



A CENTURY OF

# Sustain Ability

Egypt's First State-owned Bank in 100 Years



بَنْكُ مِصْر  
BANQUE MISR

WORKING TOGETHER FOR PROSPERITY

ANNUAL  
SUSTAINABILITY  
REPORT  
2019 / 2020



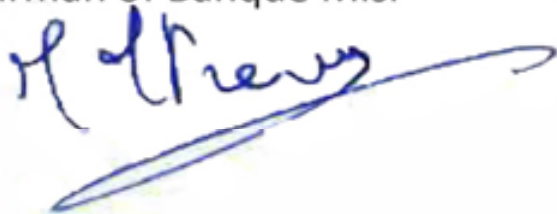
16 January 2022  
H.E. Ban Ki-moon  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Dear Mr. Secretary-General,

I am pleased to confirm that Banque Misr supports the ten principles of the Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our bank, and to engaging in collaborative projects which advance the broader development goals of the United Nations particularly the Millennium Development Goals. Banque Misr made a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our bank's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress annually, to express continued support for the Global Compact and renewing our ongoing commitment to the initiative and its principles.

Sincerely yours  
Mr. Mohamed Mahmoud Eletreby  
Chairman of Banque Misr



*Since* 1920, Banque Misr has steered the Egyptian economy ahead. Banque Misr exploits the full potential of liberating Egypt's economy and the rise of Egypt's economic power. Banque Misr opened the routes to use Egyptians' savings to contribute to national investments.



بنك مصر

BANQUE MISR





Talaat Harb  
Pasha  
(1867-1941)



## A Tribute to Talaat Harb

Not many have had the privilege to follow through a far-sighted mission, as the great economist Talaat Harb Pasha. At the cusp of Banque Misr's new century, we recall Talaat Harb's vision and his bold leadership. In spite of various obstacles, he did not waver in his genuine commitment to liberalize the economy and foster inclusive growth. Hence, his vision was epitomized in the establishment of a banking institution with national investments. He envisioned local economic independence by consolidating the Egyptians' scattered savings to foster economic sovereignty.

The establishment of an Egyptian bank was a much more challenging target to reach. Over 15 years, Talaat Harb relentlessly advocated for the importance of this project, most notably through several opinion articles in flagship publications and keynote speeches delivered in meetings and seminars. He was assigned within a delegation on a mission to discern the evolution of European state banks.

In 1911, Talaat Harb introduced Banque Misr (BM) as a mere concept. He wrote a book published under the title "The Economic Remedy of Egypt and Creating a National Bank", a feasibility study to initiate the establishment of Banque Misr. He wanted to establish the first bank wholly-owned by Egyptians as a remedy for the economy. After World War I, Talaat Harb raised EGP 80,000 to establish the bank. The notion became a tangible concept after the 1919 revolution and came into life in 1920.

Talaat Harb devoted himself to a sublime cause. Harb's progressive vision of economic freedom entailed establishing various development projects, which shaped the modern Egyptian economy, including cotton production, mining, and aviation. He dedicated his unrelenting endeavors over 19 years, acting as Vice Chairman and Managing Director of Banque Misr, as he was assigned to manage during his tenure the bank's operations and its affiliate companies holding business names including the word "Misr" (Egypt). On September 14<sup>th</sup>, 1939, Talaat Harb resigned under enormous pressure. His resignation came as a step to ensure the survival of Banque Misr.

BM has reached significant milestones in its continuous endeavors in pushing forward the role of the banking industry. BM never lost sight of balancing financial and social goals. Imperatively, the BM mission, since its inception, is to serve first and foremost the public good. The bank evolved to become a national economic pillar. BM supported the country in many challenges and obstacles over the past 100 years.

Banque Misr is the first national bank that takes the lead in fulfilling the highest standards of corporate governance and adhering to the GRI Sustainability Reporting Standards, the UN Global Compact Principles, and responsible banking principles. The bank further scaled up its leadership in the banking sector through customer-centricity and digitally-enabled sustainability. The bank tremendously improved its banking system and digital platforms to deliver seamless access to the latest fintech and digital banking services to its customers locally and globally. Even amid the COVID-19 pandemic, BM still significantly leverages its rapid digital adoption to accommodate the recent challenges.

As we start a new century of Banque Misr's legacy, we could say that Talaat Harb's inspirational leadership is the beacon for the bank's future journey towards sustainability.

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Princess  
Fawzeya during a visit to the  
exhibition of Banque Misr  
Companies.

## About This Report

It is rare for an institution to prosper for 100 years, and for this reason, we honor and celebrate Banque Misr's legacy. In this milestone year, Banque Misr's (BM) Annual Report celebrates the projects, people, and partnerships that built success over the years. As we commemorate the 100<sup>th</sup> anniversary of this historical legacy, we are forging ahead as a prominent institution on the national, regional, and global levels.

This sustainability report comprehensively captures our vision for sustainable and responsible finance. As one of the largest public banks in Egypt, we are committed to supporting economic growth and empowering communities. In this report, the bank demonstrates its continuous efforts to create value for its stakeholders on the economic, environmental, social, and governance grounds.

The report details our approach to sustainability and includes information pertinent to strategy, targets, and performance. Presenting the data for the period starting from July 1<sup>st</sup>, 2019 until June 30<sup>th</sup>, 2020, and the period starting from July 1<sup>st</sup>, 2020 until December 31<sup>st</sup>, 2020, this report contains information relevant to our material issues, identified through an inclusive stakeholder engagement process. The bank transparently discloses its financial information and efforts to achieve sustainability while sharing its aspirations on future performance, priorities, and plans for the new century.

For the sixth consecutive year, this report has been prepared in accordance with the GRI Standards: Core option. All the standards and the corresponding page numbers are listed in the Content Index starting from page number 256 till page number 258.

As Egypt moves steadily towards achieving the United Nations' 17 global Sustainable Development Goals (SDGs) by 2030, this report discloses efforts aligned with these goals over the past five years. Besides, this report presents efforts aligned with the United Nations Global Compact Principles and the United Nations Environment Programme Finance Initiative (UNEP FI).

The bank is keen on engaging with its stakeholders and analyzes their views to improve overall impact and drive economic and social prosperity. In this report, the bank focuses on the most relevant issues of great importance to its stakeholders, as per an annual evaluation of material topics. This report assesses the bank's direct and indirect non-financial impacts, along with the consolidated audited financial results for the period starting from July 1<sup>st</sup>, 2019 until June 30<sup>th</sup>, 2020, and the period starting from July 1<sup>st</sup>, 2020 until December 31<sup>st</sup>, 2020.

A Century-Old  
InstitutionBusiness and  
StrategySustainability  
ApproachCorporate  
GovernanceOperational  
PerformanceFinancial  
Performance

# Highlights

## Non-Financial Highlights

### Number of Branches

+ 725



### Number of Customers

+ 13

Million (m)



### MSMEs Hubs

758



### Number of Employees

Around 20

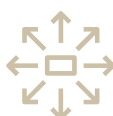
Thousand



### SMEs Customer Base

+188

Thousand



### Network of Correspondent Banks

362



### Number of ATMs

+ 3

Thousand  
(With Facilitators)

### BM Kenana Branches

47



### Number of POS

+167

Thousand



### BM Wallet Subscribers

1.04<sub>m</sub>

### Issued Payment Cards

+10.77<sub>m</sub>









### CSR Investments

(July 2019-December 2020)

Around  
EGP 2.3<sub>bn</sub>

\* Figures listed above are recorded on December 31<sup>st</sup>, 2020.

Financial Highlights

Net Profit After Taxes		Total Assets	
EGP 11bn (6-2020)	EGP 4.4bn (12-2020) 	EGP 1228bn (6-2020)	EGP 1342bn (12-2020) 
Shareholders' Equity		Net Fee and Commission	
EGP 78.9bn (6-2020)	EGP 92.6bn (12-2020) 	EGP 5bn (6-2020)	EGP 3bn (12-2020) 
Customers Deposits		Income Tax Paid	
EGP 928bn (6-2020)	EGP 1038bn (12-2020) 	EGP 13bn (6-2020)	EGP 7.3bn (12-2020) 
MSMEs Loans Portfolio		Net Loans Portfolio	
Performing Direct and Contingent Loans (including Islamic and conventional)			
EGP 37.7bn (6-2020)	EGP 45.5bn (12-2020) 	EGP 335.4bn (6-2020)	EGP 445.4bn (12-2020) 

## Chairman's Speech

**As** a purposeful and value-driven bank, we fulfill a meaningful role in society. We safeguard deposited money and transform national savings into productive and prolific investment opportunities. We act as a national pillar for employment generation, stimulating economic growth, and generating long-term stakeholder value. We are committed to this mission since our inception and into the future.

The current reporting period marks a new century since the inauguration of BM in 1920, a once-in-a-lifetime occasion. The report presents an opportunity to travel through time and celebrate achievements over the past decades. Since its inception, BM has been considered one of Egypt's economic pillars, a role model for sustainability, and a beacon for future generations.

## Empowering Community

Looking forward to the next five years, BM believes in the importance of playing a positive role in our communities. We always strive to make a positive impact by serving and empowering our customers, developing the capabilities of our employees, and investing in building our society in addition to adopting the latest trends aiming for a better future. Since its foundation in 1920, BM has held a prestigious standing among all Egyptian banks, earned from its enduring presence in national projects that paved the way for national economic and social development.

We at Banque Misr are working proactively to ensure that we meet our stakeholders' evolving aspirations and trends. We believe that we can achieve long-term prosperity and create added value through sustainability. Our holistic approach in managing stakeholders' aspirations has spurred synergistic collaborations for a sustainable impact.

## Coping with COVID-19

FY 2019-2020 is like no other, a year that awakened the world to restore health, social and economic systems. At this time, our bank was in the middle of a fundamental transformation.

The COVID-19 pandemic surprised us all in one way or another. Yet, we did not dwell on the negatives. Our core PRIDE values of Partnership, Responsibility, Integrity, Dedication, and Excellence define who we are. We stood with PRIDE to focus on the future. We knew that we are well positioned to ride out the ups and downs of the pandemic and emerge strongly on the other side. We thrived through many economic cycles in our 100-year history, and this pandemic is no different. We knew that we had a role to play since the appearance of the COVID-19. It is a part of our responsibility as a primary pillar in the financial system and a key supporter of long-term growth.



We managed the challenges better than expected. We are keen on ensuring uninterrupted business continuity, providing a safe workplace, and curbing the spread of infection among our key stakeholders. We formed a Crisis and Emergency Committee to prepare a contingency plan, monitor the situation, take the necessary decisions, and follow up. We were keen to reduce the possibility of infection with COVID-19 amongst employees, customers, suppliers, business partners, and our communities. We worked relentlessly to ensure business continuity. Abiding by the Central Bank of Egypt's (CBE) directives, we took proactive measures to stimulate the economy. We promoted electronic payment tools, postponed payment dues for six months, and raised the withdrawal limit to EGP 20 thousand for debit cards and EGP 50 thousand for in-branch transactions. On the social level, we allocated around EGP 2.3bn in the period starting from July 1<sup>st</sup>, 2019, until December 31<sup>st</sup>, 2020. The allocated funds aimed to support the community mainly in terms of alleviating the COVID-19 impact. A large share of the funds was directed to ensure medical preparedness and support the impacted segments.

## Prioritizing Employees

Being a great employer is key to our purpose of delivering responsible growth and sustainability. We resumed our talent cultivation, retention, and development. We broadened career paths for our employees to either hold managerial roles or gain in-depth technical expertise by enhancing knowledge and professional capabilities to build an inclusive and diversified workspace. We continued to offer banking services that stimulate economic growth, foster social harmony, and preserve the environment. Our employees are one of the pillars of the success of Banque Misr, and they are our first line of defense. Without them, we would not have reached this level of success.



## Scaling up Digital Transformation

We moved ahead with our digital transformation plan, achieving all of our objectives over the past year. Our longstanding expertise and knowledge base doubled our resilience across the nation to withstand adversity and rebound quickly. Our digitization strategy consolidated our agility. We expanded the availability of reliable digital services to encourage under-served and remote communities to join the formal financial system. During the COVID-19 crisis, our IT systems proved their stability, convenience, and high flexibility. There were times when more than 70% of our employees were working from home, and they did so successfully.

Now the digital transformation is embedded across every aspect of the economy. We believe that digital-enabled banking operations will unveil new untapped opportunities. We increased our outreach of banking services beyond the confines of our physical footprint. We lead the digital banking transformation by offering services to enable swift and secure transactions around the clock anytime and anywhere. While many more interactions will move to digital platforms in the post-COVID-19 world, we will always be mindful not to lose touch with offline relationships, as we value a mission of humanizing financial services.

We took numerous strides in digital transformation. We updated and developed our internet banking service, BM Online, to offer a bundle of new banking services to customers. We extended

our services on the mobile banking application. We are the first amongst our counterparts to offer services linked to the BM Wallet.

We introduced artificial intelligence technologies on our portal to serve customers around the clock. We were also the first to offer the technology that enables Point of Sale (POS) terminals and electronic websites to process purchases by scanning QR codes from mobile wallets. We also digitized microenterprise lending for the first time in Egypt.

## Financial Inclusion

We believe in financial inclusion as a central tenet for achieving economic and social development. We endorse initiatives and activities that support this objective. On the strategic level, we prioritized specific scopes to achieve an all-inclusive financial system. We are focusing on Accessibility, Entrepreneurs and Startups, Women Empowerment, and Digital Inclusion.

### Accessibility

BM will resume its global expansion strategies to support Egyptian expatriates, expand cross-border trade, and encourage exports of locally produced finished goods. We operate an extended network of branches in the MENA region and have a solid presence worldwide.

Equally, we eye local expansion as a strategic priority to serve the unbanked and underserved segments. We are launching reasonably priced products and services to bridge the gaps in the marketplace. Access to financial knowledge is also imperative. One of the principal challenges affecting the ability to access financial services in rural areas is financial literacy. BM participates in campaigns and initiatives to raise awareness about the concepts of modern banking and their benefits.

## Entrepreneurship and Startups

BM also strives to encourage young people to launch micro, small, and medium enterprises (MSMEs) and actualize the entrepreneurial culture on a tangible scale. We inched up the MSMEs loan portfolio growth in line with the CBE's latest directives.

We are aware of the difficulties in obtaining funding to start a business, particularly for startups to generate income and secure necessary funds. We provide information on procedures, processes, and required documentation; to register commercial, industrial or service activity. We aid entrepreneurs in required financial feasibility studies. We offer financial advisory services and hold workshops to assist MSMEs in making informed and educated decisions. We further support youths in generating ideas for their businesses.

## Women Empowerment

We assist women in claiming their rights, participating in the decision-making process, seizing opportunities, building resilience, and generating income. The bank hosts financial literacy workshops dedicated to women. Additionally, BM works in close collaboration with many concerned entities to facilitate funds specially allocated for women.

## Digital Inclusion

We successfully made strides to harness financial inclusion through a wide array of digitized banking services with scalable, faster, and cheaper delivery. Building on digital approaches, we strive to enhance the service level for those already operating in the formal financial sector. Our digital solutions focus on empowering youth, women, startups, and entrepreneurs. By the same token, we are working on reaching financially excluded and underserved populations with a range of digital services suited to their needs and responsibly delivered in an affordable manner to customers.



## Financial Performance

Our financial indicators showed a significant rise in growth rates across all BM divisions in FY 2019-2020. We are also seeing enormous momentum developing around the topic of sustainability, where we made good progress on the economic, environmental, social, and governance levels. We retained stable profit ratios. FY 2019-2020 showed a notable surge, with a 40% rise in profits before taxes, recording EGP 24bn on June 30<sup>th</sup>, 2020. The bank recorded total net profits of EGP 11bn, marking a growth rate of 28.5%, after deducting EGP 13bn of taxes. On December 31<sup>st</sup>, 2020, the net profits reached EGP 4.4bn after paying income tax amounting to EGP 7.3bn. BM total assets stood at EGP 1228bn on June 30<sup>th</sup>, 2020, compared to EGP 967bn during the same period last year. The bank's total assets increased by EGP 114bn to reach EGP 1342bn on December 31<sup>st</sup>, 2020.

Despite the adverse impacts of COVID-19, our financial performance remained resilient. We delivered revenue growth and laid firm foundations for our future growth. Our strong balance sheet and liquidity reassured those who rely on us. We eased burdens on SMEs and retail customers through the CBE market-wide schemes and our specific measures. The same reporting period also coincided with the maturity of the high-yielding certificates of deposits that the bank offered during the last fiscal year to minimize the impact of high inflation rates on average depositors while playing a positive role in supporting the national economy.

Above is a quick overview of some of our achievements during the FY 2019-2020. This report will cover more information about our approach to sustainability, in addition to annual indicators that we evaluate and publish periodically.

## Achieving Economic Growth

Moving to the bigger picture, recent macroeconomic and structural reforms stabilized the economy and have allowed Egypt to face the global COVID-19 crisis with better fiscal and external accounts. The Central Bank of Egypt (CBE) also took proactive measures to curb and offset the negative implications of the COVID-19 virus outbreak, including decreasing interest rates by 300 basis points. The Egyptian government has also launched a stimulus package of EGP 100bn to mitigate the economic impact of COVID-19. The stimulus package was earmarked for coverage of some urgent obligations, including the health sector, allowances dedicated for irregular workers, reducing electricity tariffs, extending settlement agreements, etc.

National efforts ameliorated macroeconomic indices and maintained the gains of the economic reform program. The FY 2020-2021 budget, the largest ever in Egyptian history at EGP 2.2 trillion. It includes EGP 1.7 trillion for expenditures, an increase of EGP 138.6bn over the budget of FY 2019/2020. In pursuit of a rapid economic recovery, the government raised public investments in FY 2020-2021 to EGP 280.7bn, as an unprecedented increase of 35% compared to FY 2019-2020, to effectively address the economic slowdown amid the COVID-19 crisis. The Egyptian economy achieved a growth rate of 3.6% in FY 2020. The International Monetary Fund (IMF) expects the economy to grow by 2.8% in FY

2020-2021 and 5.2% in FY 2021-2022. Given the government-led insight and timely response to the COVID-19 pandemic, the Egyptian economy achieved its pre-pandemic development levels. JP Morgan recognized Egypt as the only Middle East and Africa (MEA) country to successfully conclude the annual cycle of reviewing credit ratings and retain the confidence of the largest international credit rating agencies, including Standard & Poor's, Moody's, and Fitch Ratings. According to Moody's, Egypt will remain the only MENA country to continue its pre-COVID-19 growth trend in 2021 on the back of significant government efforts to fuel demand-led growth.

Moody's stable 2021 outlook for the Egyptian banking system balances profitability and loan book pressures against sound liquidity and stable government credit outlook. Being a great employer is core to our purpose to deliver responsible growth and sustainability. We believe that collaboration is fundamental for creating a better future for all. Our results would not have been possible if we had not put our stakeholders at the center of our strategy and activities. As we enter into a new era of development and promising opportunities, we hope to retain our stakeholders' confidence to realize future aspirations with determination.

**Sincerely,**

**Mohamed Mahmoud El -Etreby**

**Chairman**





# BM Milestones



BM shares were widely disbursed, Talaat Harb had only 500 shares. A photo on "Al Lataif Al Musawra Magazine" of BM's shareholders and Talaat Harb Pasha.

**1920**

**Banque Misr** is the essence of Egyptian history and culture over the past 100 years. The events, moments, and historical firsts are too numerous to capture in this report, so here is a snapshot of our story.

Talaat Harb passed away on August 13<sup>th</sup>, 1941, at the age of 74.

**1940**



**1960**

BM became a public establishment, with its ownership transferred to the state pursuant to act 39 of 1960. It was later changed into an Arab Joint Stock Company pursuant to Decree no.872 of 1965 issued by the president of the republic.

**1930**

BM continued extending its foothold and founded a number of companies, including establishing Egypt Air in 1932.

**1950**

Banque Misr is one of the first banks to hire women. A photo features BM first female employees in 1955.



In 1976, the BM Board of Directors approved the establishment of a higher committee to study the future bank accounts automation.



President Anwar El Sadat laid the foundation stone for Banque Misr Tower.

Banque Misr launched its mutual funds business division and credit cards.

Banque Misr introduced online banking and established the MSMEs Division. BM is the first state-owned bank to comply with UNGC and GRI Sustainability Reporting Standards and issue cards for youth under 16 years old. The bank is the first to comply with the Global Payment Card Industry Data Security Standard (PCI-DSS).

**1970**

**1990**

**2010**



**1980**

**2000**

**2020**

BM launched its Islamic banking arm and its first Automated Teller Machines (ATMs). BM was also the first in the Middle East to use computers and introduce computing units to the banking industry.



BM introduced the interbank mechanism in 2004 to enhance foreign currency liquidity management. The bank also inaugurated the BM museum in 2004. In 2006, BM launched the call center project and adopted a modern core banking system, FlexCube. In 2007, BM established its CSR arm, Banque Misr Foundation for Community Development. In 2008, BM launched a computer and disaster center.

Banque Misr introduced the digital factory in addition to mobile and advanced internet banking.

# Global Expansion



Since its establishment, BM's local network grew to around 725 branches as of December 2020.

**1920**

BM inaugurated a branch in France.

**1922**

BML is one of the oldest banks in Lebanon, ranked in third place in the historical register of banks. Marking its 90<sup>th</sup> anniversary, BML was one of the leading banks in Lebanon in terms of the size of its balance sheet, the scope of its banking activities, and the spread of its network of 12 branches.

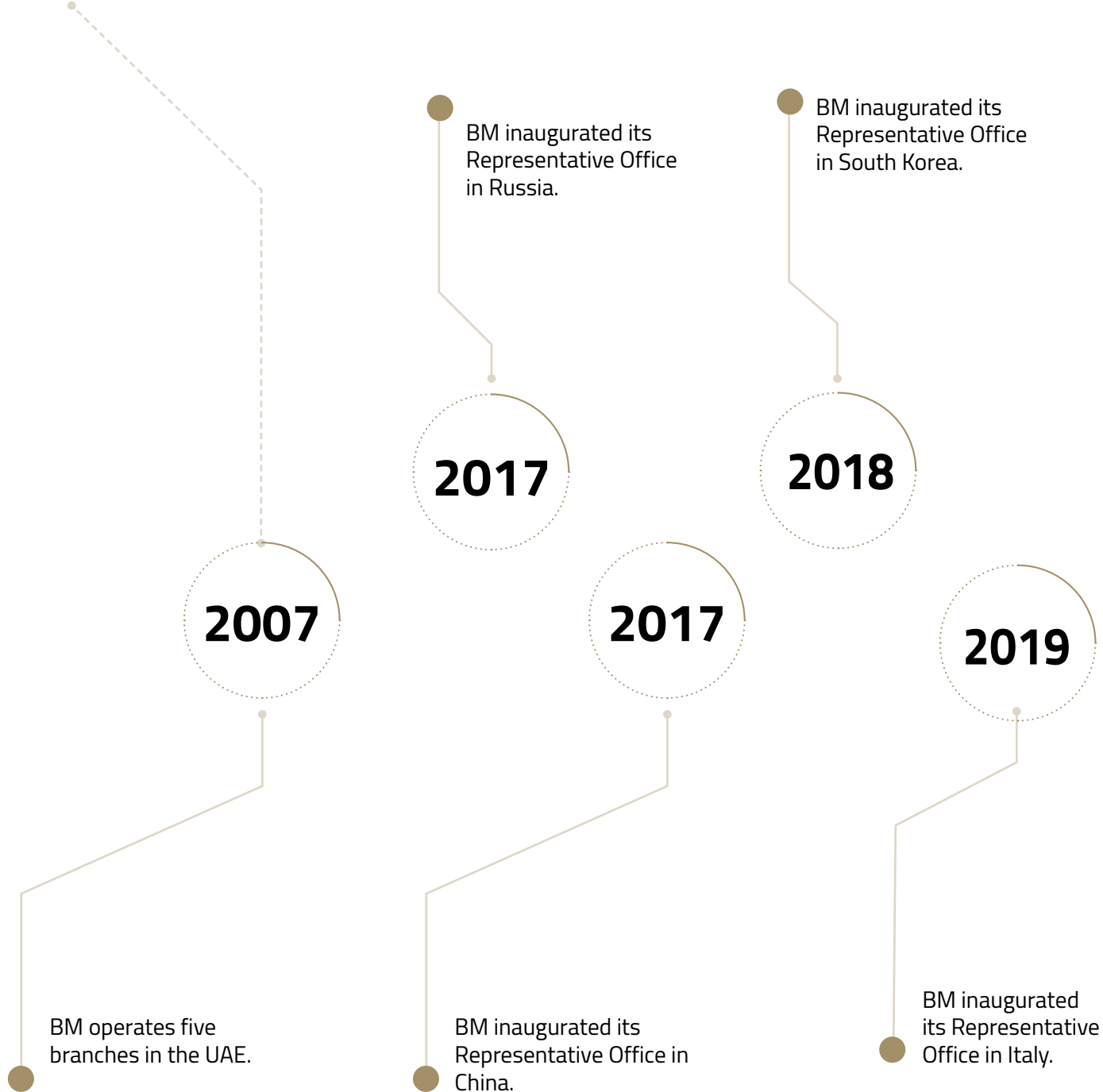
**1929**

**1984**

BM re-inaugurated its branch in France.

