irrigation)?	50% of surveyed clients adopt this practice.
Procurement	Are raw material suppliers evaluated based on criteria beyond price, such as environmental footprint, compliance with labor laws, and occupational health and safety standards?	50% of surveyed clients adopt this practice.
	Do you have a Green Procurement policy in place?	50% of surveyed clients adopt this practice.

- **Real Estate and Iron and Steel Sectors Engagement Results**

Surveyed clients in these sectors demonstrate strong practices in waste management, energy efficiency, and water management. However, they are still developing their sustainable procurement practices, including ESG-based supplier screening systems and green procurement policies.

- **Analysis and Conclusion**

Within the construction sector, the data indicates that 75% of surveyed clients have systems in place for proper waste collection and disposal, and 100% provide awareness programs for workers. This reflects a clear commitment to responsible practices, particularly in waste management and energy efficiency. Additionally, 100% of surveyed clients have policies in place to excessive electricity consumption, and 50% use renewable energy sources. However, the adoption of more advanced circular practices remains moderate. In terms of water efficiency, 50% of surveyed clients have water usage standards in place and implement water reuse practices. Similarly, the adoption of responsible procurement remains limited. Only 50% of participating clients evaluate and screen suppliers against ESG criteria and have established green procurement policies. In contrast, surveyed clients in the real estate and iron and steel sectors demonstrate a stronger overall commitment to sustainability practices.

BdC's 2026 Targets

- **Financial Inclusion targets for next year:**
  - To continue increasing women's share in the retail portfolio (volume) to reach a 10 % increase from the 2024 baseline.
  - To continue increasing youth's share in the retail portfolio (volume) to reach a 10 % increase from the 2024 baseline.

- **Circularity**

In the next reporting period, we will expand our engagement to an additional 5% of corporate clients operating in the construction, real estate, and iron and steel sectors. This targeted approach will enable us to better understand clients' circularity maturity levels, capabilities, and transition readiness, and to develop tailored banking solutions and sector-specific financing strategies that support the integration of circular practices into their operations.





Principle 5:
Governance & Culture

We will implement our commitment to these Principles through effective governance and a strong culture of responsible banking.

- **Governance Structure for Implementation of the Principles**

Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

Links & References
BdC PRB report 2024

Response

BdC has established a sustainability governance framework that supports the integration of sustainability into its operations and the implementation of the PRB. This framework is anchored by the Sustainability and Sustainable Finance Board Committee, the Sustainability and Sustainable Finance Department, and the Network of Sustainability Ambassadors. During the year, BdC further strengthened its governance structure by establishing the Green Lending Department.

The Green Lending Department strengthens the Bank's commitment to financing environmentally and socially focused projects. It supports the expansion of green and sustainable lending activities while ensuring alignment with the Bank's sustainability objectives. Key responsibilities include identifying and evaluating eligible green projects, coordinating with corporate clients to promote sustainable financing opportunities, and contributing to the development of green financial products in line with national and international sustainability standards.

- **Promoting a culture of responsible banking**

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

As part of our commitment to promoting a responsible banking culture, BdC has expanded its training offerings this year to include more advanced programs that reinforce employees' understanding of key sustainability topics. These programs support the integration of sustainability practices into daily operations.

PROGRAM NAME	NUMBER OF OPPORTUNITIES
GHG Accounting and Reporting Program	**7**
Certified Expert in Sustainable Finance	**2**
Climate Change	**4**
Climate Risk Webinar	**10**
Developing Sustainable Products	**14**
E&S Awareness	**16**
ESRM & ESMS Training for Banks	**6**
Gender Equality & Inclusion Initiative – WEPs UN Step to Future	**16**
GGF Green Finance Expert Online Training	**4**
GHG Accounting and Reporting Program (Level 2)	**2**
Sustainability for Banks	**526**
Unlocking Business Opportunities through Decarbonization	**1**
Climate Risk Program	**3**
E&S Capacity Building Workshop	**2**
CBAM Awareness	**34**
E&S Awareness	**2**
Credit Risks and Environmental Risks	**79**
Total	**728**

- **Risk and due diligence processes and policies**

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

Links & References

BDC Sustainability Report 2024

Response

BdC has finalized its ESRM frameworks for both Large Corporates and SMEs. These frameworks establish a structured, risk-based approach aligned with regulatory requirements and international standards. The effective implementation of the ESRM system is supported by the Environmental and Social Risk Department. This department is responsible for conducting E&S risk assessments for large corporate clients and overseeing the MSME framework for the micro and SME segments. It also plays a vital role in categorizing the Bank's portfolios based on E&S risk exposure.

Acknowledging that climate change is a significant risk, BdC has integrated climate considerations into its risk management framework. The Bank has finalized and approved its Climate Finance Strategy in collaboration with the IFC, marking a key milestone that will guide sustainable growth from 2025 to 2030. This strategy is essential for safeguarding stakeholders against physical and transition risks. In parallel, BdC continues to enhance its credit screening processes to systematically assess the environmental and social impacts of new loans.



Thank you

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