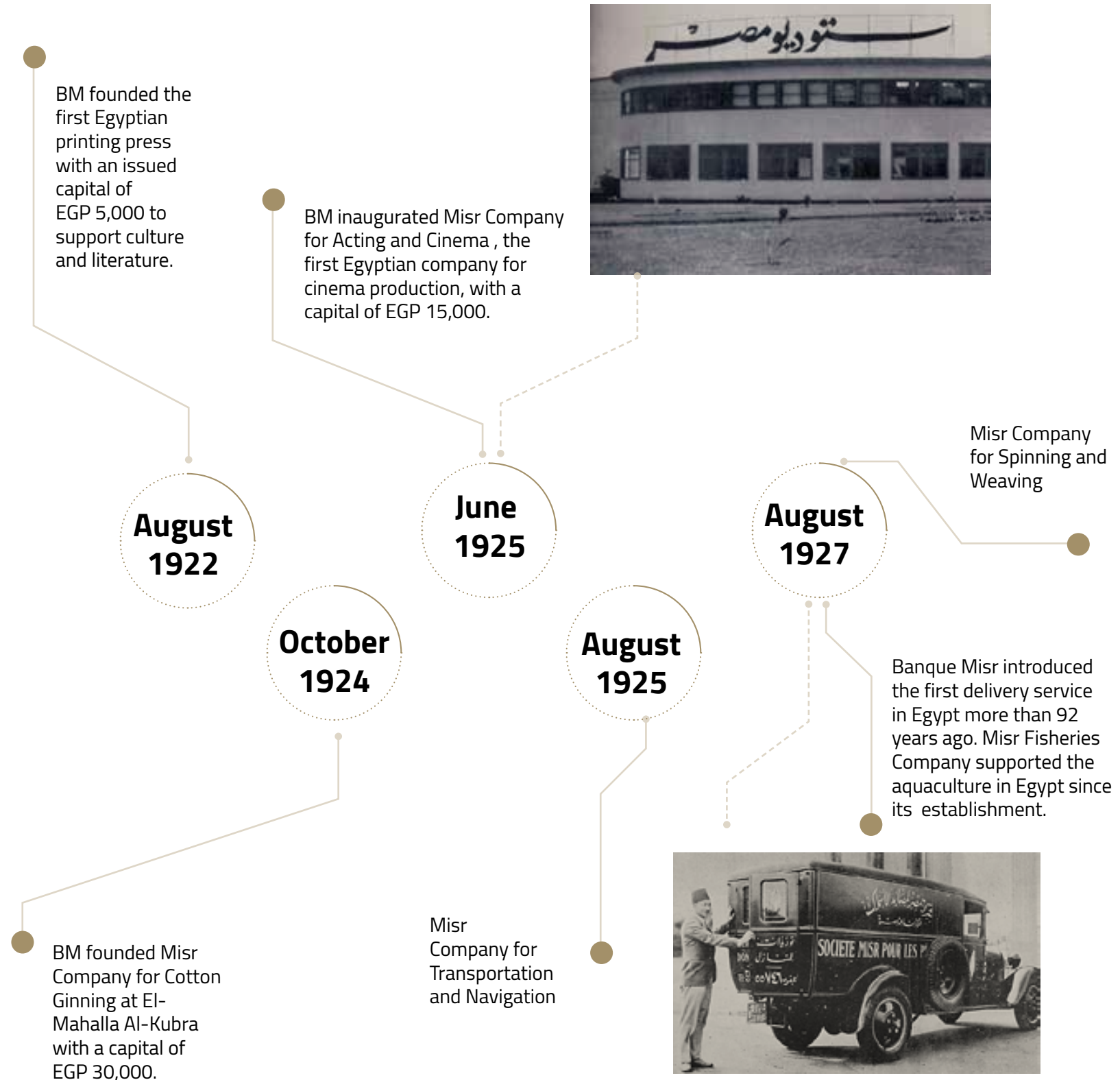
**1992**

BM inaugurated a subsidiary in Germany. Misr Bank-Europe GmbH is the one and only Egyptian bank in the Central and South-Eastern Europe.

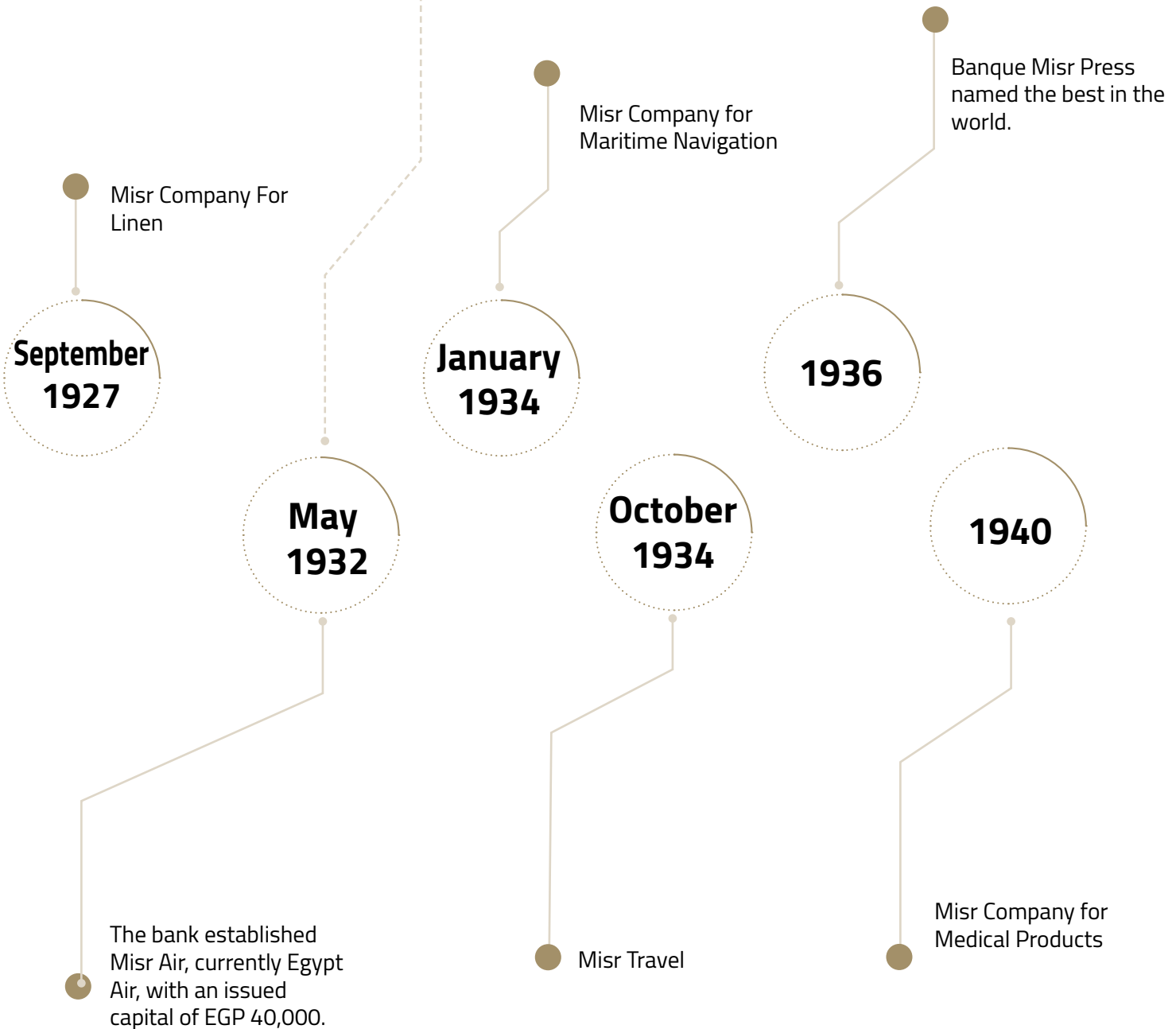


# Earliest Companies

**Currently**, BM holds shares in about 158 companies operating in a variety of sectors.

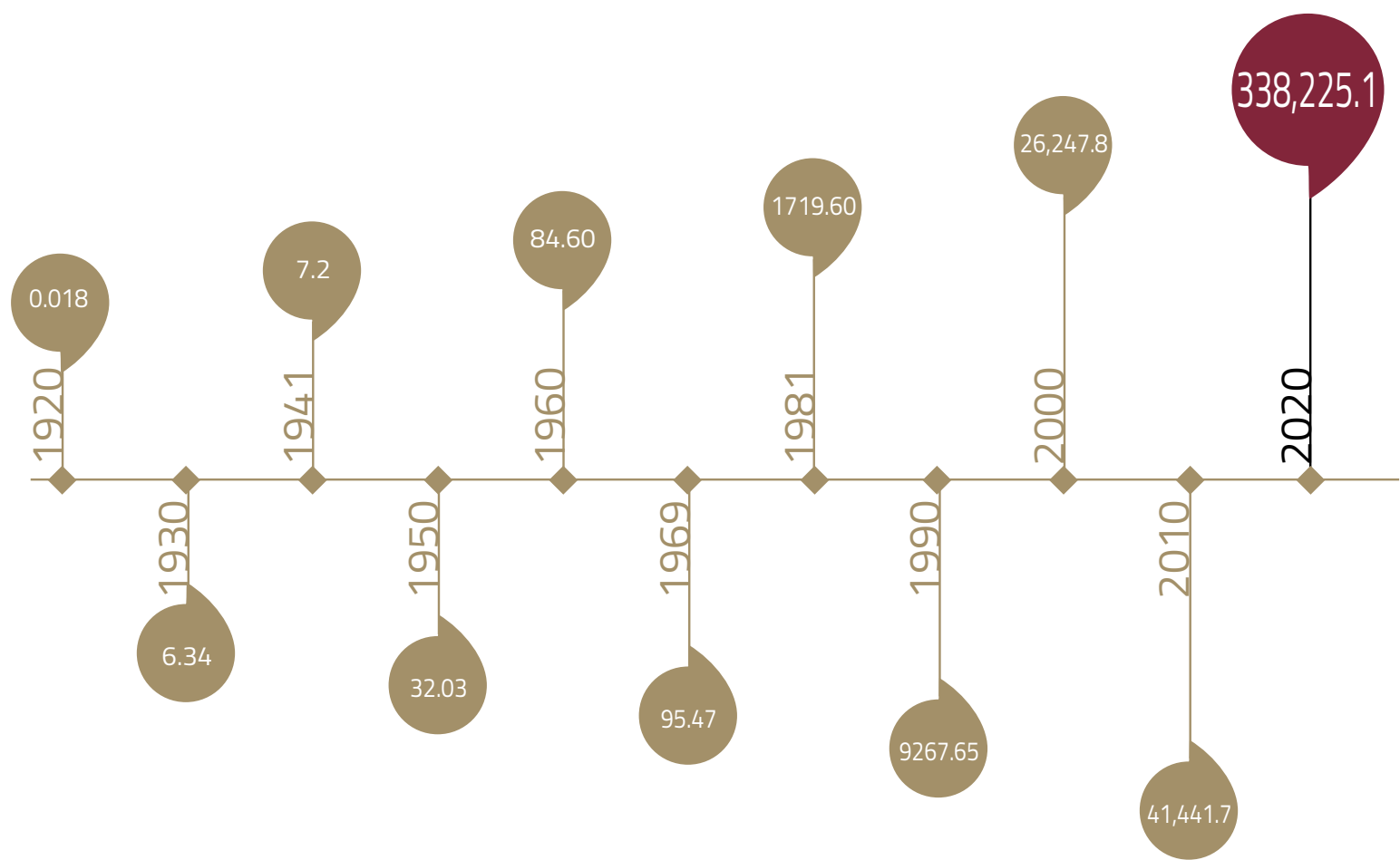






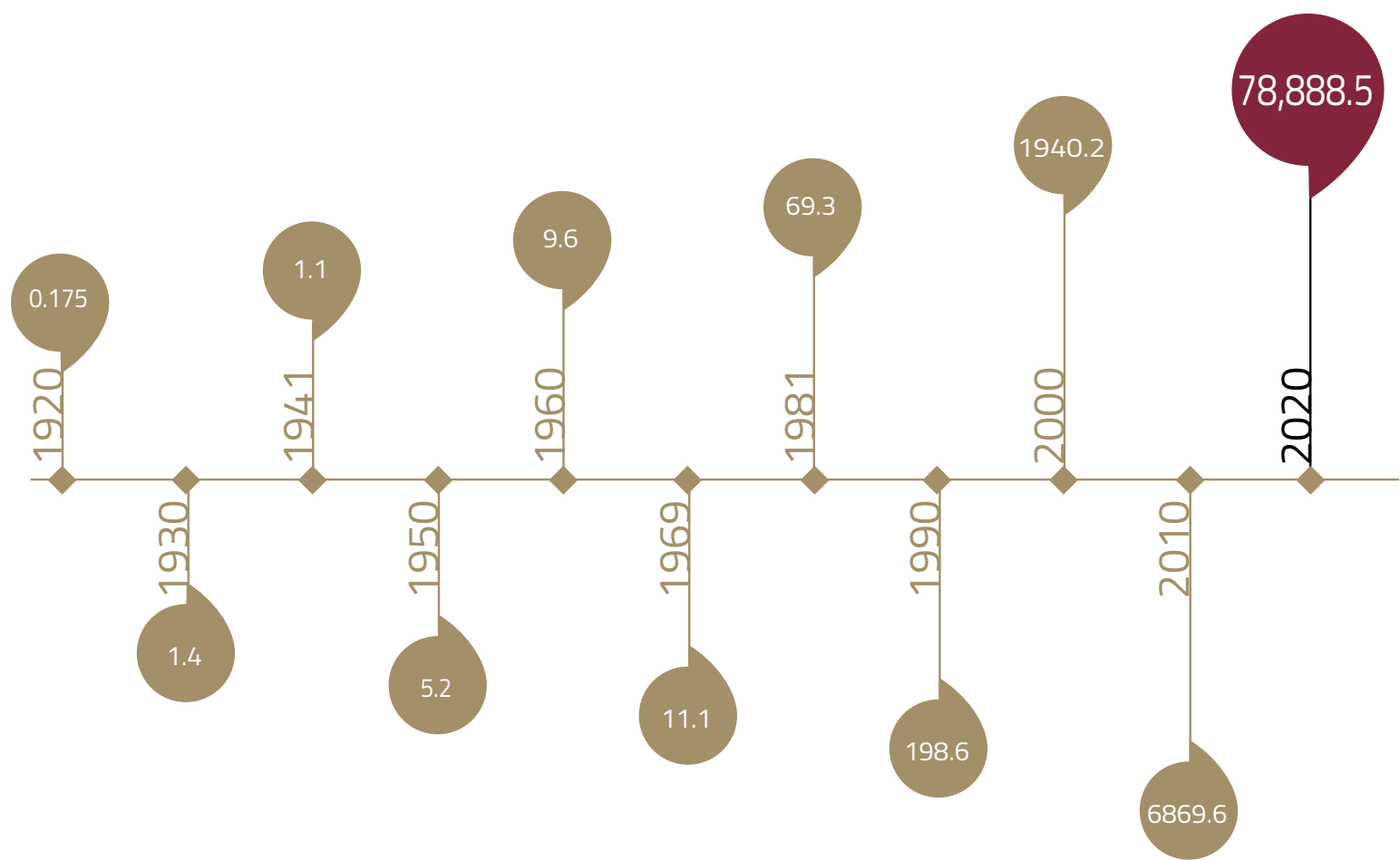
# Loans

Amounts in EGP Million

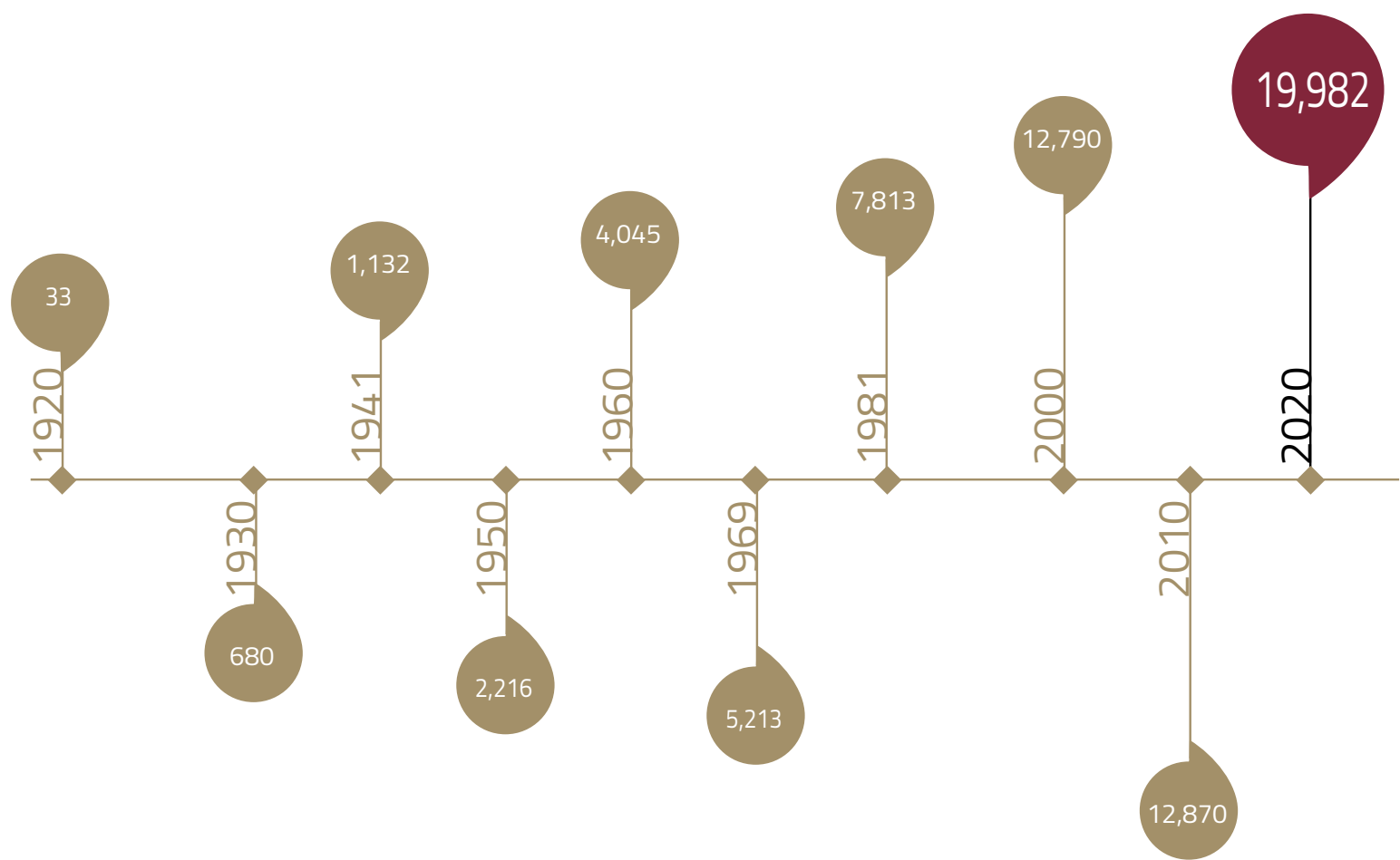


# Shareholders' Equity and Capital

Amounts in EGP Million

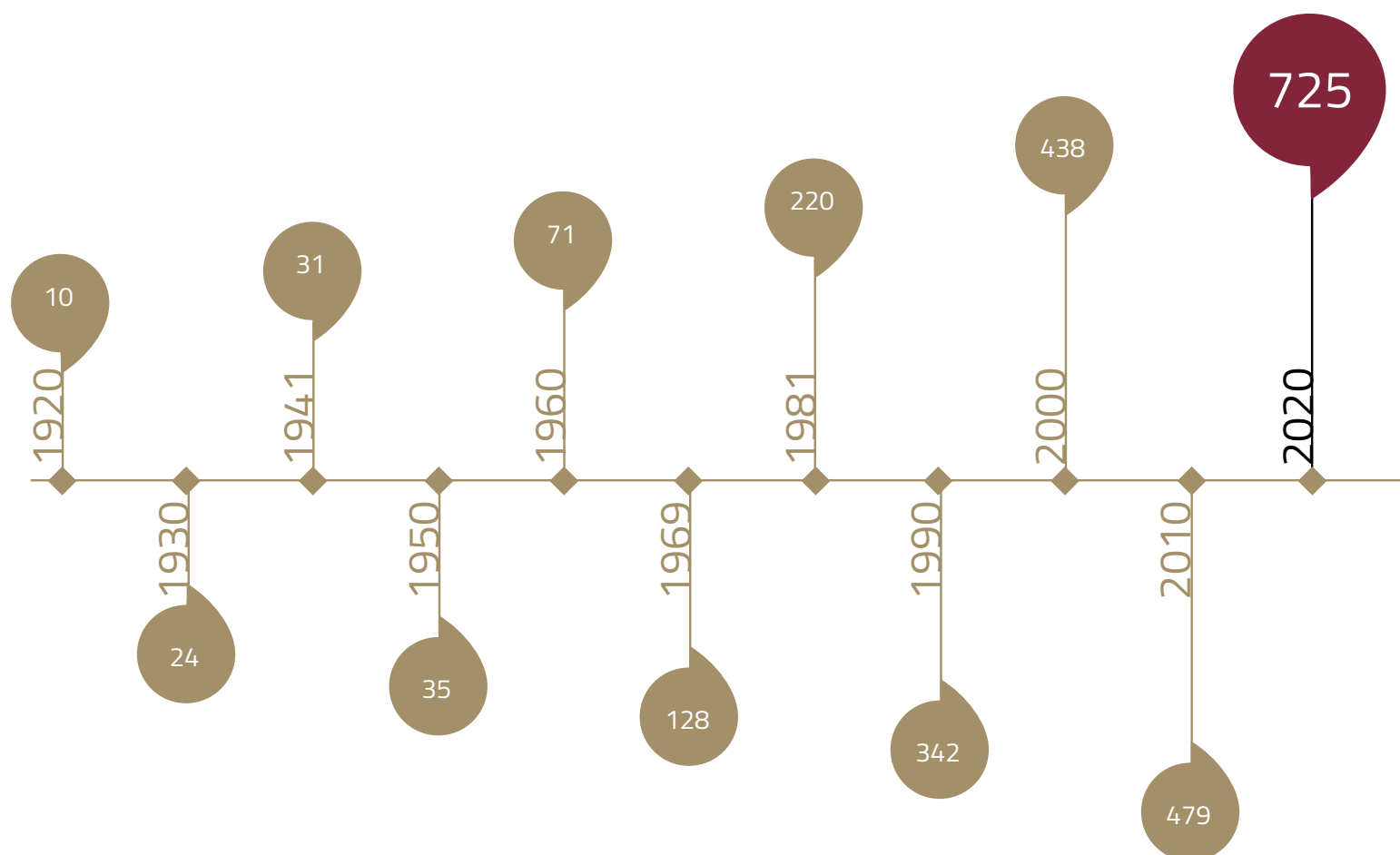


# Employees



\*Showcased figures are recorded annually based on a fiscal year (FY) ending on June 30<sup>th</sup>, excluding FY 2020 figures are reported on December 31<sup>st</sup>.

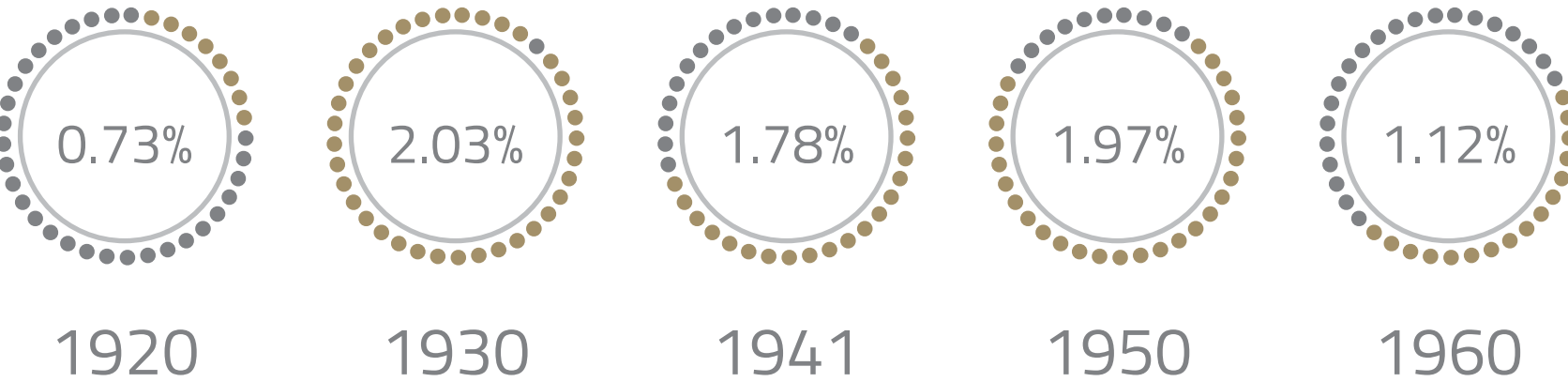
# Local Branches

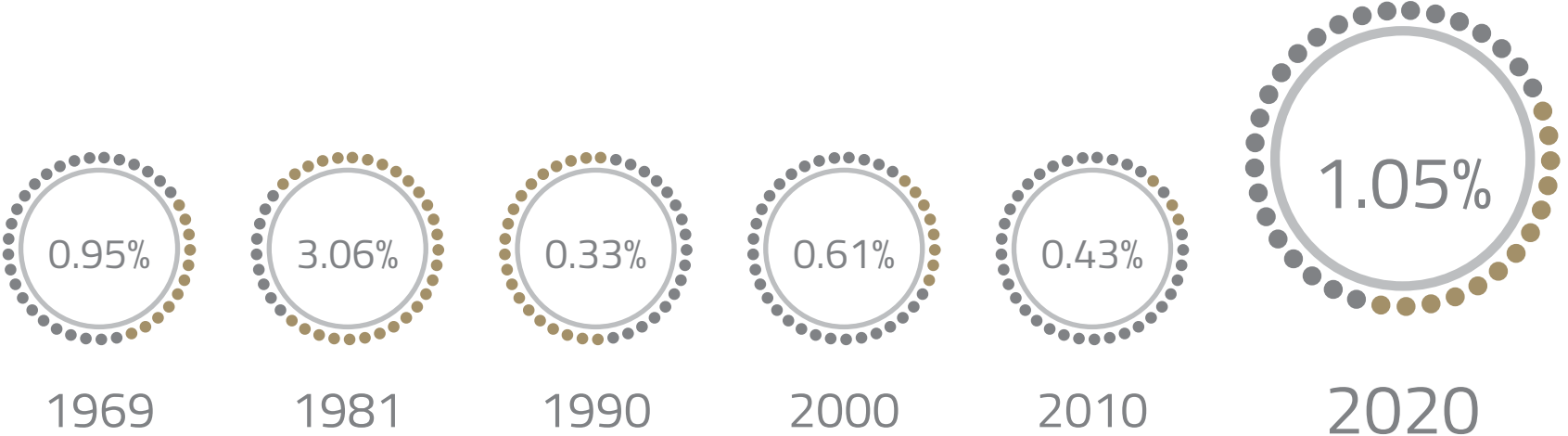
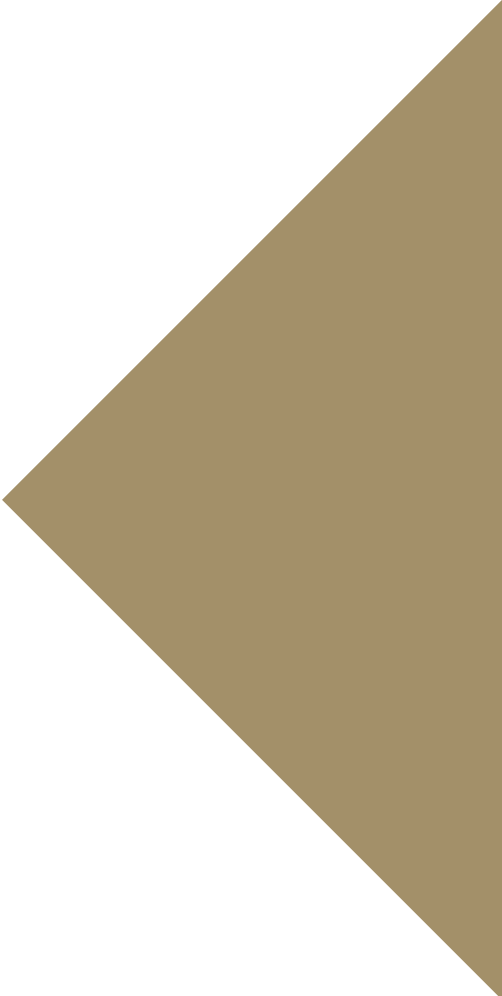


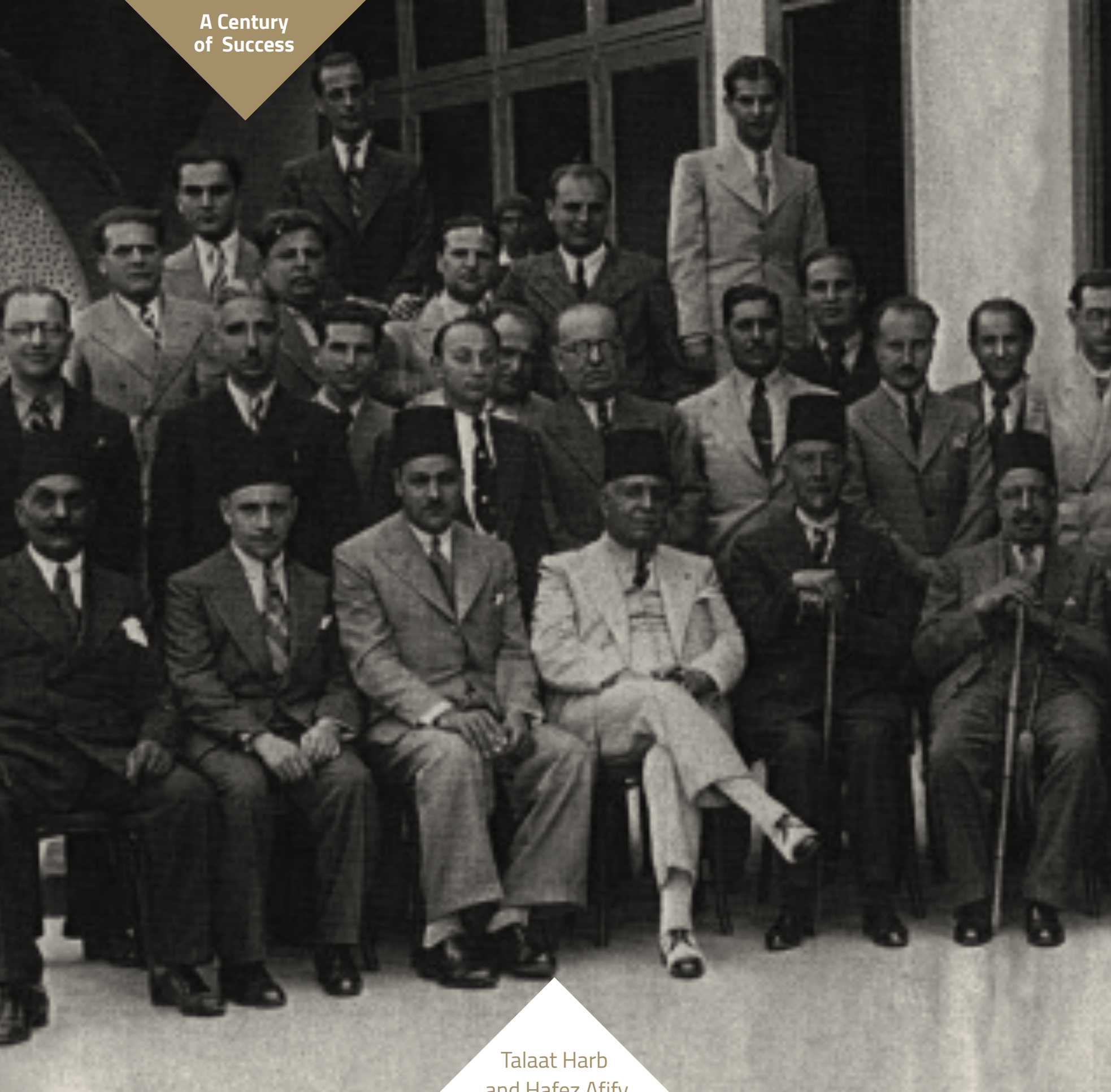
\*Showcased figures are recorded annually based on a fiscal year (FY) ending on June 30<sup>th</sup>, excluding FY 2020 figures are reported on December 31<sup>st</sup>.



# Return On Assets







Talaat Harb  
and Hafez Afify  
celebrating the bank's 10<sup>th</sup>  
anniversary in 1930.





# BM Commemorative Coins

1970

Banque Misr's gold coin of 1970 AD, commemorating 50 years since its establishment. The coin features the bank's headquarters on one side.



The other side of the coin features BM's Queen Cleopatra icon.



Banque Misr's silver coin of 1970 AD, an appreciation coin. The coin features the bank's headquarters on one side.



The other side of the coin features BM's Queen Cleopatra icon.



1980

Banque Misr's silver coin of 1980 AD, commemorating 60 years since its establishment. The coin features the bank's headquarters.



The other side of the coin features BM's Queen Cleopatra icon.





1995

Banque Misr's gold coin of 1995 AD, commemorating its diamond jubilee, marked 75 years since its establishment.



The other side of the coin features BM's headquarters.



Banque Misr's silver coin of 1995 AD. The coin features the bank's tower building and the Cleopatra icon.



The Arab Republic of Egypt is written on the other side of the coin.



2020

Banque Misr's gold coin of 2020 AD, commemorating 100 years since its establishment. The coin features the BM headquarters.



The other side of the coin features Talaat Harb Pasha.



Banque Misr's silver coin of 2020 AD, commemorating 100 years since its establishment. The coin features the BM headquarters.



The other side of the coin features Talaat Harb Pasha.



# Postage Stamps

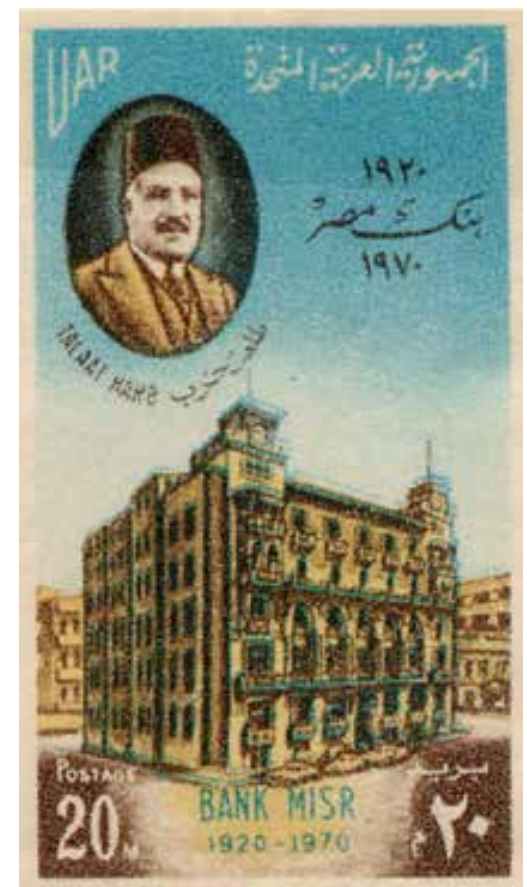
1961

Misr Organization's postage stamp was issued in 1961 AD in denominations of 10 millemes, on the occasion of the establishment of Banque Misr and in remembrance of the late Talaat Harb Pasha's 94<sup>th</sup> birthday (1867-1961). The stamp features Misr Spinning and Weaving Company's factories in El Mahala El Kobra. It was made by the Survey Division, in the period of the United Arab Republic.



1970

A postage stamp was issued in 1970 AD in denominations of 20 millemes, on the occasion of BM's golden jubilee that marked 50 years since its establishment. The stamp features Talaat Harb Pasha and Banque Misr's headquarters during the period of the United Arab Republic.





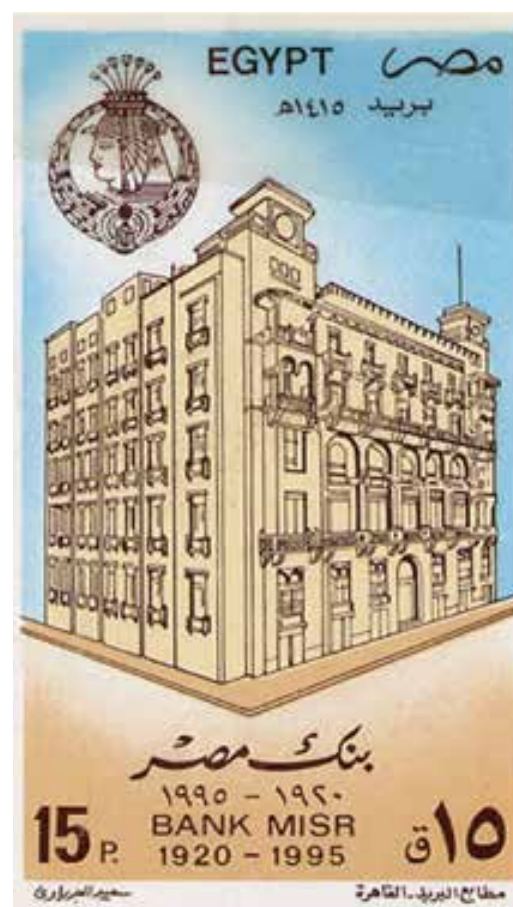
1992

A postage stamp was issued in 1992 AD - 1413 AH, in honor of late Talaat Harb Pasha's 125<sup>th</sup> birthday (1867-1992). The stamp was issued in denominations of 10 piasters designed by Lotfy El Sawaf and made in Cairo Postal Printing Press.



1995

A postage stamp was issued in 1995 AD in denominations of 15 piasters on the occasion of Banque Misr's diamond jubilee, which marked 75 years since its establishment (1920-1995). The stamp was designed by Saeed El Badrawy and made in Cairo Postal Printing Press.



# BM Chairmen



BM Board  
Meeting Room

1920



1

**Ahmed Medhat Yakan**

1920 - 1940



2

**Hafez Afifi**

1940 - 1951



3

**Abdel Maksoud  
Ahmed**

1951 - 1955



4

**Abdel Hamid El Sherif**

1955



5

**Mohamed Rushdi**

1955 - 1969



6

**Ahmed Fouad**

1969 - 1984

Mohamed El-Etreby  
Chairman

2015 - Present



13

2020



7

Mohamed Nabil  
Ibrahim

1984 - 1987



8

Mahmoud Mohamed  
Mahmoud

1987 - 1990



9

Mohamed Ali Hafiz

1990 - 1993



10

Essam El-Din  
Al-Ahmady

1993 - 1999



11

Bahaa El Din Helmy

1999 - 2002



12

Mohamed Kamal  
El-Din Barakat

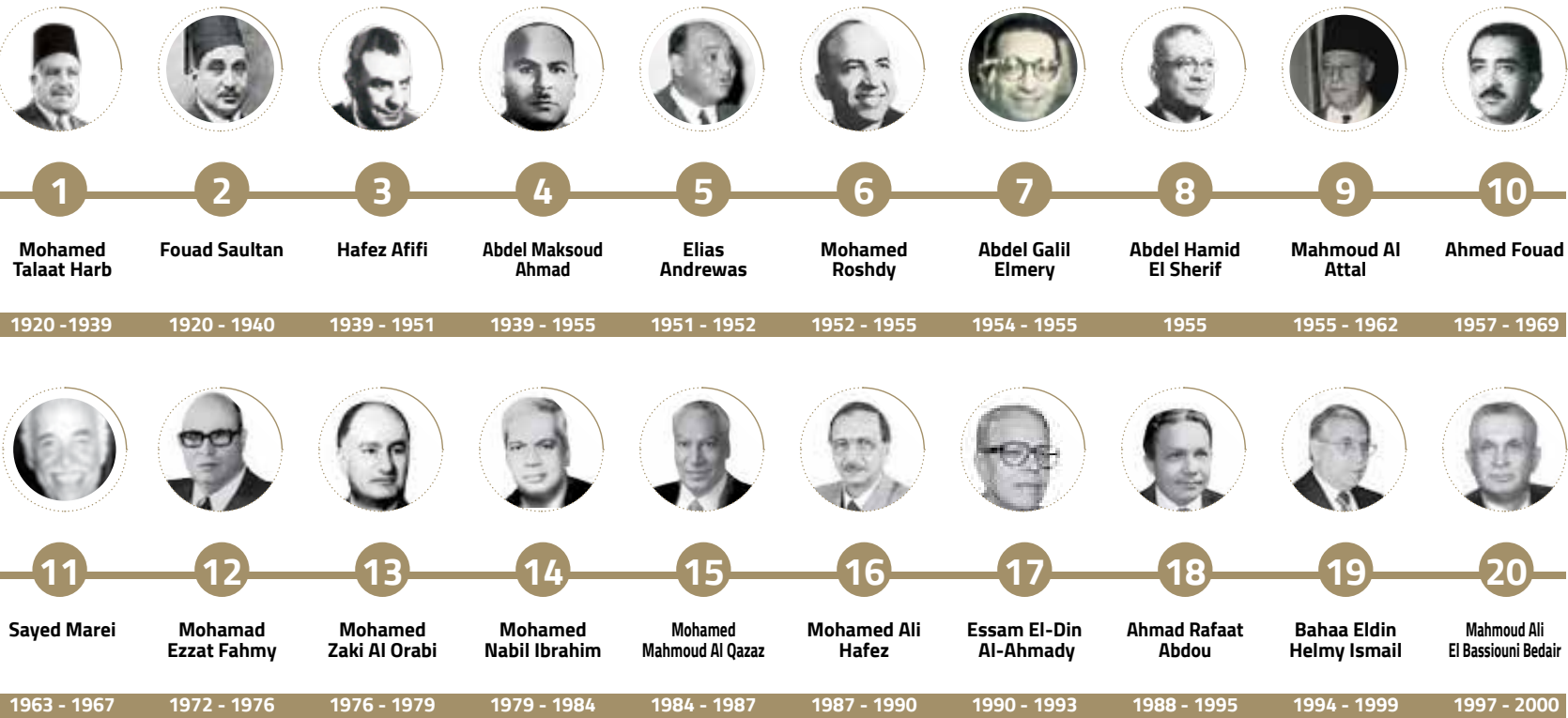
2002 - 2014

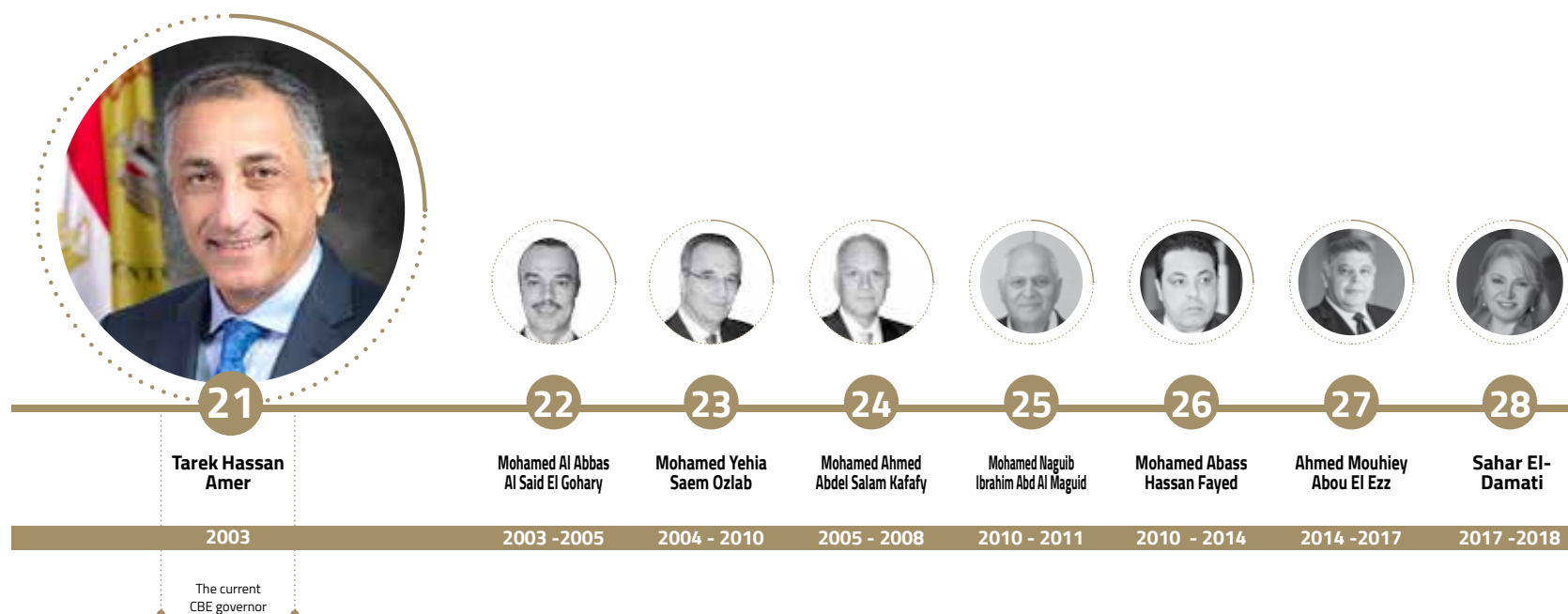


# BM Vice Chairmen



Talaat Harb  
Pasha's Office





**Akef El Maghraby**  
Vice Chairman-Executive Board Member

2016 - Present



**Hossam Eldin Abdelwahab**  
Vice Chairman-Executive Board Member

2018 - Present



President  
Sadat's visit to  
Banque Misr in  
1980.

# A Century-Old Institution

A century ago, Talaat Harb Pasha bailed the Egyptian economy out. His overarching goal was to turn Egyptian savings into high-yield financial resources to leverage national economic growth. The concept of establishing the first state bank in Egypt ultimately became a cornerstone of the national economy.

Banque Misr (BM) was the pioneering first step of the national banking system in Egypt. With Egyptian financing, Banque Misr succeeded in transcending Talaat Harb's vision as a bank for the nation. Approximately 126 Egyptian shareholders registered in establishing Banque Misr as a joint-stock Egyptian company operated by qualified Egyptians under a royal decree issued on April 3<sup>rd</sup>, 1920. Since then, BM's fundamental responsibility has been stimulating inclusive economic growth on a national scale. BM efficiently allocated Egyptian investments to build the foundations of various local industries. BM strives to provide world-class and innovative banking services while creating a sustainable impact.

Over a century, Banque Misr has built on its genuine successes as the first state-owned bank to exceed its customers' expectations. The bank succeeded in propelling the dynamic sectors of the economy and spearheading development initiatives. Banque Misr sustained its leadership even while witnessing lagging economic indicators.

As initially envisioned, Banque Misr always scales up the available financial resources with an agile scope towards sustainable development. In this chapter, we will walk you through our most defining achievements. We will unfold our stepping stones that shaped our highly acclaimed legacy over the last century to steer our prominent future onward.



## Past, Present, and Future

**The year** 1920 gave birth to a vision that enabled the Egyptian economy independence and catalyzed its growth. Over a century, Banque Misr (BM) has stimulated national economic development and driven social and environmental progress.

### Journey

Talaat Harb Pasha established Banque Misr as a joint-stock Egyptian company under a decree issued on April 3<sup>rd</sup>, 1920. Forty years later, the Egyptian government nationalized the bank. Under Decree no. 39 of 1960 as an Arab joint-stock company and presidential Decree no. 872 of 1965, Banque Misr is currently a state-owned bank abiding by Act no. 88 of 2003, known as the CBE Banking and Monetary System Act.

Banque Misr transformed the industry again and again through breakthrough solutions over the past decades and is eagerly looking forward to the next 100 years. With a customer base of more than 13m, BM is one of the most thriving financial institutions on the local and regional levels, serving individuals, MSMEs, and large corporations through its divisions.

BM headquarters is located at 151 Mohamed Farid Street, Downtown Cairo, Egypt. The bank is expanding its geographic

outreach to harness its vital role across three continents. The bank enjoys a regional and global presence with a network of international branches, subsidiaries, and representative offices. Additionally, BM always takes the lead in integrating the most recent fintech mechanisms and digital strategies to ensure seamless accessibility for its services and products.

### Mission

BM's core mission does not solely focus on attaining financial profits but extends to sustainable development. For over a century, Banque Misr has sought to provide an array of banking services to all Egyptians. The bank is well-recognized for its essential role in developing the national economy since its inception. BM has been propelling economic growth through investing Egyptian savings. BM investments support Egyptian industries, generate high social returns, and contribute to private sector activity and job creation.

## Role

Banque Misr has been taking the lead in supporting the national industries, being a pillar of economic growth. Since its establishment, BM has been committed to financing and carrying out projects that drive economic development in different sectors, including manufacturing, aviation, maritime transport, petroleum, insurance, travel, weaving, mining, transportation, real estate, and art.

To name a few, BM established Egypt Air, Misr Insurance Company, Misr Oil Refining Company, Studio Misr, and Misr Company for Cotton Ginning. Currently, BM manages a portfolio of investments in 158 projects in different economic fields.

Banque Misr seeks a common purpose to create better financial and social lives while focusing on its environmental footprint. This purpose is embedded across BM business lines and reflected in the people we work with, entrepreneurs we invest in, and customers we serve. BM adopts a three-dimensional strategy to deliver a sustainable economic, social, and environmental future.

Banque Misr adheres to the GRI Sustainability Reporting Standards, and is the first state-owned bank to report its business practices in accordance with such tenets as governance, human rights, anti-corruption, social participation, and environmental safety standards. Besides, Banque Misr complies with the UN Global Compact for Citizenship standards (Corporate Social Responsibility).

## Leadership

BM was the first bank in Egypt to devise a method for depositing cash after working hours. The bank night safe is embedded into the external wall of its branch. The night safe was manufactured in London and placed outside the BM doors in 1931. Banque Misr was the first in the Middle East to use computers and introduce computing units to the banking industry in 1980. With the rise of the digital era, BM significantly improved its banking system and digital platforms to deliver the latest Financial Technology (FinTech) and digital banking services to all its customers. Even amid the COVID-19 pandemic, BM swiftly adopted digital precautions to accommodate its customers' evolving financial demands. Recently, BM launched the digital transformation division, the first of its kind, as it constitutes the first integrated system to offer innovative digital solutions to the banking sector, with the aim of ensuring optimal service levels. In addition to the BM branch digitizing plan, BM consistently launches advanced digital services and innovative digital solutions for a better customer experience, in addition to developing overall capabilities for sustainable development.

Banque Misr diligently strives to improve its services and maintain its long-standing success, in addition to proactively partaking in services that fulfill the needs and expectations of customers, who are considered partners in success. BM works to strengthen its leading role and continuous ability to achieve robust performance levels. BM has been contributing to social wellbeing and prosperity for more than 100 years. The bank remained true to its mission as a national instrument spearheading development in all areas while being committed to achieving sustainable development for Egypt.



# Accolades

**Received** acknowledgments echo the relentless efforts and commitment towards strategic priorities. We are proud of our achievements as we are stepping into a new era of banking. The awards we have received have reinforced our determination to move forward with our path while focusing on our customers, economy, communities, and the environment. Banque Misr (BM) attained 50 awards and accolades, crowning its latest achievements and endeavors.

## Global Banking and Finance Review Magazine 2020

- ◆ Banking Brand of The Year – Egypt
- ◆ Best CSR Bank – Egypt
- ◆ Fastest Growing Trade Finance Bank – Egypt
- ◆ Best Islamic Corporate Bank – Egypt
- ◆ Fastest Growing Cash Management Bank – Egypt

## International Finance Magazine 2020

- ◆ Most Innovative SME Bank – Egypt
- ◆ Best CSR Bank – Egypt

## The Banker "Financial Times" Magazine 2020

- ◆ Deal of the Year "Securitisation" – Africa
- ◆ Deal of the Year "Islamic Finance" – Africa
- ◆ Leading Position in the Top 1000 World Banks Ranking

## Global Brands Magazine 2020

- ◆ Best Retail Banking Brand – Egypt
- ◆ Best Corporate Banking Brand – Egypt
- ◆ Best Customer-Centric Banking Brand – Egypt

## The European Magazine

- ◆ Innovative Digital Bank of the Year – MENA 2020
- ◆ Best SME Partner Bank – Egypt 2020
- ◆ Treasury Management Bank – MENA 2021
- ◆ Liquidity Management provider – MENA 2021
- ◆ Fixed Income Banking provider – MENA 2021
- ◆ Foreign Exchange Banking Provider – MENA 2021
- ◆ Foreign Exchange Liquidity Provider – MENA 2021

## Euromoney Magazine Trade Finance Survey 2020

- ◆ Market Leader – Egypt
- ◆ Best Service – Africa
- ◆ Best Service – Egypt

## Asian Banking and Finance Magazine 2020

- ◆ Domestic Cash Management Bank of the Year – Egypt
- ◆ Domestic Trade Finance Bank of the Year – Egypt

## Euromoney Cash Management Survey for Non-Financial Institutions 2020

- ◆ Best Service – Africa
- ◆ Best Service – Egypt



### **G2T Global Awards General Secretariat 2020**

- ◆ Award for Best 100 Arab Chief Executive Officers to Mr. Mohamed El-Etreby – Chairman of Banque Misr

### **Global Business Outlook Magazine 2020**

- ◆ Best SME Bank – Egypt

### **Bloomberg Global Syndicated Loans League Tables FY 2020**

- ◆ Second Place in MENA Region in "Bookrunner" Category
- ◆ Second Place in MENA Region in "MLA" Category

### **World Union of Arab Bankers 2020**

- ◆ Best Bank in Egypt in Terms of Financing Big Projects and Enterprises

### **International Business Magazine 2020**

- ◆ Best CSR Bank – Egypt
- ◆ Best Islamic Bank – Egypt

### **Cosmopolitan the Daily Magazine 2020**

- ◆ Best CSR Bank – Egypt

### **Global Finance Magazine**

- ◆ Best Provider of Short-Term Investments/Money Market Funds in the Middle East 2020
- ◆ Best Provider of Short-Term Investments/Money Market Funds in the Middle East 2021

### **Asiamoney "Euromoney" Magazine 2020**

- ◆ Best Local Bank for Belt and Road Initiative – BRI in the Middle East and Africa
- ◆ Best Bank for CSR in the Middle East
- ◆ Best Bank for the SMEs in Egypt

### **The Global Economics Magazine 2020**

- ◆ Best Islamic Banking Services – Egypt
- ◆ Most Innovative Digital Bank – Egypt
- ◆ Fastest Growing Transaction Bank – Egypt

### **International Investor Magazine**

- ◆ Outstanding SME Bank – Egypt 2020
- ◆ Most Innovative Bank of the Year – Egypt 2021

### **AsiaOne Magazine 2020**

- ◆ Best Brand - Asia and GCC
- ◆ Best Leader to Mr. Mohamed Mahmoud Ahmed El-Etreby – Chairman of Banque Misr – Asia and GCC

### **The Digital Banker Magazine 2020**

- ◆ Best HR Strategy – Egypt
- ◆ SME Bank of the Year – Egypt

### **Excellence Awards Academy 2020**

- ◆ Fakhr Al Arab Award to Mr. Mohamed El-Etreby – Chairman of Banque Misr – Leadership Category





Talaat Harb  
at Banque Misr's main  
branch entrance, with  
numerous customers visible  
in the background.



## Business and Strategy

It is hard to imagine economic and everyday life with no internet accessibility. Digitization brings about many notable impacts, among which is empowering individuals. The internet has shifted the passive consumer mindset. Consumers are now well equipped to research and assess different value propositions associated with offered financial services, which has in turn spurred collaboration between FinTech startups and well-established banks.

BM recognized the urgency of digitizing its operations a few years ago and allocated heavy investments in technology, robotics, and data analytics. Beyond technological upgrades, our digital transformation strategy involved a radical cultural change that leads our operations and encourages innovation. The BM strategy also rethinks all aspects of risk and reward across all our divisions.

FY 2019-2020 was an unforgettable year for all kinds of reasons. Amid all the challenges and difficulties, it was a year that presented the opportunity to learn. During the global COVID-19 outbreak, Banque Misr continued its strategy towards digital transformation. We were on track to get ahead of the challenges resulting from the pandemic.

As the pandemic impacted personal savings and reliance on debt, customer behavior norms started to shift. Customers are increasingly looking to run their financial life through online banking services. The digital transition of our overall processes began to bear fruit and assisted the bank in accommodating the new normal.

This chapter will walk you through the BM strategy covering its global, local, and digital presence. This section will also disclose the BM direction and manifest the BM vision, mission, and values towards sustainable development.

About This  
Report

A Century-Old  
Institution

Business and  
Strategy

Sustainability  
Approach

Corporate  
Governance

Operational  
Performance

Financial  
Performance

## BM Vision

**Our** distinguished performance guarantees us the leadership we deserve.



## BM Mission

**Excellence** in fulfilling all of our customers' banking needs, maximizing the value of shareholders, inspiring employees' loyalty, and playing a leading role in the prosperity and development of Egypt.



## BM Values

**Our PRIDE** values define who we are and how we carry ourselves. Our core values of partnership, responsibility, integrity, dedication, and excellence reflect the essence of our mission for sustainability; to invest in communities and sustainable development.

BM's core values are profoundly ingrained in its strategy and day-to-day business performance. For over a century, BM has led the way for sustainable development and responsible growth in Egypt. Today, BM's PRIDE values honor its past achievements and set the path for the future we hope to create.

### **P** Partnership

BM partnership is the essence of creating a united entity. In BM, we view employees, customers, suppliers, and business partners in our joint journey towards sustainability. It is the collaborative efforts of all stakeholders towards a connected and inclusive developing ecosystem.

### **D** Dedication

BM's success is a product of its employees' perseverance towards performing at a degree of competence that outshines expectations. Dedication is a flag for achieving shared strategic objectives while delivering on BM's mission for economic growth and community-serving goals.

### **R** Responsibility

BM responsibility exemplifies every staff member's sense of ownership towards themselves, colleagues, and customers. It directly reflects on the bank's success and impacts its environment. BM achieves its strategic goals through the shared understanding that a sustainable future requires accountability, within and outside the decision-making process.

### **E** Excellence

BM excellence is a value of innovation. It sets the bar high for BM to provide best-in-class service to its customers and community. Excellence is BM's drive to push the limits of innovative banking beyond the traditional and surpass all stakeholder expectations.

### **I** Integrity

BM values integrity and transparency above all. It is in strict adherence to internal and external policies and regulations to protect customers and employees. BM is committed to being a driver towards a positive sustainable change within the community.



## BM Digital Strategy

**Powered** by digitization, Banque Misr (BM) always strives to be the bank of choice by providing excellent service and value-added solutions to its valued customers and employees. BM primes for digitization in line with the Egypt Vision 2030. To step up such transition sufficiently, the Egyptian government initiated a major overhaul for the national digital infrastructure through carrying out far-reaching digital reforms, among which are: launching an open banking system, setting up a shared cash network, forming the National Council for Artificial Intelligence (AI), increasing internet and mobile penetration, boosting the FinTech sector, as well as fostering bilateral, regional, and international Artificial Intelligence (AI) cooperation.

BM carries out a leading role in underpinning these constant national reform programs. The bank conceptualized a Digital Transformation Division in 2019 with the express intent of preparing the bank to be at the forefront of digital banking services and catalyze continuous transformation. Notably, all activities under our digital transformation initiatives encircle our key focus areas, including presenting superior customer experiences, improving operational efficiencies, supporting economic development, and rapidly responding to changing market dynamics.

BM digitalization strategy aims at achieving the best customer experience, offer state-of-the-art products, and increase bank profitability. The digital transformation strategy will further help BM achieve several strategic goals including, digitizing customer journeys and supporting financial inclusion. BM currently aims to take the lead in digital banking by rolling out a secure, progressive, and

scalable digital banking platform, enabling customers to access our services remotely 24 hours a day, seven days a week. The adopted strategy focuses on deploying cutting-edge technology that helps enrich engagement with stakeholders, optimize costs, and maximize profitability. The bank aims to become the best bank in offering digital financial products and services by utilizing progressive digital channels to move to the 'open banking' landscape in the next few years.

### The First Digital Bank

Banque Misr established Misr Digital Innovation (MDI) in 2020 to launch the first native digital bank in Egypt, in line with the Central Bank of Egypt's (CBE) rules and regulations. Digital transformation is rapidly changing the banking sector in the region. MDI is focused on bridging this market gap and responding to the needs and wants of customers quickly and efficiently.

MDI pledges to boost financial inclusion through embracing digital solutions and greener business operations. MDI offers advanced digital services that will add value to the customers' lives and help them realize their financial potential.

## Transformation Office

Awarded as the Best Bank in Digital Innovation in the MENA region for 2020, BM made a head start with a multi-channel digital strategy aiming for an optimal banking experience. The Digital Transformation Office focuses on four main thrusts: Culture Transformation, Branch Transformation, Capability Building, and Digital Factory.

## Culture Transformation

Culture Transformation is an essential pillar and an overarching tool for BM's transformation journey. Culture transformation paves the way towards a coherent culture, builds values, and instills principles among all employees. Culture transformation empowers BM's digital strategy and hastens the adoption of new work modes.

As BM prepares for digital transformation, it's crucial to build a culture in which everyone is tech-savvy and aware of associated risks. To align the goals of a digital transformation with employee values and behavior, BM fosters a work environment of cross-functional collaboration and continual learning conducive to digital

transformation. The bank also aligned performance metrics and incentive structures with digital culture goals.

BM fosters an agile digital culture that extends outward and engages with customers among other stakeholders. Digital literacy is an integral part of BM's financial inclusion strategy, especially among seniors and underprivileged segments, ensuring social justice. To boost digital inclusion, the Egyptian government, in cooperation with the Central Bank of Egypt (CBE), has set a robust regulatory system for activating the cashless payment system that necessitates responsible governance and transparency concerning cybersecurity, data protection, and operational efficiency. Additionally, the national shift to cashless payments was reinforced after Law no.18 for 2019, which came into effect on April 16<sup>th</sup>, 2019.

With the aim of achieving social equity, BM always ensures that digital banking services are accessible to all social segments to fulfill their diverse financial demands. Despite its convenience, the technology intimidates many customers who balk at learning how to use it. BM exerts ongoing efforts to turn the tide. BM launched numerous advertisement campaigns to introduce new technologies and root the concept of electronic payment through a show and tell model.

## Branch Transformation

Banque Misr started the branch transformation aiming to transform both the customer and employee journeys inside the branch by enhancing customer experience, proactive sales, and improved operational efficiency through automating branch processes and migrating a lot of financial and non-financial transactions to self-service banking that doesn't require human intervention.

BM in-branch customer service representatives give orientation to walk-in customers on the self-service facilities. The new branches feature smart Automated Teller Machines that allow credit card settlements, card-less deposits, and payment of utilities. BM's revamped branches also include a Video Conferencing facility to connect with expert advisors.

## Capability Building

capability building aims to create a world-class tech talent to cater to the need for our ambitious digital factory plan. Given the scarcity of resources in terms of tech talents, the team launched Egypt's first Digital Academy to attract and develop the next generation of exceptional digital talents to have an ongoing funnel of tech talents to source the factory scale-up. The capability-building team also enhances the core skills of all staff to enable the team to perform and achieve the required agile transformation.

## BM Digital Factory

BM has unprecedentedly taken the Digital Transformation Office to the next level. The bank established a digital interface delivery arm, the Digital Factory, to re-imagine and re-invent banking in Egypt in the years to come. The Digital Factory brings software developers, IT specialists, product owners, analysts, and scrum masters under one roof to develop, test, design, and program new, intuitive applications and products in close collaboration with BM business divisions. The factory was founded on design thinking and agile methodologies to bring our products and new releases faster to the market. BM is the first Egyptian bank to offer a wide array of digital banking services through user-friendly platforms:

## BM Online Services

BM Online Services allows diverse customer segments of individuals and corporates to carry out a wide range of banking and financial services in a secure manner anytime and anywhere.

### ◆ Corporate Payment Services

Aiming to assist its customers, Banque Misr has also provided Corporate Payment Services (CPS) to make it easier for customers to pay their taxes, tariffs, social insurance, and other government dues electronically.

## ◆ **BM Internet and Mobile Banking Services**

### **Retail Online Services**

We revamped the internet and mobile banking platforms to provide a phenomenal experience to our retail customers. The new mobile banking application offers a user-friendly interface. The application further supports our customers in scheduling branch visits if needed, instead of waiting in a queue, in addition to processing payments/transfers, requesting/blocking cheques, issuing/blocking cards, and calculating loans, among many other products and services.

### **Corporate Online Services**

Within the framework of Banque Misr's endeavors to provide distinguished services to its customers, Banque Misr launched BM Online Business, an internet banking portal for corporate customers. BM Online Business enables companies to safely and swiftly manage their accounts and transactions.

## ◆ **Soft Token**

The bank also launched BM Soft Token. The token generates a One Time Password (OTP). The password securely authorizes mobile banking transactions with no need to carry a physical token device.

## ◆ **BM Wallet**

BM Wallet service allows users to deposit and withdraw cash using their mobile phones. The service enables customers to process cash transfers quickly from one mobile wallet to another. Customers can use Fawry payment services, including bill payments, top-ups, donations, and ticket payments. Customers can also receive foreign transfers and complete purchases at registered vendors. The wallet can be topped up using BM Debit, Credit, or Prepaid cards. BM is the first bank to supply Mobile Wallet customers with QR codes for electronic payment at points of sale.

## ◆ **BM Express**

The SME Express loan is the first product launched by the digital factory and it is the first in Egypt to support small businesses to operate and grow their businesses by simplifying and accelerating access to funding with a transparent process, flexible terms, and seamless digital experience. SME Express was later added to our Islamic portfolio introducing an online Murabaha scheme based on Islamic Shariah rules with the same enhanced customer experience.









# BM Presence



Egypt



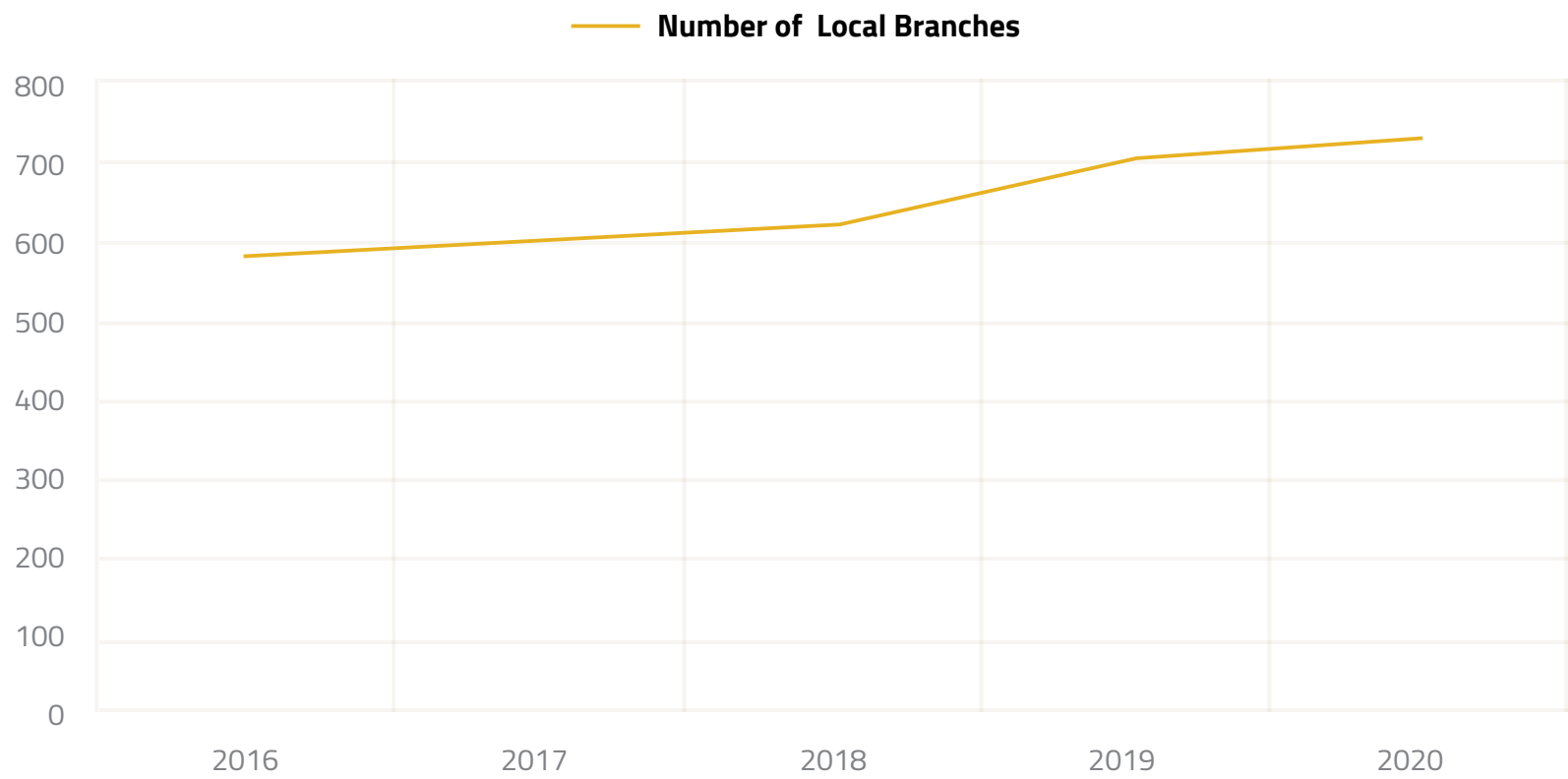
**725**  
Branches

<p>Lebanon</p>  <p>Subsidiary</p> <p><b>12</b> Branches and a representative office in Abidjan - Ivory Coast</p>	<p>France</p>  <p>One branch</p>	<p>Italy</p>  <p>One representative office</p>	<p>Russia</p>  <p>One representative office</p>
<p>UAE</p>  <p>Five branches</p>	<p>Germany</p>  <p>One subsidiary</p>	<p>China</p>  <p>One representative office</p>	<p>South Korea</p>  <p>One representative office</p>



**Banque Misr** (BM) has established a resilient market presence as a core strategic value to expand access to banking services. BM market presence has successfully permeated the market in Egypt and the World over the past century. Moreover, BM is executing a new strategy to expand its market penetration while contributing to economic development in the local and global communities it serves.

Banque Misr sets economic and social welfare and prosperity as its sustainable core value. In line with this value, BM ensures higher efficiency and better customer experience through its branch network, one of the largest in the Middle East and Africa. The bank continuously invests in upgrading its banking platforms and adopts technology-enabled innovations in its financial services to ease accessibility to offline branches and ATMs and develop internet and mobile banking services.



## BM Local Reach



### BRANCHES

The existence of convenient and easily accessible banking outlets is a significant part of expanding financial inclusion in Egypt. Branches offer face-to-face experiences and help foster greater brand engagement. As digital channels proliferate, BM empowers less digitally savvy customers in person through a local branch network of over 725 branches. BM will continue to invest in its offline expansion plans aiming to reach 875 branches by 2022. BM will also continue revamping its branches to reduce negative environmental impacts and mitigate climate change.



### ATMs

Banque Misr has expanded its advanced ATM network to reach about 3,036 machines in December 2020. In addition to conventional cash withdrawal, cash deposit, and foreign exchange facilities, BM fitted its ATMs with new features. BM ATMs feature services, including cardless cash transfers, wallet-to-wallet transfers, deposits, bill payments, donations, I-score inquiries, and various subscription fee payments.



### Point of Sale – POS

Banque Misr has been operating the second largest network of POS terminals, reaching about 19,964 with a trading value of EGP 21.88bn in June 2020. The number of POS terminals increased exponentially to more than 167,000, with a total transaction value of EGP 12.66bn, during the period from July 1<sup>st</sup>, 2019, to December 31<sup>st</sup>, 2020.

## BM Global Reach

BM successfully optimizes a multitude of business cooperation activities and opportunities through resilient global outreach. BM's international presence spans three continents and highlights a competitive advantage to incorporate its sustainable success worldwide. Banque Misr operates five branches in the United Arab Emirates (UAE), one in Paris, a subsidiary in Germany, 12 branches in Lebanon and a representative office in Abidjan (Ivory Coast) operated by its subsidiary in Lebanon, and four representative offices in Russia (Moscow), China (Guangzhou), South Korea (Seoul) and Italy (Milan). To leverage its financial footprint, Banque Misr has set a new five-year expansion strategy, mainly in our home continent, Africa, as well as Asia. BM aims to expand its market presence by entering Mogadishu-Somalia, Nairobi-Kenya, Djibouti-Djibouti, Riyadh-KSA, and the Dubai International Financial Centre (DIFC)-UAE.



### BM Presence in UAE

Banque Misr operates five branches in the UAE located in Abu Dhabi, Al Ain, Dubai, Ras Al Khaimah, and Sharjah. The branches offer a suite of products and services to a broad group of customers. BM UAE has distinct business lines such as Corporate, Retail, Financial Institutions (FI) and syndications, International Wealth Management (IWM), Global Markets, and Treasury, and Investment to ensure sustainability, diversity of revenue streams, a balanced portfolio, and a healthy mix of interest and fee income products.

BM UAE has transformed the corporate book by redirecting the target market and shifting the focus to lower-risk counterparties. Today, more than 50% of BM UAE corporate lending goes to governments and government-affiliated entities in the UAE and across the Gulf Cooperation Council (GCC) countries.

The book covers many sectors of the economy such as Power Generation and Water Desalination, Telecommunications, National Oil and Gas Companies, National Manufacturing Companies, District Cooling entities, etc.

BM Retail Banking Division develops a sustainable, diverse customer base with relatively low-cost deposits and operating accounts. The Retail Banking Division developed several market-leading account types as it has launched market awareness campaigns followed by targeted product marketing campaigns. BM employed a dedicated customer acquisition team following the launch of the online banking platform to attract customers and operate business accounts.

The Financial Institutions (FI) and syndications have a multipronged approach through providing correspondent banking services, supporting international trade solutions, and participating in FI facilities.

International Wealth Management (IWM) offers high net worth customers access to investment products such as treasuries and fixed income with attractive deposit rates. The IWM business also offers leverage financing opportunities.

Global Markets caters to our customers' needs for a range of hedging solutions such as interest rate hedges, commodity hedges, and FX hedges. The treasury line profitably deploys excess liquidity and runs the proprietary book of investments.

On the operational front, BM UAE continues to invest in developing its core banking systems. The bank launched an online banking offering and invested in data security and availability with mirrored live systems in alternative sites, bringing minimal backup and restoration time and developing banking systems integration and STP solutions.

In light of COVID-19, BM UAE activated remote working successfully without any delays. BM UAE made significant improvements to off-site archiving and is continually investing in automation and workflow systems.

BM UAE also established a Centralized Processing Unit to ensure that data and accounts are processed correctly, uniformly, and efficiently to focus on customer servicing and acquisition.

BM UAE recorded a profitability rate -in the form of Return On Average Assets (ROAA) - of 1.1% during 2019 and 0.6% in the first half of 2020. On the other hand, profitability rate in the form of Return On Average Equity (ROAE) was 10.6% during 2019 and 6.4% in the first half of 2020.



## BM Presence in Lebanon

Banque Misr Liban S.A.L (BML) has been operating in Lebanon since 1929. BML is one of the oldest banks in Lebanon and the third bank to be inaugurated in the country, even before its independence. BML has branches all over Lebanon and operates a representative office in Abidjan – Ivory Coast.

BML is a universal bank with a solid legacy and a modern outlook. BML offers a full range of Corporate, Commercial, Retail, and Treasury services, besides private banking services using the latest banking

techniques and the most discerning expertise. BML is licensed by the Capital Market Authority (CMA) in Lebanon to perform securities business activities, including dealing and custody services.

In December 2010, the bank established Misr Liban Insurance Brokers S.A.L (MLIB) to develop an integrated bundle of services, principally focused on bancassurance, to complement the Retail Banking line.

For more than nine decades, BML has been committed to developing the Lebanese economy and community. BML has recently been placing an increased emphasis on environmental issues. To raise awareness about the importance of sustainable waste management, BML recently launched a Recycling Program in collaboration with L'Ecoute, a non-profit association helping people with disabilities integrate in society and access the professional world.

BML is keen on encouraging better waste practices to guarantee a better tomorrow for future generations. At BML, giving back to the community has always been a core value. One of the most famous CSR initiatives by BML to date is the DAFA campaign, which promotes donations of basic needs like food, clothing, hygiene products, and other necessities to families and individuals in Lebanon who are living below the poverty line.

BML has been sponsoring this campaign since 2016, supporting 45,000 families in 2018, which has continued to increase to date.

Under the same scope, the second biggest CSR initiative to date is the collaboration with Hasan Dia, an athlete and hand cyclist with special needs and part of BML's program to support dreamers, who aim, act, and achieve. The program includes training, travel, and participation in competitions with the ultimate goal of reaching the Paralympics.

The COVID-19 pandemic destabilized the economy and disrupted lives, testing the resilience of the Lebanese people over the past 12 months. The COVID-19 pandemic and the restrictions it has brought to everyday life have proved the importance of digital banking and allowed previously reluctant converts to see beyond

traditional banking. After conducting a focused cost analysis, BML decided to close eight branches. FY 2019-2020 financial figures have dwarfed previous achievements due to the heavy provisions allocated on loans and sovereign portfolios, following the Lebanese Government's decision to suspend maturing Eurobonds' settlements, which affected the banks' profitability and increased non-performing exposures.

A new EGM and Board Member, Mr. Gaby Kassis, was chosen in September 2020, a seasoned high-ranking banker, presenting 50 years of valuable knowledge in various key positions and markets including Lebanon, Egypt, Jordan, Syria, and Iraq. Mr. Gaby Kassis was mandated to restructure BML and formulate a workable business model. The financial figures reveal a drop in the bank's total assets by around 13%, total deposits by 8%, and total loans portfolio by 40%. BML is among the first banks to have completed the Cash Contribution to Capital increase mandated by Banque du Liban, the central bank of Lebanon. BML continues to pledge adherence to regulatory requirements, high Corporate Governance standards, and strict risk management guidelines, all within an agile compliance environment.



## BM Presence in France

BM inaugurated its branch in 1922 in rue Danielle Casanova, formerly known as Rue Des Petits Champs, Paris, and it was relocated in 1984 to rue Auber, Paris. The bank is a member of the French Banking Association and operates under the supervision of the Banque de France.

BM-Paris promotes trade between Egypt and France in particular and between Europe and Middle East in general, where its trade finance volumes doubled in 2020 compared with 2019. The bank also hired a trade finance expert specializing in the African market to expand its activity to French-speaking Sub-Saharan Africa. BM's Paris branch also offers retail banking services to customers with ties to Egypt. Banque Misr Paris successfully processed over

USD 1bn of trade business throughout this unprecedented health crisis.

Staff safety and wellbeing have been a priority during the COVID-19 pandemic and lockdown periods. BM-Paris branch maintained a Business as Usual spirit while developing a digitized system including web banking, ANA credit, and trade finance software. The new digitized system is currently in the testing phase for launch in 2021.



## BM Presence in Germany

Following its successful endeavors in international markets, BM management decided to replicate its successful endeavors in international markets. BM management decided to open a subsidiary in 1992 in Frankfurt, Germany. The subsidiary was named Misr Bank - Europe GmbH (MBE). Currently, Banque Misr owns 84.75% of the subsidiary (74.75% directly and 10% through Banque du Caire).

MBE is considered the first and only Egyptian bank in Germany and Central Europe with a paid-in capital of EUR 60m. It also has a full banking license and is a member of the Association of German Banks. The Association of German Banks secures customer deposits at the bank.

The bank earned prominent memberships in many local, Arab, and international banking organizations, including the Germany-based Association of Foreign Banks, Employers' Association of the Private Banking Industry and the German Near and Middle East Association (NUMOV), Ghorfa Arab-German Chamber of Commerce, and Industry, along with the German-Arab Chamber of Industry and Commerce in Cairo and the Austro-Arab Chamber of Commerce in Vienna.

Today the business of MBE focuses on supporting clients engaged in trading activities between Europe and Egypt. MBE also focuses on clients investing in growth and sustainability projects in Egypt.



By concentrating on its strength in trade finance and guarantees, MBE outperformed during the long period of low-interest rates witnessed over the last few years. A modern core banking system and a forward-looking risk management concept also contribute to enhanced risk awareness.

MBE provides export finance products and insurance-covered financing for export receivables to Egyptian exporters. MBE also offers correspondent banking services to banks in Egypt and the Middle East. In addition, it provides finance and handles a range of exports from Egypt. In cooperation with the German-Arab Chamber of Industry and Commerce (GACIC), the bank has developed a tailor-made product to meet the requirements of Egyptian exporters that do business across European countries. MBE strives to be the main gateway for any business and investments in Egypt.

MBE contributed to a large volume of high-class assets in

syndicated loans and setting a highly liquid financial asset portfolio. In turn, this generates revenue that guarantees the steady flow of income and an increase in business volume, reflecting positively on the overall financial performance.

Given the increasing importance of sustainability-linked investments, MBE developed an ESG strategy that aims to increase the amount of environmental and sustainability-linked ESG assets to about 30% of the balance sheet over the years.

MBE managed the impact of the COVID-19 crisis on daily operations by flexible working solutions and focusing on the safety of the employees while keeping the bank running without disruptions. But the slowed economic growth across Europe and legal restrictions simultaneously impacted MBE. The Pan-European economic recovery is gaining pace now, and we will see a positive development ahead.

## Representative Offices

BM has founded four representative offices as a part of its expansion strategy. Currently, the bank operates representative offices in Guangzhou-China, Moscow-Russia, Seoul-Korea, and Milan-Italy. BM's representative offices engage in non-transactional business activities to support bilateral trade and seize untapped investment opportunities. BM representative offices play an incremental role in engaging with various institutions and correspondent banks. The main business activities of BM representative offices include:

- ◆ Build relations and liaison financial activities with state-owned and private banks, financial institutions, companies, organizations, and institutions
- ◆ Utilize business opportunities for BM branches and units in Egypt, the UAE, Lebanon, France, and Germany, which provide a comprehensive range of products and services, including trade finance (letters of credit, letters of guarantee, and collections), payment orders, transfers, corporate credit, etc
- ◆ Reinforce relations between BM and correspondent banks
- ◆ Handle market research and analysis

## BM Online Reach

**Banque Misr** (BM) continuously seeks to modernize and develop its digital marketing channels. The bank is the first to be ranked on all social platforms. BM tops viewership lists for official banks on YouTube, where the total number of views on its official YouTube channel surpassed 241m.

BM also is the first and only bank in Egypt to receive the Silver Play Button award from YouTube (Google), whereby the number of subscribers to its channel currently stands at 265 thousand.

BM ranks the first on the list of banks on Facebook, with 4.89m followers on its official page, 76.6 thousand followers on Twitter, and 94.1 thousand followers on Instagram.

Banque Misr constantly revamps and updates its website locally and recently added a loan calculator feature. The BM website features an electronic GPS via Google Maps, enabling customers to locate BM branches and ATMs all over the country. The website also highlights all products and services information. The website further has an online career portal, where individuals can apply for job vacancies online.

Stemming from BM's belief that technology is crucial to improve and enhance services, the bank develops its technological infrastructure using the latest international trends and launches new, innovative, and convenient solutions.

### Customer Communication Channels

BM extends its electronic banking service offerings beyond the conventional branch network. Aside from traditional channels, the bank offers self-service banking channels with a human touch, such as Chatbot and WhatsApp service.

#### Chatbot

The auto assistant service, Chatbot, is available 24/7. The service provides the most effective solutions to analyze customer inquiries through a deep look into the data. Within three months, the service was offered at an average of 16,000 calls per month, representing 79% of the total customer calls.

#### WhatsApp Service

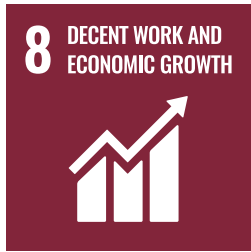
BM launched the "WhatsApp for Business" service to serve customers around the clock. This technology contributes to diversifying the means of communication with customers, which helps to achieve further success and advancement by improving operations and reinventing business models. Customers are now able to conduct an interactive dialogue at all times without queuing. BM is the first bank in Egypt to launch this service, cementing its pioneering stance in the domain of digital transformation.

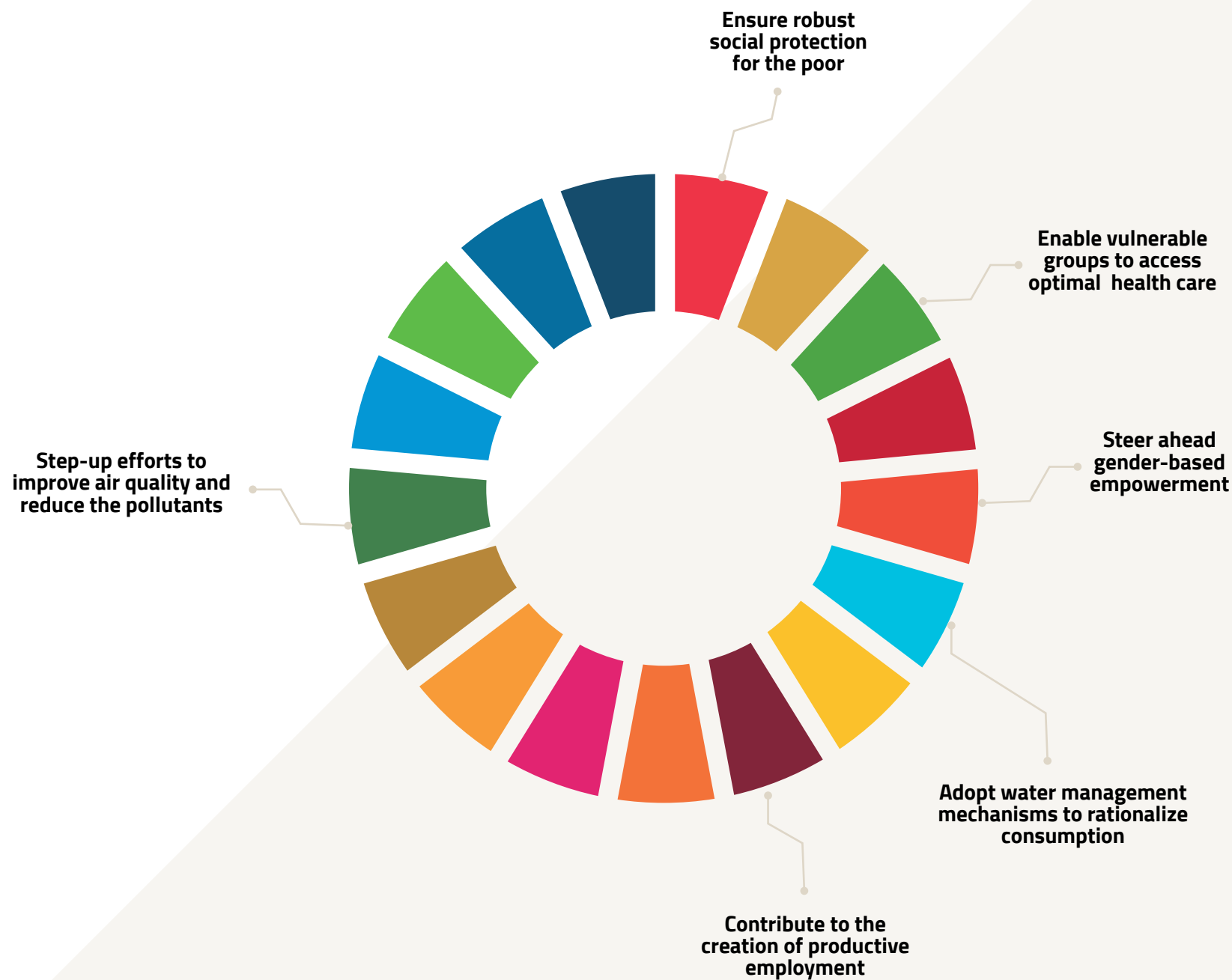
#### BM Call Center 19888

It's considered one of the bank's key communication channels with customers and can be reached 24/7 via the hotline 19888. BM has developed a system of Interactive Voice Response (IVR) service, which enables customers to enjoy conducting many banking transactions easily and safely seamless services.

# BM Focus on the SDGs

BM aligns with the United Nations (UN) 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals. In the next five years, our focus will remain on causes in which we can make a powerful impact in terms of community welfare. The below icons illustrate our areas of focus related to the SDGs.







## No Poverty

1

BM demonstrates a genuine commitment to eradicating extreme poverty and enhancing the living conditions of vulnerable groups and slum dwellers. BM's poverty mitigation approach has been substantially incorporated into its CSR strategy, driving inclusive and gender-responsive development goals in the neediest villages.

To further ensure robust social protection for the poor, BM released Amman certificates. In response to COVID-19, BM participated in a cash subsidy scheme aimed at seasonal workers. BM also fostered a post-COVID-19 recovery plan through digital financial inclusion, taking it upon itself to upgrade the microfinance services and expand the client base of this portfolio to create job opportunities and achieve self-sufficiency.



## Zero Hunger

2

BM brings forward food security and sustainable agriculture as an overarching target for prosperous communities. BM's efforts towards this goal are interconnected with its CSR activities related to developing urban areas. As part of its role in this regard, BM invests in companies that work in the agriculture and food industry to ensure national self-sufficiency and promote exports, including El Salhiya Company for Investment and Development, a BM affiliate, which operates in livestock, and poultry production, covering an agricultural area of 21 thousand feddans, with a capacity of 105m eggs per year.

BM also launched various projects, including ENTELAKA and the model village projects. The projects aimed at enhancing the quality of life in the neediest villages by maintaining the genetic diversity of seeds and cultivated plants, promoting efficient irrigation techniques, and developing the farmers' skills and knowledge about the modern methods of livestock rearing.



## Good Health and Wellbeing

3

BM's commitment to delivering prosperity aligns with its deliberate efforts to improve overall community health. Smoking bans in closed workspaces contributed to mitigating smoking-related illnesses and leveraging employee productivity. Additionally, BM achieved remarkable progress concerning the wellbeing of its employees not only through the healthcare coverage but also through the launch of its Green Branches project.

An integral part of BM's CSR strategy entails enabling the vulnerable groups to access optimal healthcare in line with its encapsulated in its fully inclusive CSR strategy. BM's deliberate efforts to maintain community wellness include support for health projects. Besides, BM hosts awareness and health campaigns. With the rise of the COVID-19 pandemic, BM applied preventive measures to reduce the impact of the pandemic.



## Quality Education

4

BM entrenches inclusive education opportunities in its sustainability strategy to foster a prosperous future for the coming generations.

BM's CSR strategy focuses on eliminating gender disparities in education via upgrading education facilities and ensuring equal access to education and vocational training for the vulnerable through educational grants and training opportunities.

BM delivers on sustainable lifestyles, human rights, and gender equality by fostering a culturally diverse and peaceful working atmosphere and further initiates efforts to enhancing financial literacy and entrepreneurial skills among the youth.





## Gender Equality

5

Concerning women empowerment, BM establishes a robust corporate leadership for an equitable work environment. The bank steers ahead education and gender-based empowerment, along with banning any discriminatory practices against women. To mark the International Women's Day, it held educational and athletic events, in addition to partaking in a celebration held by Businesswomen of Egypt 21.

BM also signed an agreement with the International Finance Corporation (IFC) to integrate female entrepreneurs into the formal economy. BM also allocated EGP 10m for the Bahia Foundation for Early Detection and Treatment of Breast Cancer to ensure better health care for women. It also offers rehabilitation and vocational training opportunities for female breadwinners living in slums.



## Clean Water and Sanitation

6

Banque Misr plays a prime role in harnessing the efficient usage of natural resources. Hence, it implemented the water conservation technique for saving water through sensor taps in most of its branches, including the green branches, reducing water usage by 23.5%.

BM also supports the national efforts towards safe waste disposal to ensure adequate and equitable sanitation and hygiene for all. BM financed the construction of a desalination plant in El Robiki Leather City project. The bank also allocated funds to ensure access to clean drinking water in slums and the neediest villages.

BM's agricultural affiliate, Al Salhia Company also applies water recycling and reuses technologies and drip irrigation systems to ensure optimum water-use efficiency.



## Affordable and Clean Energy

7

BM supports national and international moves for affordable and clean energy resources. Applying cost-effective energy systems has been an instrumental factor to offset the bank's carbon footprint besides the green funds to decrease greenhouse gas emissions.

BM applies energy-efficient LED and variable refrigerant volume (VRV) technologies in its branches to ensure safe waste disposal and a better ecological footprint.

In a further step to promote the use of renewable and sustainable energy resources, BM tapped the solar energy potential not only by financing mega facilities and energy projects but also by offering loan schemes for residential solar panel systems.



## Decent Work and Economic Growth

8

BM adopts a mission to propel economic growth through cross-sector development projects. The bank took the lead in offering the best banking services and fostering international-level trade ties, besides stimulating entrepreneurship. In cooperation with its foundation, it puts up decent and inclusive job creation, especially for the youth and the most vulnerable groups.

BM was awarded Best HR Strategy – Egypt in 2020 for its efforts in spurring creativity and innovation among its inclusive workforce through fair working ethics and ongoing professional training.

BM strives to contribute to the creation of productive employment and a decent work environment. These efforts are supported by integrating a responsible code of ethics for BM suppliers to protect labor rights and ban discriminatory practices.



## Industry, Innovation and Infrastructure

9

Sustaining economic development and human well-being is fundamentally interlinked with the responsibility undertaken by BM as a prominent national bank, mainly contributing to the national GDP. BM stepped up in supporting the entrepreneurial ecosystem through its exponential expansion in SME finance and microfinance. It also strengthened the swift recovery of the real-estate sector in Egypt despite the COVID-19 repercussions.

On the other hand, BM's green premises significantly contribute to climate-resilient infrastructure via recently adopted clean and environmentally sound technologies. BM's role in fostering various industrial sectors has been a significant stimulus to scientific research initiatives, including a BM and Microsoft MoU to build an Open Innovation Program to support FinTech start-ups in Egypt.

BM was named Innovative Digital Bank of the Year in MENA for 2020 and the Best Partner Bank for Small and Medium Enterprises in Egypt for 2020 by The European Magazine.



## Reduced Inequalities

10

Ensuring that no one is left behind has been one of the essentials of BM's strategy for achieving social and economic inclusion for youth, women, and the most vulnerable groups.

At an earlier stage, BM scaled up its socio-economic commitment on the local or international levels to gain the credibility of being a reliable and responsible financial institution.

BM applies a fair and transparent remuneration and payroll system. In addition to supporting the freedom of association and collective bargaining, BM always spurs digital financial inclusion for women, youth, and people with disabilities.

BM's code of ethics bans any discriminatory practices based on race, gender, ethnicity, origin, religion or economic, or another status.

BM also supports Egyptians living abroad and attends to their financial needs to integrate them into the national economy, equally as Egyptians residing in the country through offering various programs and services.



## Sustainable Cities & Communities

11

Improving the living conditions of slum inhabitants is considered the gateway to prosperous communities. BM leads efforts that mitigate direct economic losses and accelerates the post-pandemic recovery.

BM also exerts relentless efforts in enhancing the living conditions for the underprivileged residents of slum areas. BM finances national projects that promote ecological sustainability, including Bashayer El Kheir Housing project and Al Asmarat project to ensure decent living conditions for people previously living in slum areas.

One of BM's notable efforts to lessen the negative ecological impact has also been establishing green branches, not to mention its green financing schemes, to extend its contributory role regarding the transition to sustainable cities.



## Responsible Production & Consumption

12

Resource efficiency is of utmost importance for BM's sustainability strategy to ensure responsible consumption and production to contribute substantially to poverty alleviation and the transition towards green and low-carbon economies, in line with international standards.

BM always exerts stepped-up efforts to improve air quality and reduce the pollutants effectively through BM's newly-launched Green Branches project, which will save on building materials, ensure safe waste disposal, contribute to paper reduction, and eliminate commute-related CO<sub>2</sub> emissions.

The Green Branches Project embraces waste reduction practices at all levels without disruption to the bank's mandatory activities and operations. The project also involves plans to facilitate the transition to more sustainable behaviors. These adopted practices shall increase resource efficiency and promote more environmentally-friendly lifestyles.



## Climate Action

13

BM works relentlessly to reduce greenhouse gases and respond to climate change. BM joined the United Nations Environment Programme Finance Initiative (UNEP FI) as a signatory in this respect and carried on consistent climate-friendly efforts in line with Egypt's Vision 2030, Paris Climate agreement, and UN SDGs.

BM adopts a mission to propel green economic growth through offering sustainable solutions, including funding renewable energy and environmentally friendly projects that reduce carbon emissions and accelerate a low-carbon economy.

BM complies with international standards to decrease its footprint and carbon emissions through its Green Branches project. The project reduces heat by adopting mechanical cooling and non-energy intensive solutions, which entails appropriate material selection, maintaining proper window ratios, and utilizing shadings. Besides, all equipment selection and appliances have a low carbon emission specification to decrease GHG emissions.



## Peace, Justice & Strong Institutions

16

BM's sustainability strategy and governance structure have accentuated the purposeful integration between sustainable development and building up peaceful, accountable, and inclusive communities.

Accordingly, BM's code of ethics urges its stakeholders to step up to protect fundamental freedoms, eliminate all forms of violence, end all forms of exploitation and trafficking against children, including hiring individuals below the legal minimum age for employment.

BM also enforces non-discriminatory standards to uphold an equitable and participatory decision-making process to ensure accountability and transparency at all the bank's operational levels.

BM enforces regulations and policies for combating any forms of illicit gains, corruption, and terrorism to guarantee justice across all operations.



## Partnerships for Goals

17

Under its slogan "Working Together for Prosperity," BM allocates funds to generate investments that drive gross national income and domestic product.

Additionally, BM broadens its cooperative role through local and global partnerships to strengthen fair trade practices and promote sustainable communities.

Besides, BM fosters collaborative efforts utilizing effective public, public-private, and civil society partnerships to drive economic growth, boost innovation, increase employability, and extend capacity building as critical pivots for national progress.

**SUSTAINABLE  
DEVELOPMENT  
GOALS**





Medhat Yakan,  
Talaat Harb, and Fouad  
Sultan during the  
inauguration of BM branch  
in Damanhour- May 1934.



## Sustainability Approach

Driven by its first mission, Banque Misr's full compliance with the best sustainability practices at a very early stage has been reinforcing its distinctive leadership position in the markets where it operates.

Despite global COVID-19 setbacks, Banque Misr strategically capitalizes on sustainability performance to deliver on the targets as envisioned by the UN's 2030 Agenda and prominently prioritizes the Sustainable Development Goals (SDGs) adopted regarding its substantial socioeconomic and ecological impacts. Working together, we further integrate the principles of good governance across the bank's operations.

Complementary to its customer-orientated strategy, BM's robust ESG practices and agile approach considerably strengthen its commitment to the UN's Global Compact Principles, GRI Sustainability Reporting Standards, the Principles for Responsible Banking under the United Nations Environment Programme Finance Initiative (UNEP FI), and Egypt's Vision 2030.

Banque Misr always pays heed to responsible governance practices, remarkably taking part in versatile initiatives locally and globally towards stable and prosperous communities. Even with the onset of the pandemic, Banque Misr maintained optimal service quality and customer satisfaction, and safety.

BM also pioneered the digital banking transformation to achieve inclusion and fulfill stakeholders' demand and future expectations via the latest FinTech innovations with a broader focus on rational resource consumption and waste management. Further, Banque Misr goes the extra mile through various green investments.

Sustainability has been a rewarding catalyst for Banque Misr in terms of long-term business growth. BM's sixth sustainability report transparently illustrates BM's business practices in full compliance with either local or global standards for sustainability, as articulated in BM's well-established mission. BM's multidisciplinary efforts towards sustainability, herein, are covered in depth.

About This Report

A Century-Old Institution

Business and Strategy

Sustainability Approach

Corporate Governance

Operational Performance

Financial Performance



## Material Topics

**Banque Misr (BM)** regularly evaluates its Economic, Environmental, Social, and Governance (ESG) efforts through fostering a systematic annual dialogue with its stakeholders. Understanding the relevant issues allows the bank to direct its efforts to what matters the most.

In this respect, the bank carries out comprehensive materiality analysis and incorporates it into its operations, due diligence, strategic planning, and ESG efforts. Through the materiality analysis, the bank identifies its areas of strengths and weaknesses to outline its future sustainability-related decisions and investments.

BM communicates its non-financial performance in its Annual Sustainability Report, using the GRI Sustainability Reporting Standards. BM disclosures further endorse the United Nations Global Compact (UNGC) Principles and support the UN Sustainable Development Goals (SDGs), and the Responsible Banking Initiative launched by the United Nations Environment Programme Finance Initiative (UNEP FI).

BM identifies relevant trends and ESG issues by studying expert reports on global trends. BM discloses its performance annually. These assessments and disclosures are carried out in collaboration with the bank's business partners, customers and employees, government entities, suppliers, and the local community.

Banque Misr always conducts an annual assessment to identify topics that are essential to its approach to sustainability. BM's employees, including the senior executives, have an essential role in the materiality assessment process, as they significantly contribute

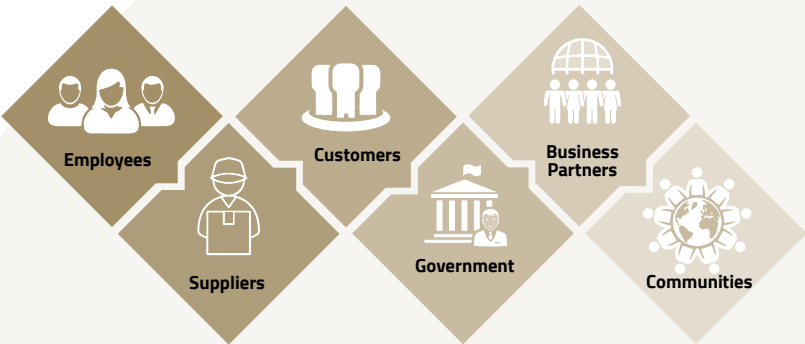
to determining the bank's performance and strengthening its market's strategy. BM's board of Directors, C-suite officers (CEO, CFO, and COO), and heads of divisions are responsible for ensuring that the bank's strategy embeds the management of sustainability issues, the long-term values of the bank's insightful vision, and the perspectives of its mission.

Materiality assessment also integrates inputs from external stakeholders. BM is keen to strategically partner with local and global institutions. These partnerships not only widen business platforms but also lay the foundation for a sustainable future. The bank also ensures retail customer engagement and alignment with the Egyptian government's agenda for sustainable development.

BM community stakeholders include non-governmental organizations, civil society organizations (CSOs), syndicates, UN agencies, associations, and community-based organizations (CBOs) that have an explicit social mission. BM community stakeholders know the needs and challenges of the individuals they represent and work in their best interest. As such, they have a significant role to play in achieving sustainability.

# Stakeholder Engagement

BM interacts with its array of stakeholders in its everyday business through a full range of interconnected channels to evaluate, reinforce, and prioritize sustainability goals in an authentic, transparent, and credible manner. BM uses several integrated internal and external channels to reach various stakeholders. Aside from the BM Annual Sustainability Report, BM reaches external audiences with engaging content published on its website and disseminated to the media in addition to launching Television Campaigns. The bank also engages with the government by participating in different initiatives. The bank further takes part in related industry platforms and forums. The bank also utilizes digital tools such as videos, graphics, and images to maximize engagement with external audiences on social media. Besides, the bank internally engages employees via an internal website (Intranet) and quarterly magazine.



Based on an annual evaluation, the below material issues are identified as the most relevant issues. In this report, BM addressed the issues raised in a wide range of ways throughout the report.

## Selected Topics for FY 2019-2020

### Economic Impact:

- ◆ Digital Transformation
- ◆ Cybersecurity
- ◆ Financial Inclusion
- ◆ Employment and Job Creation
- ◆ Risk Management

### Environmental Impact:

- ◆ Material Recycling
- ◆ Reduction of Energy Consumption
- ◆ Reduction of Water Consumption
- ◆ Reduction of Greenhouse Gas Emissions

### Social Impact:

- ◆ Equity and diversity
- ◆ Poverty Alleviation
- ◆ Health and wellbeing
- ◆ Education, training, and building capacities

### Governance Impact:

- ◆ Anti-corruption
- ◆ Code of Conduct
- ◆ Whistleblowing
- ◆ Remuneration

## Employee Empowerment

**Banque Misr** (BM) recognizes that a professional workforce determines future endeavors on the cusp of a new century of progress. BM employees are deemed a valuable asset for bolstering a long-standing framework for organizational excellence. Employee equity, workplace wellness, and supportive culture are the main pillars to achieving the BM sustainability goals.

BM ensures a positive culture with shared values to reinforce a deep sense of loyalty and ownership among its employees. The bank harnesses this positive work environment by essentially endorsing diversity, equity, and inclusion.

BM is exerting every effort to empower employees and build a high-performing workforce. Not only is BM keen to upskill its staff to ensure optimum performance, but also it brings every opportunity for professional development to cope with the global evolution throughout their career. BM strategically invests in developing employees' capabilities and equipping them to be tomorrow's leaders. The bank also hires a diverse workforce that fosters better engagement and productivity.

BM reinforces its organizational structure by retaining a highly talented workforce, ensuring high career satisfaction, enhancing internal communication, and maintaining a transparent succession and remuneration plan. The bank has established effective staff

accountability frameworks while ensuring integrity and transparency in providing the performance assessment and upward feedback system.

BM employees should show full compliance with BM's code of ethics and accountability standards. They should optimize their commitment to quality performance even during the most critical timing and attain common ground on offering the best to existing and potential customers.

Recognized internationally as a responsible bank, BM always maintains its pre-eminence in ensuring healthy and safe work conditions as a fundamental human rights aspect.

Providing healthy and safe work conditions is a main target for BM and aligns with the sustainable development goals (SDGs), adopted by the United Nations (UN), as part of the 2030 Agenda for Sustainable Development.

## Workforce Inclusivity

### Foster Talents

Building a diverse workforce that reflects BM's culture is essential to offer the best services to a large customer base and an inclusive workplace that values difference. BM strives for equality and diversity to eliminate discrimination based on age, gender, sexual orientation, religion, or ethnicity.

In 2020, the average age of employees went down to 34 years, from 44 years in 2005. The bank ensures fair recruitment practices through three key channels. The first channel comprised 10 employment fairs that we participated in throughout the FY 2019-2020. We were also keen on having BM employees fill vacancies internally. Accordingly, the second channel announced 79 job vacancies in 26 internal adverts. The third channel included 18 external adverts in the same year.

Moreover, BM launched a cooperation protocol with Beni Suef University and Sinai University to establish an initiative for providing summer internships and employment opportunities for university students and fresh graduates. In addition, it offers specialized credit courses and training initiatives in cooperation with various entities, including the Egyptian Banking Institute (EBI).

### Gender Parity

BM prioritizes the integration of gender equality into its organizational structure. For BM, women empowerment is essential

for maintaining its corporate leadership. The bank consolidated its efforts towards reducing the gender gap and eliminating gender inequality. BM achieved greater female representation this year. In this regard, the percentage of female workers rose to 36.9% from 34.61% in 2019. BM also supports achieving a healthy work-life balance for its employees as an additional incentive. Thus, it offers them recreational activities. During 2020, BM offered maternity leaves to 831 female employees, in addition to child care leaves to 1,134 female employees.

Further, BM offered emergency leave for working mothers of children under 12 years during the outbreak of the COVID-2019 pandemic. BM also offered emergency leave for employees of both genders with special needs or who care for vulnerable dependents. Additionally, the bank approved emergency leave for male and female employees with chronic diseases: heart disease, renal disease, liver disease, respiratory system, immune deficiency, and tumors.

### Disability Inclusion

The bank is committed to hiring people with disabilities and developing their skills. The bank's recruitment process assesses the type of disability and the candidate's abilities to give them adequate roles that will effectively tap into their unique sets of capabilities and expertise.

## Workforce Advancement

Every aspect starting from hiring to training and developing leadership skills aims at generating more emphasis on positioning BM as the employer of choice. The bank effectively balances and rebalances the skill set of employees against its strategic objectives and aligns individual goal plans with these objectives. BM constantly offers opportunities for career development and advancement, aiming to boost employees' engagement rates. The bank encourages employees to leverage their professional skills (technical and personal) to enrich their career paths and attain leadership roles in the future. Amid the COVID-19 pandemic, BM provided digital and online training programs for its employees via video conferences. In total, BM offered 489 training programs comprising 32,647 training sessions of 607,240 credit-hours for 18,100 employees. The bank launched many learning and developmental initiatives and programs this year, on top of which are:

### BM On-Boarding Program

BM continues to enhance its on-boarding program for new hires by giving them the latest and most comprehensive information to execute their jobs properly. The new program offers an overview of the bank's heritage, commitment, and future endeavors. The program outlines the activities and training that the recruits will undergo. The program provides them with a valuable engagement channel that fosters a positive work environment through a blended learning approach using new techniques, including in-class and outdoor activities, business simulation, and coaching techniques, and ending with a visit to the BM Museum.

### Ta'alam Initiative

BM continues in one of the most successful initiatives launched last year, Ta'alam (Learn), a self-teaching program aiming to

support employees in their career development and fulfill their career aspiration. The initiative inspires self-development through several online tools and programs. Moreover, it ensures alignment between the strategic goals and objectives of the bank and individuals to improve annual business results and enhance employee satisfaction and engagement.

### BM Learning Academy

BM launched last year the first curriculum of its learning academy and finalized all 21 different new schools that tailored in-house learning paths for various divisions of banking and non-banking topics. The academy offers curricula divided into four stages, tailored for junior levels up to senior management levels. The academy provides specialized tracks, programs, and certifications at each stage linked directly with employee's career paths and growth inside the bank.

### Harvard Business School Leadership Track

The annual initiative enables senior executives to enroll in a comprehensive leadership program offered by Harvard Business School. The initiative aims to acquire the best practices when it comes to management and strategic planning. Under the program, BM provides an opportunity for senior executive-level employees to attend a comprehensive leadership program at Harvard Business School to obtain the best practices in leadership, planning, and formulating strategies. The initiative stems from the bank's deep belief in investing in top-ranking executives who are the main catalyst for future breakthroughs.

### BM Knowledge League

BM designed this program to tap into the power of gamification by taking game techniques such as missions, points, badges, and



leaderboards-and incorporating them into work practices. The Knowledge League aims to develop employee understanding of the bank's mandatory topics such as regulations, code of conduct, and technical banking processes. Employees can participate in individual and team-based competitions. The program drives employee engagement by offering prizes, awards, privileges, and recognition for the highest scores. A total of 2,500 employees participated in the program.

### **BM Rowad Online Summer Training Program 2020**

Outfitting the next generation of young students to establish rewarding career paths in the banking sector through the summer training schemes is one of BM's strategic objectives. The Rowad Online Summer Training program featured more than 50 thousand students on the BM online platform.

### **BM Management by Objectives System (MBO)**

BM adopted a strategic management system to improve performance. It clearly defines objectives by both management and employees and establishes Key Performance Indicators (KPIs). It aligns numeric performance ratings, technical goals, and core corporate values. The system includes a managerial section for senior-level management. The model emphasizes transparency, planning, and fair chances for all employees to perform their jobs better, in line with a wide-scale evaluation process that ensures equal opportunities to learn and work through a clear vision towards annual objectives.

### **BM Successors Academy**

Designed to identify, develop and retain potential successors who can assume high-rank positions. The academy offers high-tier programs, including the Future Leaders Program in collaboration

with the Egyptian Banking Institute (EBI). The program enhances participant expertise through mixed learning methodologies, including in-class training, seminars, online training, case studies, and study tours to prepare them for future roles. The program seeks to attend to participants' individualities and equip them with firsthand experience.

### **Succession Planning & Talent Management Processes**

As part of the annual enhancement of the talent management initiatives, BM introduced a revamped talent and succession planning process to develop the next generation of leaders, emerging from the second and third lines of employees. The program builds ready-to-act successors who are perfectly aligned with BM corporate values and guiding principles. During FY 2019-2020, BM built a steady and reliable pipeline of 67 senior managers with 18-month development plans and Individual Development Plans (IDPs). The "placement and career development phase" took place throughout 2020.

#### **Talent Hub**

Designed to identify, develop and retain young stars in different divisions who differentiate themselves from their peer groups through their distinct ambition, eagerness to learn, independence, creativity, and intelligence, and who demonstrate clear growth potential. Through BM Talent Hub, 204 potential talents were enrolled in a comprehensive development track for three years over three different phases. These phases will focus on equipping our employees with all relevant banking and non-banking skills. These skills prepare them for future opportunities that align with BM's corporate goals as well as their aspirations and career ambitions.

## Positive Work Environment

Banque Misr (BM) ensures a positive and proactive work environment, which in return reflects a high rate of employee satisfaction and a low turnover rate. A positive work environment is essential to developing a high-performing workforce. Our employee turnover rate, including the voluntary turnover from retirement, reached 1.1% during FY 2019-2020. During the same year, a total of 2531 new hires joined the bank.

BM provides comprehensive benefits programs to its employees for them and their families, including:

### Easing Burdens

BM employees can easily receive loans, which are offered as support to bridge their financial gaps in times of emergency. Banque Misr provides various loan options tailored especially for its employees. During FY 2019-2020, BM provided interest-free cash loans to employees to help their families (parents) who do not have health insurance schemes.

### Appraisal

BM brings a sense of accomplishment to its employees for every achievement. The bank adopts the best performance appraisal practices to foster a sense of loyalty and pride among its employees.

### Financial Benefits

BM appreciates employees for their initiatives and efforts. Banque Misr sets a competitive salary structure based on global standards to retain the best talents. It also offers its employees performance-

based incentives and benefits packages to optimize the best performance.

### Medical Benefits

BM is committed to sustaining occupational health and safety. BM employees also have a fundamental role in advancing, executing, and assessing the bank's occupational health and safety policy, management system, and programs appropriate to the bank's size and activities.

BM offers a health care insurance program covering 100% of its employees and retirees. The insurance program covers charges for in-network health care providers and out-of-network medical providers for urgent cases based on a case-by-case report issued from BM's medical committee. BM contracted with medical specialists, doctors, hospitals, laboratories, and pharmacies to cover employee medical needs.

BM efficiently took pre-emptive actions and immediate prevention measures upon the COVID-19 outbreak. BM adopted rotating shifts that reduced headquarter and branch capacity to protect the workforce and to prevent all employees from falling ill at the same time. The bank also reduced working hours to six hours per day after obtaining consent from the Central Bank of Egypt (CBE). BM also banned travel overseas or between Egyptian cities for any reason. Employees who traveled outside the country took a two weeks' leave upon their return and had to undergo a medical checkup before returning to work. The bank moreover adopted strict safety standards to ensure that employees are safely returning to the office. The bank further adopted a vaccination program for its employees in Egypt and the UAE.

The value of employees' medical care coverage netted about EGP 497m during the period from July 1<sup>st</sup>, 2019 to December 31<sup>st</sup>, 2020, including the charges of COVID-19 medical costs. Raising health awareness has also been a priority for Banque Misr over the past years. The bank held many seminars on various health-related issues including, hepatitis C, COVID-19, and smoking.

## Wellness Benefits

### Leisure

Moreover, BM's employees are eligible for recreational and leisure options, such as traveling and social activities. The total cost of the leisure trips that Banque Misr participated in during the period from July 1<sup>st</sup>, 2019 to December 31<sup>st</sup>, 2020 is EGP 8.58m for 22 different trips and 2,240 employees. The bank renovated Talaat Harb Club and established its New Cairo leisure and sports club.

### Sports

BM further funds employee sports tournaments and other activities, amounted to EGP 7m by the end of June 2020. For the first time, Banque Misr won the second-place shield in the Republic Championship for companies established in Port Said for 2020.

BM organizes football tournaments periodically in the Islamic holy month of Ramadan and Easter holidays and encourages employees' participation. BM also hosts similar volleyball, table tennis, chess, basketball, swimming, squash, and futsal tournaments.

Banque Misr participates in all competitions organized by the Egyptian Companies Sports Federation through the involvement of sports teams in various sporting activities, whereby it achieved advanced positions led by the bank's sports coaches, with the strong support

of the senior management. Banque Misr's five-a-side football team has won the Inter-banks Football Tournament League, held on the football pitch of Talaat Harb Club under the patronage of Egypt's Central Bank Governor, Mr. Tarek Amer. The football tournament witnessed the participation of a large number of Egyptian banks. BM's team successfully won the tournament league after participating in 26 games without defeat.

## Post-Retirement Benefits

Banque Misr seeks to reward the dedication of its employees after retirement. Thus, it conducts periodical actuarial studies following Egyptian accounting standards and the Central Bank of Egypt's regulations to evaluate its post-retirement offerings. BM demonstrated steady growth in post-retirement benefits from EGP 34bn in 2010 to EGP 1,787bn on December 31<sup>st</sup>, 2020.

## BM Transportation Service

BM provides transportation services from accessible landmarks, where employees can be picked up and dropped off at the end of the day. The service offers the convenience of not having to face driving in traffic each morning and allows BM employees to sit back, relax, and prepare for the workday ahead.

## Collective Bargaining

BM always underscores the importance of fair labor practices and satisfactory working conditions for all its employees. In this regard, it enacts its commitment to respecting labor rights principles as stated in the UN Global Compact Principles and the Egyptian Labor Law, including those related to the rights to freedom of association

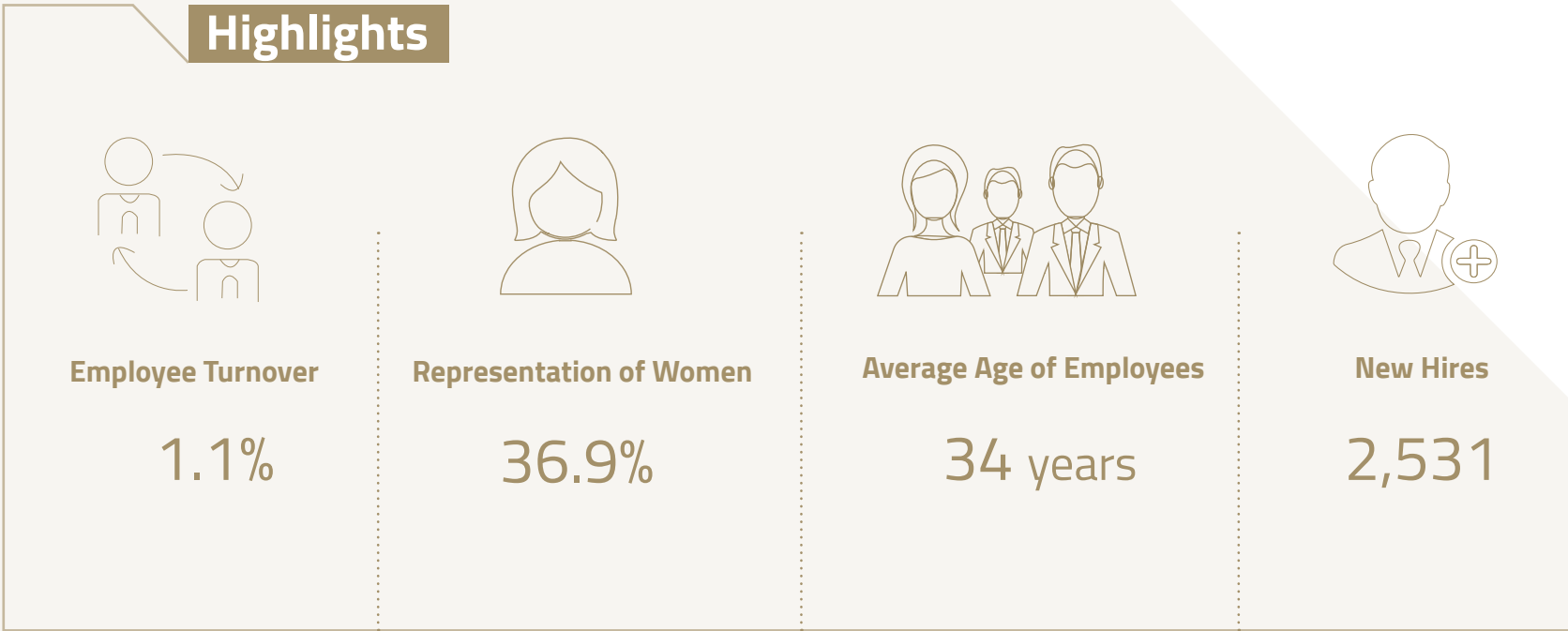
and collective bargaining, as those effectively contribute to sustainable business growth. Therefore, the bank empowers employees to voice their concerns and express their insights about better working conditions through interactive communication channels. Further, BM employees are also allowed to exercise their rights to associate, join, form trade unions, or refrain from any of these activities without fear of reprisals, retaliation, or threats of any sort. BM voluntarily confers in good faith with the employees' union representatives.

Voluntarism

BM's corporate culture does not merely entail its fundamental role in revitalizing the economy. Corporate volunteering activities, either individually or collectively, are more likely to elevate the sense of loyalty among BM employees, in addition to improving

team productivity. BM workforce always shows a great willingness to engage constructively in community development and social wellbeing, targeting a more promising future for their societies.

BM employees always get involved in various volunteering and philanthropic activities, which have multifaceted impacts on community development, including blood donation campaigns, school painting initiatives, distributing gifts to school students, donation campaigns for the Egyptian Clothing Bank, annual orphan day celebrations, site visits for the bank's CSR activities, and supplying medical equipment campaigns for Abu El-Rish Pediatric Japanese Hospital, and a hospital in Fayoum City. After the COVID-19 pandemic, BM halted the on-site volunteering activities and gatherings to ensure the safety of employees and beneficiaries, in line with the COVID-19 prevention measures applied nationally and internationally.



## Remuneration

**Banque Misr's** remarkable local and global leadership is considerably attributed to the efforts exerted by every employee. Employees' loyalty influences BM's strategy, long-term financial success, and favorable growth rate. Thus, Banque Misr always focuses on generating job satisfaction through salary benchmarking and performance-based incentives. BM's remuneration policy consolidates transparency and equity for the entire hierarchical structure. BM abides by the Central Bank of Egypt's regulations governing payrolls and peer benchmark to strengthen its corporate governance and internal control.

Performance-based compensation is at the heart of BM's remuneration policy. The average monthly net remuneration value of BM's 20 top-level managers amounted to EGP 288 thousand in June 2020 and reached EGP 372 thousand during the period from July 1<sup>st</sup>, 2019 to December 31<sup>st</sup>, 2020.

BM's average monthly net income for entry-level employees stands at EGP 5,500 in 2020. The average annual cost allocated for employees regarding wages and benefits rose to EGP 314.98 thousand in June 2020 from EGP 286.8 thousand compared with the same period in 2019. The average annual cost for employees increased to EGP 479.6 thousand on December 31<sup>st</sup>, 2020.

The executive directors' salaries are benchmarked against comparable roles in peer banks. All employees' salaries are determined based on their professional experience and market standards.

BM's Remuneration Committee ensures an effective remuneration structure and policies for all BM's employees. It identifies targets for salary schemes, performance-related remuneration packages, and post-retirement benefits.

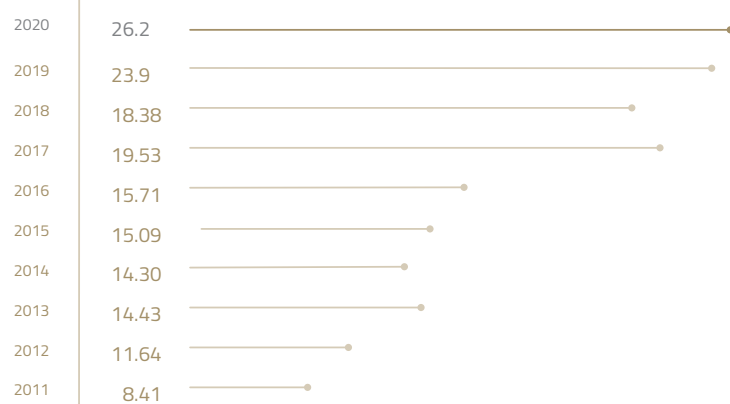
The Committee primarily focuses on reinforcing integrity, transparency, fairness, and responsibility embedded in the bank's mission, vision, and long-term strategy. It conducts an annual assessment of its policies and market fluctuations. The Committee also assesses performance indicators to achieve higher performance quality aligning with BM's strategic sustainability objective.



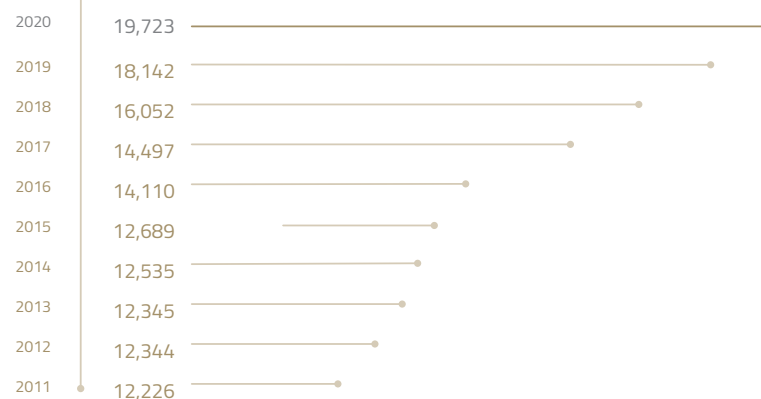
## A Ten Year Performance Review

### Average Monthly Cost Per Employee

Amount in EGP Thousand

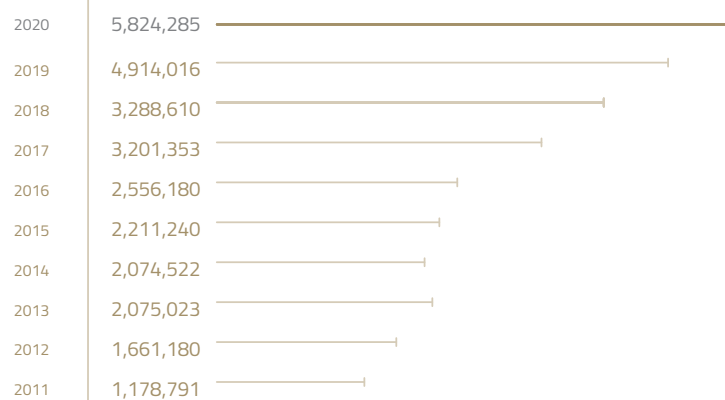


### Number Of Employees



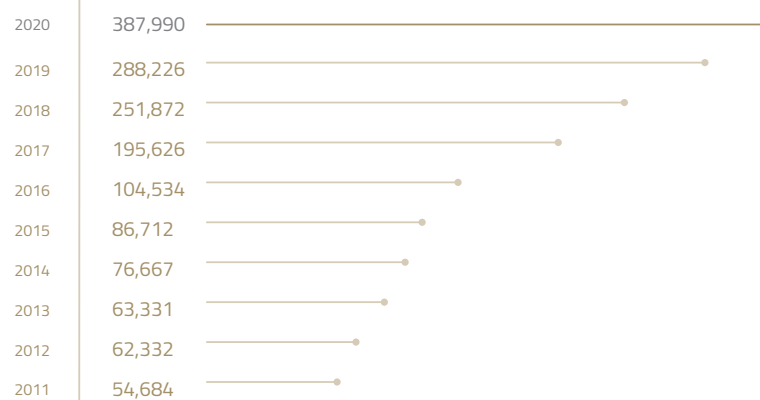
### Total Salaries And Benefits For Local Branches

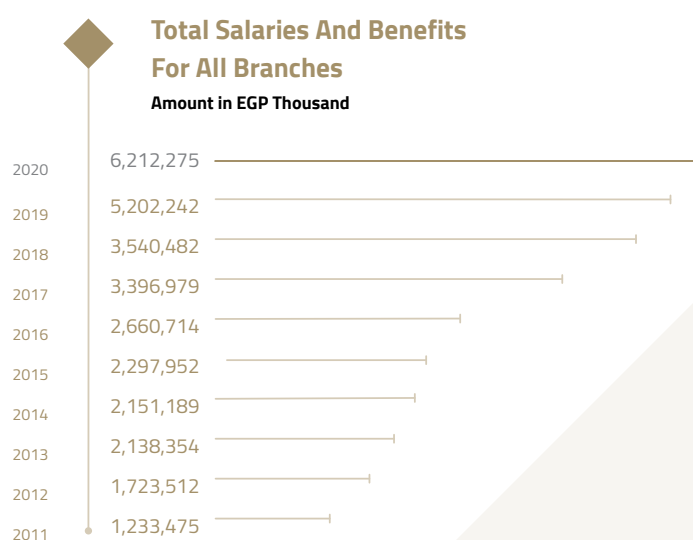
Amount in EGP Thousand



### Total Salaries And Benefits For Foreign Branches

Amount in EGP Thousand





**\*Showcased figures are recorded annually based on a fiscal year ending on June 30<sup>th</sup>.**

## Performance Review Recorded on December 31<sup>st</sup>, 2020

Amount in EGP Thousand

- ◆ Total salaries and benefits for local branches reached EGP 3,280,588
- ◆ Total salaries and benefits for foreign branches recorded EGP 201,385
- ◆ Total salaries and benefits for all branches hit EGP 3,481,973
- ◆ Average yearly cost per employee recorded EGP 174.3
- ◆ Average monthly cost per employee recorded EGP 14.5

## Sustainable Supply Chain

**Banque Misr (BM)** ensures effective engagement with diverse suppliers. Through its suppliers, BM extends its role to support and empower economies and communities in a more inclusive manner. We prioritize sourcing local goods and services that meet the standards we require. In some cases, we support businesses and provide training programs to uphold the highest standards. Integrating Micro, Small, and Medium suppliers into our procurement process is at the heart of our mission to give them access to the formal market and enhance competition, innovation, and employment rates.

BM outsources suppliers, primarily in the IT, HR, Premises and Real Estate, Cards, Market Data, Travel, Marketing and Representation, Printing, ATM and Cash Handling, Telecom, and Debt Collection fields, creating indirect job opportunities.

BM leads the financial sector towards sustainable development. The bank incorporates strategies and policies while focusing on the rational utilization of natural resources for future generations. Our role in sustainability goes beyond the fundamentals of how we do business, which is an integral part of our governance and values.

We evaluate our sourcing decisions from a non-financial perspective. We support, accelerate, and implement fundamental changes to achieve synergistic prosperity for the present and future generations. We are conscious that our service providers drive indirect impacts apart from the direct repercussions of our core business activities.

We create impact through our sourcing decisions and cross-sector partnerships. Our overall performance is interdependent on the professionalism and compliance of our suppliers. We select suppliers who uphold social responsibility and good business practices.

We conduct risk-based procurement mapping to evaluate possible sourcing impacts. The mapping takes account of factors other than country, industry, and reputational risk, as it also captures the significance of the supplier to the bank. Besides the risk-based approach, we revisited our Code of Conduct to guide suppliers towards responsible business practices and ensure efficient funds allocation. With a well-defined Code of Conduct and strong business relationships with suppliers, BM aims to eliminate adverse human rights, health, safety, and environmental impacts.

Banque Misr requires ethical compliance as an essential prerequisite

for long lasting partnerships with its supply chain. BM encourages suppliers to align with the UN Global Compact Principles. Our suppliers should abide by the laws and regulations of the countries in which they operate and work to move beyond compliance. By encouraging suppliers to work by our standards, we believe that we can extend positive impacts and at the same time mitigate risks.

As part of our ongoing supplier management process, BM expects suppliers to regularly review and abide by the Supplier Professional, Ethical Code of Conduct, and the Occupational, Safety, Health,

Environment, and Security Policy. BM did not detect any supplier misconduct during FY 2019-2020, nor did the bank terminate any cost post its periodic assessment. BM’s suppliers and service providers should evaluate their compliance and instantly report any violation. The bank reserves the right to assess compliance from its suppliers and service providers through reasonable monitoring and verification procedures, including audits or other means of due diligence. In case of a violation, the bank holds the right to take any action deemed appropriate in this respect.

## Main Supplier Standards

The bank sets expectations for suppliers to maximize positive economic, environmental, and social impacts in the following main areas:

### Human Rights

- ◆ Suppliers should offer equal employment and treat all workers with dignity and respect.
- ◆ Suppliers should maintain a work environment that is free from intimidation, violence, and abuse.
- ◆ Suppliers should also not engage in any form of modern slavery, including forced labor and human trafficking.
- ◆ Further, no supplier should hire individuals below the legal minimum age for employment.

### Health and Safety

- ◆ Suppliers should provide a safe and healthy work environment through an effective occupational health and safety system to prevent accidents, injuries, or exposure to health risks.
- ◆ Suppliers should also maintain a safe usage of technology, maintain the privacy of intellectual property rights, and protect customer data.

### Environmental Sustainability

- ◆ Suppliers should mitigate any adverse impact related to their energy and water consumption, greenhouse gas emissions, waste disposal, and usage of hazardous materials (if applicable).
- ◆ BM also encourages suppliers to offer less or non-toxic products by either integrating recycled or bio-based materials to ensure more water and energy efficiency.

### Business Integrity and Ethics

- ◆ BM suppliers must demonstrate responsible conduct through a transparent evaluation that avoids any conflict of interest.
- ◆ Suppliers should not engage in any form of illicit activities and bribery to ensure fair market competition.
- ◆ Suppliers should not directly or indirectly offer personal or financial privileges to the bank's employees, their relatives, or any related third party to influence the decision-making process.
- ◆ BM's suppliers also are not authorized to disclose or share any confidential information without the bank's consent. They also should report any cases or potential risks of unauthorized disclosure of any information about the bank's clients, operations, or other suppliers.



A photo published  
on the occasion of the  
bank's 15<sup>th</sup>  
anniversary  
celebration

**Un Evènement National**

## **Le 15e Anniversaire de la Banque Misr**



**LES EMINENTS DIRIGEANTS DE LA BANQUE MISR.**  
De gauche à droite : S.E. Midhat Yeghen Pacha, Président du Conseil  
d'Administration; S.E. Talaat Harb Pacha, Administrateur-Délégué et  
Fouad Bey Sultan, Directeur-Général.

# Superior Customer Experience

**For Banque Misr (BM)**, customer satisfaction and retention are of utmost importance to capitalize on its sustainable success. Hence, the bank keeps up with its Always Connected concept through its customer-orientated digital transformation strategy. Amid the rapid proliferation of technologies, Banque Misr adopts a leadership insight for integrating the evolving digital transformation into all its banking operations to live up to the expectations of more than 13m customers.

BM seeks to deliver a premium customer experience through tailoring innovative banking solutions for both existing and potential customers. In line with its proactive strategy, customer satisfaction is the value that Banque Misr is constantly striving to maintain. BM instills customer confidence through reliable performance, responsiveness, competence, and professionalism. BM always ensures that it is reachable through its network of more than 725 electronically integrated local branches located nationwide to provide the best and most accessible services to its customers. This is in addition to its regional and international presence.

Being a state-owned bank, BM always abides by global standards and CBE regulations to protect customer rights and ensure fair treatment. BM abides by the CBE regulations regarding customer data protection and confidentiality. Further, the bank established an independent unit to handle customer grievances. The unit is responsible for reporting to the BM Compliance Committee. It also has the right to review the transaction records of the customers who raised the complaints.

## Customer-Centric Leadership

For Banque Misr, mere profit may never overshadow its responsible mission that always drives its leadership. BM strategy always entails its customer-centric approach as a strategic motive. Hence, BM customer satisfaction and loyalty are the pillars of measuring the success of each effort we exert. Retaining customer satisfaction is always an essential aspect in bringing an innovative banking experience.

Amid the evolving digital transformation, emerging technologies are drivers to an unmatched banking experience. During the pandemic, offering digital banking services became a necessity for most customers confined at home. Thus, BM began deploying digital transformation and Artificial Intelligence (AI) at a very early stage through offering accessible and advanced online banking portals, including self-service Chatbot, QR code services, automated teller machines, and the latest releases of internet and mobile banking.



BM employees actively contribute to driving customer loyalty further. BM personnel are always willing to respond to customer-related requests and inquiries with sincerity and speed. BM is keen on utilizing feedback from customers via mail, phone, and other accessible communication channels. The bank carefully weighs the submitted feedback, either positive or negative, while upgrading banking products and services.

Most importantly, customer confidence is the essence of our long-term excellence. BM offers responsible advising services to build on this valuable confidence that BM had attained for more than a century. Our well-trained staff is dedicated to establish constructive communication channels and provide proactive advice to customers to opt for their preferences.

BM employees receive continuous training programs about internal control and audit to foster their compliance with BM core values, high ethical standards, and business strategy to develop their competencies and deliver the best banking experience to our customers. BM has commissioned the Egyptian Banking Institute to offer an information security program in cooperation with SANS International for all employees from various divisions. BM always excels in customer satisfaction, as its service offering always suits all the segments of its customer base.

## Inclusive Banking

BM places promoting accessible and inclusive banking through technology and innovative banking products and services as a priority. BM supports Egypt in achieving sustainable development and helps Egyptians to improve their quality of life. BM empowers citizens with special needs to have a positive experience. In this regard, BM strives to provide ATMs with accessibility features including, but not limited to:

- ◆ Large-print, high-contrast keypad, and screen text
- ◆ Braille-numbered keypad
- ◆ Built-in screen reader
- ◆ Ability to have the voice-operated ATM to repeat audio instructions or messages

To alleviate the barriers for customers with access requirements, BM offers wheelchair assistance in 10 BM branches.

Moreover, customers who are less comfortable with digital transformation can access BM services and products through conventional channels, such as on-site services.

## Data Protection and Cybersecurity

Banque Misr renders cybersecurity of utmost importance to ensure quality and maintain the confidentiality of its customer data while stepping up the FinTech evolution. It is worth noting that Banque Misr is the first bank in Egypt and North Africa to obtain the global Payment Card Industry Data Security Standard (PCI DSS) certification. On the road to success, BM received the latest version 3.2.1 of the certificate for the year 2019, following the extensive auditing processes carried out by Control Case LLC on BM information systems and networks. The certification ensures BM's enforcement of advanced data protection systems and the application of all global standard requirements. BM's service quality and the reliability of its IT systems managed to address consumers' concerns related to the latest digital transformation trends, which subsequently cement their loyalty. BM consciously implements and communicates robust cyber and privacy protection policies to mitigate potential risks regarding data breaches and online fraud.

BM exerts unwavering efforts to detect any potential fraud or data leak risks instantly. The bank also adopts a comprehensive risk management plan for timely recovery of the system through establishing and maintaining adequate internal controls and advanced monitoring systems.

The monitoring system consists of integrated alarm management software, which constantly tracks the transactions and automatically sends notifications and alerts to relevant BM staff about any unusual or suspicious activities on the customer accounts and e-wallets. In response, BM employees promptly notify the competent authorities and account holders.

As a proactive measure, BM also ensures that customers are well informed on cybercrime risks and raises awareness on the best methods to avoid those risks. Thus, the bank provides its customers with detailed guidance about cybersecurity awareness and advice about security best practices as an indispensable step towards properly mitigating data breach risks, eliminating fraud, and ensuring security compliance. BM regularly reminds customers that they should not share their confidential data, such as PINs, passcodes, or payment card data, via email or any other means; or else, cardholders should communicate with the bank as soon as possible.

Additionally, the bank offers a variety of easy-to-understand guidelines and directions for customers to safeguard their personal banking information. These are available on the BM website, messages printed out on bank statements, ATM screens, and promotional material. Further, front desk officers and customer support representatives are also responsible for notifying the visiting customers about the basic precautionary measures to eliminate any possible implications.

## Steering Optimal Quality

Quality Assurance (QA) is an optimal way to retain customer trust through sustaining excellence, reliability, and prompt responsiveness. The BM Quality Assurance Division plays a crucial role in taking digital customer experience to the next level and leveraging the digital banking transformation to boost customer satisfaction.

The BM Quality Assurance Division follows up on corrective and preventative actions with other divisions to sustain high-quality assurance standards and best business practices. The Division reviews service-level, reports, articulates, and drives optimum quality and performance to achieve greater convenience and constantly fulfill customer demands while maximizing their satisfaction. The Division evaluates the quality of banking offerings through omnichannel, streamlined and efficient in-branch and online mechanisms. The Division conducts regular in-branch inspection visits to ensure quality customer experience through evaluating the KPIs of front desk staff, tellers, and customer care units.

The Division also evaluates communication effectiveness with various customer segments. The bank continuously monitors agent performance and QA metrics for its call center service using: First Call Resolution (FCR), service level, 19888 Customer's Satisfaction, interactive voice response, and Average Handling Time (AHT). Additionally, the bank conducts a periodic testing plan for its online portal, mobile applications, and ATM automation. It also monitors quality for NCR and Wincor platforms for seamless electronic and self-service tools.

To maintain a competitive edge, the bank assesses the satisfaction of POS merchants and identifies obstacles that could hinder the seamless deployment of the POS system. Also, the bank conducts a customer satisfaction survey and obtains direct feedback from the survey respondents to continuously improve services. The Division carries out a quarterly analysis on data obtained from all BM branch platforms to measure customer satisfaction rates, service level, and stranded quality. The bank also conducts an internal evaluation to assess the quality of customer support services.

## Effective Complaint Handling

Banque Misr also considers complaints filed by any unsatisfied customer as a tool to improve BM quality assurance and enhance the customer loyalty through pinpointing the core of the complaint. BM offers a variety of accessible complaint channels, including an online one. BM always makes sure to avoid undue delay in responding and handling complaints fairly. The concerned division investigates and assesses the complaint competently, diligently, and impartially. The division promptly identifies an adequate remedial action to resolve the complaint. The bank further conducts constant follow-ups to avoid the recurrence of similar grievances.

With a 100-year heritage, BM always pursues success through setting integrity and compliance as its core values. Hence, BM leadership seeks the continuous development of ethical business practice requirements raised by BM stakeholders. BM always holds itself accountable for its actions. In conformity with CBE law no. 88 for the year 2003, BM fulfills the approved settlement condition for any disputes under the supervisory role of the CBE.



## Government Engagement

**As** a state-owned bank, Banque Misr (BM) is always fully engaged in national reforms through its efforts, robust performance, and synergistic contribution towards sustainability, which relies on constructive engagement with the Egyptian government. BM aligns its efforts with the Egypt 2030 vision entailing a national strategic pathway towards the SDGs.

BM's collaboration with the Egyptian government unlocks the gateway towards social, environmental, and economic sustainability. The Egyptian government constantly guides BM through effective policies to deliver positive market influence and sustain long-term inclusive development.

The bank works closely with local government entities to eliminate poverty, protect human rights, promote digitization, and protect the environment. The bank also diligently aligns its performance and efforts with the national macroeconomic policies to have a more conducive role towards propelling national economic growth, while abiding by the government and the Central Bank of Egypt's (CBE) regulations.

The bank regularly issues high-yielding certificates of deposits (CDs) as mandated by the government as part of its efforts to limit customer deposit dollarization and support household disposal incomes. BM also provides significant lending to the government and public-sector companies to raise investment productivity locally and globally while building a competitive advantage in vital local industries.

In line with its pioneering role in social development, Banque Misr participated in many initiatives and projects. To name a few, BM allocated EGP 600m to revamp the Ring Road around Greater Cairo. The Ring Road is one of the most vital roads that eases traffic congestion and facilitates citizens' commutes, as it connects many neighborhoods and suburbs across Cairo.

BM is committed to forging strategic partnerships across its business to facilitate access to safe, secure, habitable, and affordable housing without fear of forced eviction. BM collaborated with several entities to promote and ensure adequate housing for middle and low-income families in Egypt in Bashayer El Kheir Housing project and Al Asmarat project.

BM also funded the first phase of the Speak Egyptian initiative in collaboration with the Ministry of Immigration and Egyptian Expatriates Affairs. The Speak Egyptian initiative comes within the framework of the government's efforts towards spreading cultural and national awareness amongst Egyptians, especially expatriates.

# Partnership for Development

**Banque Misr** (BM) acknowledges that a successful sustainable development agenda requires partnerships between a diverse community of academics, businesses, and international and local institutions. Over the five years, BM cooperated with different partners operating in an array of sectors, including technology, health, education, telecommunication, manufacturing, pharmaceutical, finance, and commerce. BM steadily grew its partnerships portfolio and succeeded in building on long-standing networks of collaboration that successfully meet community needs, whether social, economic, or environmental.

The bank inked partnerships to ensure the successful delivery of funds, technical skills, and know-how to empower local Micro, Small, and Medium Enterprises, which are considered a route out of poverty. BM also took strides towards accelerating the future of digitalization and shift towards a cashless transition. Many BM partnerships aimed at stimulating electronic payment to integrate the underserved communities and drive national economic growth in line with Egypt’s vision for sustainable development. Further, BM cooperated with multiple partners to deliver a world-class digital experience and catalyze digital transformation to cater to retail and customer needs.

## BM Partners



# Community Empowerment

**In the aftermath** of the COVID-19 outbreak, Banque Misr's efforts towards sustainability have remained anchored on bringing everyone along while spurring the digital banking transformation. BM successfully adjusted to the new normal. Further, it harnesses the potential of inclusive development to stimulate national economic growth and drive up its multidimensional efforts within the scope of the UN's 2030 Agenda for Sustainable Development.

In spite of the immense challenges raised amid the COVID-19 outbreak, the bank has never derailed its four parallel tracks towards community empowerment through eradicating poverty in all its forms, protecting human rights, promoting gender equality, safeguarding the cultural heritage, and fostering social inclusion.

## BM's 4 Tracks Towards Community Empowerment:

- ◆ **Financial Inclusion**
- ◆ **Alleviating Poverty**
- ◆ **Health and Wellbeing**
- ◆ **Education**

Banque Misr (BM) partners with all its stakeholders, including governmental institutions, non-governmental organizations (NGOs), civil society organizations (CSOs), syndicates, UN agencies, associations, businesses, peer banks, and community-based

organizations (CBOs), to improve livelihoods and achieve economic prosperity through bridging any current or potential gaps towards achieving sustainable communities.

## BMFCD

Alongside its direct efforts, Banque Misr goes even further in promoting its CSR role indirectly through Banque Misr Foundation for Community Development (BMFCD), in addition to the philanthropic and volunteering activities carried out by its employees.

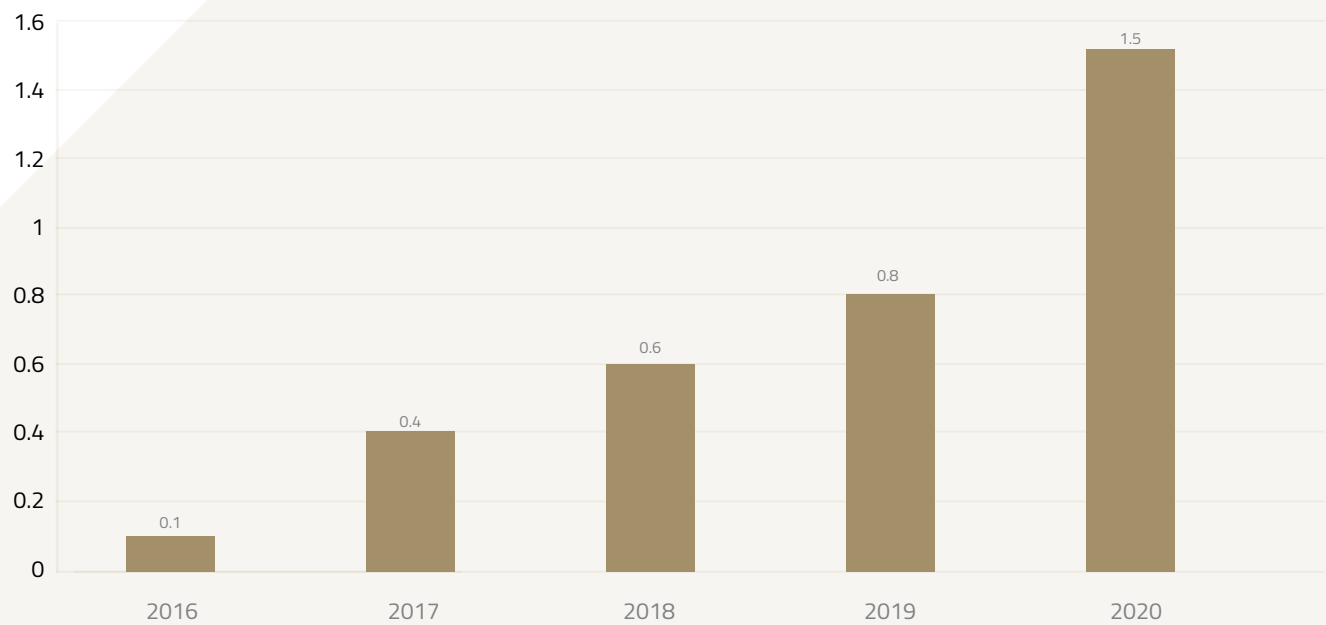
Banque Misr established its non-profit organization registered under the Ministry of Social Solidarity (Registry no. 7045/2007). "Working together for the good of our country" is a solid value for the foundation. BMFCD collaboratively contributes to community empowerment through educational, health, and economic programs to improve the livelihoods of slums and villages residents and empower female breadwinners.

The foundation accepts donations from inside and outside of Egypt and from all individuals who are willing to engage in charity and developmental initiatives. Contributions to the foundation can either be delivered to special accounts offered by Banque Misr’s branches across the country, mailed directly to the bank’s headquarters, or via online banking.

Banque Misr allocates annual funds from its net profit to ensure shared prosperity. The foundation supports grassroots action in community development. On June 30<sup>th</sup>, 2020, BM allocated EGP 1.5bn for its CSR activities. The allocated budget increased by EGP 755m on December 31<sup>st</sup>,2020.

**CSR Donations**

Amounts in EGP billion  
As of June 30<sup>th</sup>, 2020



**\* On June 30<sup>th</sup>, 2020, BM allocated EGP 1.5bn for Corporate Social Responsibility (CSR) initiatives. BM’s CSR budget allocations increased by nearly 12 times over the past five years.**

**Fundamental Progress**

Banque Misr achieved several international awards in corporate social responsibility, including the "Best CSR Bank-Egypt" from International Business magazine for 2018, 2019, and 2020. International Finance magazine named BM the "Best CSR Bank-Egypt" for 2019 and 2020. The bank also received the "Best CSR Bank-Egypt" award for 2019 and 2020 from Global Banking and Finance Review; and the "Best CSR Bank–Egypt 2020" from Cosmopolitan The Daily magazine.

## The First Track| Financial Inclusion

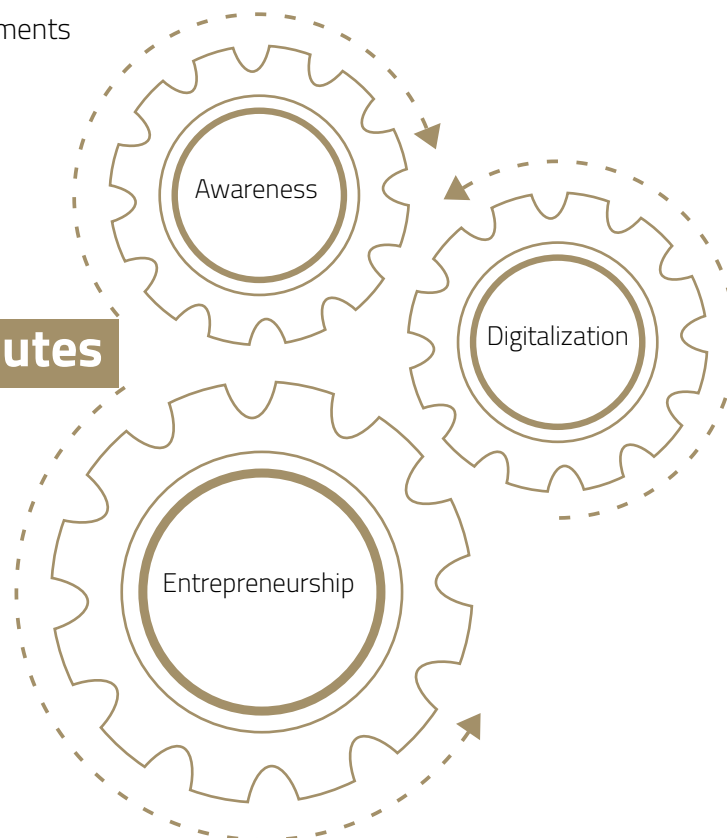
**Financial** inclusion is a pillar of the BM mission towards community welfare. Banque Misr (BM) works relentlessly to facilitate the accessibility of a wide range of affordable and timely regulated financial products and services tailored to fit all social segments and integrating unbanked segments into the formal economy. The bank also utilizes innovative tools to promote financial education and knowledge.



BM successfully delivers on its mandate to foster sustainability nationwide while adopting various Sustainable Development Goals (SDGs). Interlinked with the 2030 Sustainable Development Agenda, BM prioritizes inclusive access to finance and digital banking services to marginalized and well-off segments of the society, aiming to bring more enterprises to the formal economy. BM always adopts an added-value strategy to promote financial inclusion through empowering MSMEs, women, and youth with a focus on three main routes, which are:

- ◆ Raising awareness through participating in international and local observances
- ◆ Optimizing financial digitization to include the unbanked segments
- ◆ Supporting entrepreneurship

### BM Financial Inclusion Routes





## Supporting Financial Inclusion Initiatives

Banque Misr participated in several initiatives to increase community wellbeing through access to financial services during the past year. BM took part in many initiatives launched under the auspices of the Central Bank of Egypt, within the scope of financial inclusion; among these initiatives are International Youth Day, Arab Financial Inclusion Day, International Financial Inclusion Week, International Savings Day, Egyptian Farmers Day, Egyptian Women's Day, International Day of Disabled Persons, and International Savings Day.

Within the scope of the initiatives, BM offered promotional and special offers like a fee-free Teens Prepaid Card for youth under 16 years old. BM also provided bank accounts for specific age groups with no issuance charges and no minimum balance. The bank also offered BM Wallet subscribers many benefits including, issuing Meeza cards with no issuance fees.

Remarking to the International Savings Day and as part of the financial inclusion initiatives, Banque Misr organized a cycling marathon on Friday, October 3<sup>rd</sup>, 2020. The bike ride marathon kicked off from the starting point at the 6<sup>th</sup> of October War Panorama. The marathon raised awareness of the importance of savings. The event also promoted the concept of sports and spreading the cycling culture among community members to improve health and fitness. Besides, cycling is a safe transportation method amid the current COVID-19 crisis, as it allows for social distancing and improving public health.

BM participated in the Ma Yeghlah Aleek (Made Cheaper for You) initiative during International Youth Day. BM facilitated access to funds through purchase loans. At only a 1% deduction on the interest rate, BM offered individuals a wide range of services, including personal loans, pension programs, and certificates with no administrative fees.

## A Digital Path to Cashless Society

BM supports the state-led cashless transformation efforts and financial inclusion awareness campaigns guided by the National Council for Electronic Payments. BM strives to build on the digital approaches that have been adopted in recent years to improve access channels for those already served by the formal financial sector, in addition to serving the unbanked and underserved populations.

### BLESS

BM signed a cooperation protocol with the Coptic Orthodox Church Bishopric of Public Ecumenical and Social Services (BLESS) under the patronage of Pope Tawadros II of Alexandria. Around 5,000 beneficiaries at the Bishopric will benefit from BM's e-wallet services. The beneficiaries can safely carry out withdrawals, cash transfers, and bill payments via e-wallet or electronic payment outlets, 100,000 Fawry points of sale, and 12,000 ATMs with no need for on-site visits.

### Ministry of Finance

BM offers its customers an electronic tax payment service through its network of branches and several online platforms. In collaboration with the Ministry of Finance, BM works with the competent authorities to provide electronic tax payment services to public and private entities. Further, BM was the first Egyptian bank to offer electronic services for customs duties payments since December 2005. The bank facilitates the payment of customs duties with an instant update to the payment balance.

## Ministry of Justice

BM collaborated with the Ministry of Justice and e-finance Company to launch the electronic fee collection system. The system facilitates fees payments for judicial services rendered by local and international investors in economic courts. Hence, this system supports investors by providing them with an accessible payment system for judicial fees to economic courts wherever they are. BM instills investor confidence in Egypt, which will ultimately bolster the Egyptian economy.

## Partnership with Telecom Egypt

BM has partnered with Telecom Egypt to launch the "We Mobile Wallet." The service enables customers to securely send, receive and store money using a smartphone application. BM's partnership agreement streamlines its digital transformation strategy.

The mobile wallet will allow customers to deposit and withdraw cash through broad network access to WE's retail stores and partners. The service will also enable subscribers to add and link their debit/credit cards to the wallet to carry out transactions without prior approval or assistance from the bank.

Wallet subscribers also enjoy a wide range of electronic payment facilities, such as cross-net peer-to-peer transfers, person-to-merchant transactions, and payments for various services. Customers can pay for all the WE portfolio of services in addition to

utilities, insurance, education, tickets, and tourism. The WE Wallet will expand further with more features to be introduced soon, including enabling customers to receive international remittances.

## Partnership with Fixed Solutions

BM signed a protocol with Fixed Solutions to offer e-payment solutions on a unified platform. The partnership is among the collaborative efforts to provide different e-payment channels on a unified platform through digital integration between both sides. BM platform will facilitate access for customers to carry out payments of utility services digitally. Digital integration will also ensure better compatibility for the e-payment system. This partnership will expand the outreach of e-payment services in Egypt.

## ExxonMobil and Visa Partnership

BM initiated a strategic partnership with Visa and ExxonMobil Egypt to expand the e-payment for petroleum services through 100 ExxonMobil stations, as a first stage. Banque Misr will push this partnership forward by installing electronic payment machines at petrol stations. Further, Visa cardholders will be able to use their cards to pay at ExxonMobil stations. The bank will also launch loyalty programs and rewards in participating stations for cardholders who pay for the services provided at petrol stations using their credit cards.

## Partnership with Fawry

To accelerate e-payment services, BM collaborated with Fawry to launch a digital loyalty program. The loyalty program offers BM customers mobile credit balance from the four telecom operators; Vodafone, Orange, Etisalat, and We. The collaboration includes vouchers from a list of merchants and discounts on carrying out transactions via BM credit/debit cards. This program will enhance its customer satisfaction as well as leveraging financial inclusion efforts.

## Masary

BM concluded a collaboration agreement with Masary to enable the company to provide certain banking transactions; such as acceptance of e-payment cards, "Meeza" cards, and QR codes. The bank also contributed to Masary's acquisition of the "Payment Facilitator" license from the Central Bank of Egypt (CBE), which enabled the company to offer several banking transactions to its customers.

## Supporting Entrepreneurship

Banque Misr focuses on supporting micro, small, and medium enterprises (MSMEs) and startups which are a catalyst for economic growth. MSMEs drive productivity, generate employment, alleviate poverty, increase income rates, and positively impact household spending allocations in education and health over time. BM increased

its lending for small and medium-sized businesses several times during the past years, in line with the CBE directives. BM has launched various initiatives and protocols to support MSMEs, including:

### Mashrouak Program

For five consecutive years, Banque Misr collaborated with the Ministry of Local Development in the "Mashrouak" program for financing micro, small, and medium-sized enterprises (MSMEs) through local single-window units nationwide. The "Mashrouak" program is part of a larger initiative powered by the Central Bank of Egypt (CBE), which provides loans at a 5% interest rate. The program finances MSMEs through the one-window investment system in local units spread nationwide. BM has financed enterprises creating numerous job opportunities since the launch of the program in 2015.

### NilePreneurs Initiative

BM plays a vital role in harnessing the entrepreneurial ecosystem in Egypt, supporting young entrepreneurs, and unlocking their untapped potentials. The NilePreneurs scheme is a state-led effort to foster the culture of entrepreneurship among university students. BM partakes in the NilePreneurs national initiative for entrepreneurship through the two following channels:

## Business Development Services (BDSs) Centers

BM established Business Development Services (BDSs) Centers to support MSMEs and entrepreneurs. BDSs provide MSMEs and entrepreneurs with non-financial services to qualify them for funding opportunities and enhance their communication skills to develop their businesses. The services are offered in three branches; the first one is in Sadat City, Minoufiya governorate. The second branch is in New Damietta, Damietta governorate. The third branch is in Aton, Luxor governorate.

BDSs offers an array of services including, generating ideas for new businesses, registration and licensing, feasibility studies, facilitating access to funding, financial analysis, and assessment services, networking with vendors and targeted markets, exchanging products and services, publishing available data and information on SMEs via Egypt's project platform, training, capacity building, and workshop services. The bank also launched a customer support program that enables entrepreneurs to manage crises and capitalize on opportunities.

We are proud to say that by the end of December 2020, we offered a total of 7,395 non-financial services to thousands of customers across the banking sector.

## Design Houses

The new Design Houses are the first of their kind in Egypt, aiming to strengthen the linkage between universities and a wide range of industries. These houses offer consultancy, design, and prototyping services. They provide the latest simulation programs,

interactive training sessions, and practical workshops for startups and MSMEs, providing a reliable foundation for cost estimation and quality assurance.

BM established Design Houses in several handpicked universities as follows:

- ◆ **The Nile University Design House (NU DH)** was able to develop products for more than 55 enterprises, 25 of which are startups, in addition to executing 71 projects from designing prototypes to reverse engineering for products. The NU DH cooperated with local companies and entrepreneurs to elevate their performance and ensure that their products meet the international standards for manufacturing and exporting. It is worth mentioning that in addition to providing 300 training hours dedicated to product design and prototyping, NU DH also designed products that would help relieve COVID-19 patients. NASA chose NU DH and 13 international entities worldwide to partner with them in manufacturing a ventilation device for critical cases.
- ◆ **Ain Shams University Design House (ASU DH)** connects the university and the manufacturing sector, specifically in the vehicles and robotics field. The ASU DH also developed electronic sanitization gates and control systems for street lights and trained freshly graduated engineers on Product Design.
- ◆ **Al Azhar-Qena University Design House** focuses on agriculture, water, and energy. The Design House also acts as the technical arm for the technological incubator. It designed, fabricated, and tested efficiently mobile environmentally friendly wastewater treatment units. The project aims to address severe challenges in Upper Egypt industries that consume large amounts of

water daily and discharge industrial wastewater in the River Nile without efficient treatment, which has dangerous effects on the whole environment ecosystem and negative economic repercussions. The unit can be scalable to any size and tested in many factories and companies. It is currently in the phase of commercialization in cooperation with the Military Center of Excellence and ASRT. There is a need for this unit for different MSMEs because of its affordability, performance, and green technology basis. The Design House has also responded quickly to COVID-19 crises and designed, produced, and tested different types, sizes, and the efficiency of the N95 mask with changeable filters. The Design House also designed and produced different sizes of face shields to supply university hospitals and doctors.

- ◆ **The Arab Academy for Science, Technology, and Maritime Transport Design House (AASTMT DH)** is concerned with Underwater sciences. AASTMT DH designed a prototype for a submarine for oil drilling and sunken historical monuments and sponsoring competitions that support creativity and design for youth in this field.

## MSMEs Protocols

Recently, BM signed several protocols and agreements with local and international institutions to support Micro, Small, and Medium Enterprises, including:

### Egyptian Banking Institute (EBI)

BM launched the "Develop Your Project, Support Your Country" initiative to support its clients in the SMEs sector through organizing training programs in cooperation with the Egyptian Banking Institute (EBI) in various Egyptian governorates. The first phase of the initiative began in Cairo. The program encourages youth to establish their projects and scales up the culture of entrepreneurship. The program further offers training opportunities to raise banking and financial literacy, enhance business leadership skills, and improve business administration skills. Besides, the program assists entrepreneurs in optimizing their investments.

### International Finance Corporation (IFC)

Banque Misr signed an agreement with the International Finance Corporation (IFC) to extend support to women-led businesses. Under the agreement, BM offers financing schemes that are tailored to women's needs as part of its MSMEs portfolio. The project is implemented in the framework of the "Champions of Women's Banking Services" program introduced by the IFC in the MENA region, in collaboration with the financing arm of the State Secretariat for Economic Affairs of Switzerland, as well as the Global Women's Banking Services program.

### Ministry of Trade and Industry

Banque Misr signed a cooperation protocol to launch finance programs for Egyptian exports to global markets in general and Africa in particular. The protocol aims to develop the competitive



advantages of Egyptian exports, and support export entrepreneurs and small-size manufacturers. The protocol also involves organizing workshops to raise awareness among exporters to target markets, international trade operations, shipping documents, and corporate credit. The workshops will also explain the initiatives launched by the Central Bank of Egypt to fund SMEs.

Various products and services are offered under this protocol to assist corporates and SMEs operating in the exports field ranging from international trade operations to cash management. BM will dispatch marketing coordinators to the premises of companies, factories, investors associations, the Federation of Egyptian Industries, and export councils to present and market banking and financing products when required; and receive financing applications from interested parties.

## MSMEDA

BM signed a new agreement with the Micro, Small, and Medium Enterprises Development Authority (MSMEDA) in line with the Central Bank of Egypt and the Egyptian Union for Microfinance's efforts to expand the funding portfolio allocated to financing micro-enterprises, especially for women and youth.

The percentage of projects allocated to women under the agreement is about 25-30% of the total portfolio, covering some 135 thousand microprojects across all Egyptian governorates, where the granted loan cap can reach up to EGP 50 thousand.

It is worth noting that the value of the consolidated contract signed between BM and MSMEDA since 2011 amounts to approximately EGP 1.5bn, covering the funding of 132 thousand microprojects at a total of EGP 2.5bn.

## FEDCOC and Cairo Chamber of Commerce

Banque Misr recently signed a protocol of collaboration with the Federation of Egyptian Chambers of Commerce (FEDCOC) and the Cairo Chamber of Commerce, which comes as part of its endorsement of entrepreneurs by providing suitable financing solutions and propagating the concept of digital transformation. The protocol also serves to disseminate a culture of a cashless society and expand the use of electronic payment by making it available to all social segments as warranted by financial inclusion, which is deemed a national objective of the Egyptian state.

## Local and International Exhibitions

BM encourages MSMEs clients to participate in local and international exhibitions. Exhibitions assist MSMEs in increasing their sales volume and help them make new business deals. BM holds monthly internal exhibitions displaying local-made products to encourage BM employees to purchase from MSMEs. BM further encouraged MSMEs to participate in the "Turathna" exhibition for hand-made products and was keen to source seasonal giveaways, such as new years' gift packs, from local vendors. On the international level, BM supported MSMEs to travel to Milan and participate in the Egyptian pavilion at the Artigiano, an international crafts selling exhibition held in Milan, Italy.

## European Bank for Reconstruction and Development (EBRD)

BM continuously strives to sharpen its SMEs' internal processes and capabilities. Thus, we have partnered with the Frankfurt School for Finance and Management through the EBRD to provide consultancy services, focusing on enhancing the lending strategy, capacity building, and scoring models.

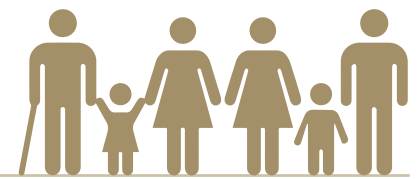
## Five Years Flashback

BM has participated in numerous initiatives and programs over the past few years. The below table highlights BM's key milestones in supporting MSMEs.

<div>Al Robeky Industrial Zone</div> <p>The program aims to support owners of small and medium tanneries, specifically those located in the Magra El Oyoum district. BM facilitated the tanneries' access to a better and healthier working environment. Tanneries in Magra El Oyoum district suffered from deteriorating facilities, including accumulating garbage and lack of hygiene, and frequent gas and electricity cuts.</p>	<div>Egyptian Manufacturers Association</div> <p>In line with the CBE initiative, BM offers members of the Egyptian Manufacturers Association financing with a small diminishing interest rate ranging between 5% and 7%.</p>	<div>Damietta Furniture City Company</div> <p>The program aims to support the development of DFC and SMEs operating in the furniture industry. The national project will generate over 25,000 direct and indirect employment opportunities. BM arranged an EGP 1.5bn loan to develop the city and signed a cooperation protocol to finance workshops to enhance and modernize the Egyptian furniture industry.</p>
<div>Egyptian Pharmacists Syndicate</div> <p>The program aims to support pharmacy-based projects. In line with the CBE's initiative, BM funds pharmacists in support of the right to healthcare, at a low-interest rate of 5% on granted loans.</p>	<div>General Electric Healthcare</div> <p>The bank seeks to provide funds in support of hospitals and clinics to purchase modern medical equipment. BM innovative financing solutions that help emerging clinics and hospitals develop and expand their business, thereby providing better healthcare to more patients across Egypt.</p>	<div>Beyti Egypt</div> <p>The program finances the purchase of refrigerated vehicles for young people who have signed contracts with Beyti Egypt in line with the CBE's initiative; as BM offers financing schemes at a 5% interest rate.</p>
<div>Exporters Council</div> <p>The cooperation protocol aims to finance the council members to participate in international exhibitions. Granted loans cover accommodation, flight tickets and booth setup costs.</p>	<div>FEDCOC</div> <p>The Federation of Egyptian Chambers of Commerce (FEDCOC) protocol provides small retailers with e-payment systems (hardware and software).</p>	<div>Industrial Development Authority</div> <p>The protocol offers financing schemes for industrial companies that apply and obtain IDA's specified industrial units and business owners operating in the technological sector.</p>

## THE SECOND TRACK| Alleviating Poverty

**Banque Misr (BM)** and its foundation, Banque Misr Foundation for Community Development (BMFCD), pursue collective efforts to alleviate poverty. In line with the UN 2030 Agenda for Sustainable Development, BM and BMFCD strive to eradicate poverty by improving social and economic living standards in slums and poor villages.



### BM Efforts

#### Misr El-Kheir Foundation

BM cooperated with the Misr El-Kheir Foundation to offer financial support for projects carried out by young handicraftsmen and female breadwinners in four towns in Minya Governorate, namely Maghagha, Bani Mazar, Malawi, and Al-Adwa. BM allocated about EGP 18m to improve the living conditions in these villages through financing 50 microenterprises, 300 female breadwinners' projects, 500 greenhouses, and the cultivation of 200 feddans, as well as revitalizing two agricultural cooperative associations. The bank also funded vocational training programs for 300 individuals and hospitality training programs for 150 individuals.

#### Orman Charity Association

BM offered funding support to villagers in Minya Governorate, specifically in Ashrob, Abaza, Abgag Al Hatab, and Al Souby. In cooperation with the association, BM initially allocated EGP 4m and offered soft loans reaching up to EGP 21 thousand for each beneficiary to improve the living conditions in these villages.

#### Model Village-New Valley Governorate

BM signed a protocol with the New Valley Governor to develop Upper Egypt by establishing a model village in Kharga. Banque Misr allocated EGP 35m to establish a model village on an area of 1,000 acres in Kharga, New Valley. The protocol includes establishing 100 country houses tailored to accommodate various activities, including livestock and rabbit farming.

#### El Nidaa

The Egypt Network for Integrated Development (ENID/El Nidaa) and BM allocated EGP 3.244m to host brass and kilim rug workshops in Qena Governorate, specifically in El Maana, Al Gazairia, and Sheikh Eissa.

#### Bashayer El Kheir-The Ministry of Defense

BM supported the Bashayer El Kheir housing program to ensure decent living conditions for underprivileged slum residents living in Manshiat Naser and Ezbet Khairallah through the Bashayer El Kheir project. BM allocated EGP 300m to develop these projects.

## Al Asmarat Project-Tahya Misr Fund

BM supported the Al Asmarat to enhance living standards for slum inhabitants. BM donated EGP 200m to finance the Al Asmarat housing project and furnish the residential units.

## BMFCD Efforts

### Community reintegration of ex-prisoners-Ministry of Interior

To increase the economic resilience of ex-prisoners, Banque Misr, along with Banque Misr Foundation for Community Development, signed a cooperation protocol with the Ministry of Interior. The protocol supports President Abdel Fattah Al Sisi's "All of us are one" initiative. The protocol supports discharged prisoners and reintegrates them into the society. In return, such a step will reduce unemployment rates and violence as well. The protocol also aims to support the discharged prisoners, their families, and people with disabilities through providing them with in-kind aid and prosthetic appliances, aiming to reduce inequalities, towards more peaceful communities.

### "Made in Egypt" Initiative

Under the "Made in Egypt" initiative, Banque Misr Foundation for Community Development (BMFCD) provides funds for several handicraft projects in cooperation with several non-profit organizations. In addition to boosting local industries, the "Made in Egypt" initiative represents an effective contribution to integrating low-income rural and remote areas all over Egypt in community development. For a better quality of life in these informal areas, the foundation also pays great attention to supporting female breadwinners. Within the financial inclusion framework, the number

of projects funded by BMFCD through BM witnessed a significant increase. Under the initiative, BMFCD supported 3,770 microprojects and provided vocational training for 1,240 young people across Upper Egyptian villages and slums in Greater Cairo.

Further, facilitating the funding for artisans' projects stimulates social development in handicraft villages and remote areas. Moreover, injecting liquidity will push handicraft products to flourish. Key projects supported under the initiative strive to offer superior quality. Projects under the initiative specialize in wicker products, rattan products, patchwork quilts, palm frond wall hanging, pottery products, cross-stitch embroidery, tailoring, sewing, carpet weaving, as well as agricultural projects, including forage alternatives, dates packaging, and apiaries.

### "You Can Make Your Country Better" Initiative

In 2019, BMFCD funded three new comprehensive rural development projects in Sohag and Aswan governorates, in collaboration with Masr Elmahrousa Balady Association, Omar Bin Abd El Aziz Association, and Sonaa Al-Hayat Association. Under the initiative, the foundation implements educational, health, economic, professional, and environmental programs to serve more than 85,000 families.

### Preservation of Heritage Crafts

In collaboration with the Handicraft Industry Chamber, Banque Misr Foundation encouraged the inhabitants of Garagos village to revive the authentic pottery industry. The industry in recent years has become an endangered craft in the small village of Garagos that lies 30km north of Qena governorate, Egypt. BMFCD offered a 15-month training course in line with the national public policy to

improve rural productivity and sustain the traditional handicraft industries. The training course featured senior experts in this craft. Around 25 youths attended the course, which introduced innovative techniques to preserve Garagos village's crafts heirloom. Upon the completion of the training program, BMFCD matched trainees with job opportunities. Additionally, BMFCD established two pottery workshops and hosted a training program on the fundamentals of marketing and e-commerce.

### Comprehensive Development in Egyptian villages and slums

Banque Misr Foundation for Community Development (BMFCD) works continuously to achieve sustainable community development in line with Egypt's Vision 2030. BMFCD partnered with several civil society organizations, associations, and universities to support the government's "Decent Life" initiative in 2019 and support the society's most vulnerable segments nationwide, as well as village inhabitants.

BMFCD is a pillar in the national project for comprehensive rural development for Egypt's neediest villages. BMFCD directs its efforts towards the following areas: upholding education, maintaining public health, income generation, and preserving culture. In 2019, BMFCD completed development projects in 12 governorates: Cairo, Giza, Qalyubia, Sharkia, Menoufia, Fayoum, Minya, Assiut, Sohag, Qena, Luxor, and Aswan. Currently, BMFCD is developing 13 of the neediest villages in eight governorates.

BMFCD focuses on empowering youth to harness their full potential and overcome social hurdles by enhancing their personal and professional skill sets. BMFCD also supports households living below the poverty line. The foundation carefully selects beneficiaries based on income level, living conditions, and the general skill level of the households to create a positive impact on their overall living conditions. BMFCD partners for FY 2019-2020 include:

#### Masr Elmahrousa Balady Association

The cooperation aimed at improving the living conditions in Tafnees, Asfoun, Al-Gharyera, and Kiman villages in Isna City, Luxor governorate through:

- ◆ Supplying equipment for two carpentry workshops and providing carpentry courses to 30 young persons
- ◆ Establishing 198 livestock, goat farming, and poultry projects
- ◆ Funding 300 microprojects owned by young people and female breadwinners
- ◆ Raising awareness among 150 farmers about the latest technologies related to farming, cattle breeding, and agricultural extension

The foundation cooperated with the association in carrying out development projects targeting the inhabitants of Al Raghmah, Adwa, and Iqlit Villages – Kom Ombo City in Aswan governorate through:

- ◆ Financing six palm plantations
- ◆ Funding 120 microprojects (services/ production)
- ◆ Establishing five collective poultry farming projects

As for the foundation's activities for supporting the inhabitants of Al-Basateen District, Dar Al Salam, and Arab Maadi in Cairo governorate, they were:

- ◆ Organizing sewing workshops for female breadwinners
- ◆ Funding small-scale enterprises owned by women



### **Association of Upper Egypt for Education and Development (AUED)**

Banque Misr Foundation cooperated with AUED to carry out a comprehensive development project for Kardous village, Asyut governorate through:

- ◆ Organizing vocational training programs for the youth and women in electricity, sewing, bakery, livestock, goat farming, and poultry production
- ◆ Organizing various handicraft exhibitions
- ◆ Funding 180 small-scale projects

### **Omar Bin Abd El Aziz Association**

Banque Misr Foundation cooperated with the association to carry out a comprehensive development project for the three villages of Fazara, Al-Jazzara, and Al-Samarneh in Maragha Center, Sohag governorate, which include:

- ◆ Developing sheep production and breeding projects for 90 of the neediest families
- ◆ Providing vocational training for 120 young men and women and supporting 60 micro-projects, including honey apiaries projects, mobile maintenance, sewing, computer maintenance, and installing glass and aluminum windows.
- ◆ Providing project management and marketing training workshops

### **Fayoum Agro-organic Development Association**

The foundation financed development projects to serve the inhabitants of Disya, Senofar, Demashkin, and Manshiet Demour

villages in Fayoum governorate through:

- ◆ Establishing microprojects for 480 families
- ◆ Offering vocational training for 600 women on palm weaving, embroidery, crochet, and handicrafts
- ◆ Providing 20 biogas units for 20 low and middle-income households
- ◆ Improving employability skills for 150 young individuals as well as offering job opportunities for 75% of them

### **Kheir Wa Baraka NGO**

Banque Misr Foundation cooperated with Kheir Wa Baraka NGO to carry out a comprehensive development project for Sakulta city in Sohag governorate through:

- ◆ Conducting vocational training for 80 young people in plumbing, home appliance maintenance, and electricity as well as offering craftsman toolkits for each trainee
- ◆ Establishing a tailoring training center and providing the required supplies to operate the center
- ◆ Offering the young trainees at the production units additional training on project management and marketing
- ◆ Setting up a goat farming program as well as offering a comprehensive veterinary system

### **The Egyptian Association for Marketing and Development**

The comprehensive development program carried out by the foundation, in cooperation with the Egyptian Association for Marketing and Development for Zawyat Sultan village in Minya

governorate, focused on an economic perspective through:

- ◆ Organizing workshops for 250 young male and female trainees on the maintenance of home appliances, air conditioners, and electrical devices, as well as dairy production, patchwork, and sewing
- ◆ Marketing, training, and funding 140 microprojects

### **Ganat EL-Kholoud Charity Association**

The foundation carried out a three-year developmental program in coordination with Ganat EL-Kholoud charity association to serve the inhabitants of Dewei'a area in Cairo through:

- ◆ Training 600 women on handicrafts
- ◆ Organizing positive parenting workshops

The main target of this program is to boost handcrafting by introducing all types of handicrafts for the female trainees to select the proper training that suits their skills and living conditions. They also received training on tailoring, textiles, leatherworks, stained glass, and decoupage.

The talented female trainees received more than one training course to ensure their full capability after launching the production process. In return, the families living in Dewei'a area will be productive households that earn their incomes instead of being consuming ones in need of subsidies. This will also contribute to achieving our vision within the framework of the "Made in Egypt" initiative.

### **Sonaa Al-Hayat Association- Egypt**

In collaboration with Sonaa Al-Hayat association, Banque Misr Foundation for Community Development adopted a development approach to improve the living conditions in Rawafee Al Issaweyah village, Sohag Governorate.

This coherent approach is based on identifying the actual demands; as such the three-dimensional approach targets the development triangle (poverty, ignorance, and disease), as well as addressing the relevant challenges.

This fully-integrated project is also based on economic empowerment, capitalizing on Sonaa Al-Hayat association's expertise for over a decade in boosting living conditions in Egyptian governorates as well as its global expertise in the same domain. The project aims to boost the living conditions of households, as well as achieving financial independence for poor inhabitants to be able to integrate into financial inclusion through:

- ◆ Establishing microprojects as well as offering vocational training offered by specialized training centers for 117 households on carpentry, plumbing, electricity, and sewing
- ◆ Capacity development for 35 volunteers regarding supporting the families
- ◆ Community-based reintegration and financial inclusion through the periodical follow-up on the social and economic conditions of the beneficiaries as well as encouraging them to increase their savings by opening accounts in Egypt Post offices or the bank



## The Third Track| Health and Wellbeing

**Banque Misr (BM)** aspires to promote healthy lifestyles, preventive measures, and modern, efficient healthcare for the Egyptians. BM always takes part in various initiatives for accessible healthcare services and sports participation for youth and adults.



### Health

Banque Misr (BM) and its foundation play an essential role in promoting the national healthcare system and combating emerging health issues. BM ensures proper healthcare for all through its significant strides regarding providing medical services, early intervention, and preventive coverage. For better action to ensure healthy lives, BM and BMFCD drove collaborative efforts with various national entities and NGOs during FY 2019-2020.

### BM Efforts

#### Baheya Foundation

BM signed a protocol of cooperation with the Baheya Foundation for the free early detection and treatment of breast cancer. Under the protocol, BM donated EGP 10m. Baheya Foundation used the funds to purchase two mammogram devices and cover other medical expenses to expand the early detection of breast cancer.

### Minya University Hospital

As part of their notable contributions in various fields of corporate social responsibility, BM and the National Bank of Egypt (NBE) concluded a cooperation protocol with Minya University. Under the protocol, both banks allocated EGP 130m to develop the first phase of the extension building comprising two operating rooms, an intensive care room, a recovery room, and a communications hub between the extension and the main building. The funds also covered electromechanical supplies, gases, and outpatient clinics.

### Ahl Masr Hospital

BM signed a protocol of cooperation with Ahl Masr Foundation for Development to equip 14 rooms in Ahl Masr Hospital, including 12 single rooms, a double room, and an isolation room to treat burn victims. BM's contribution will facilitate free medical care using the latest medical equipment and devices needed for patients, as prescribed by best international practices.

## Magdy Yacoub Heart Foundation

BM donated EGP 32.08m to the Magdy Yacoub Heart Foundation – specifically the Catheterization Center at the new Magdy Yacoub Hospital in October Gardens. The donation aimed to cover the treatment of the increased cardiovascular disease patients, integrate treatment, fund research, and build scientific capabilities.

## Shefaa Al-Orman Hospital

The bank allocated EGP 300m to support the third phase of developing Shefaa Al-Orman Hospital, so as to ease the financial burdens on the patients, especially those who have traveled long distances to Cairo most often to receive treatment. BM participated in the inauguration ceremony of the third phase of the pediatric cancer treatment building at Shefaa Al Orman in Luxor, which carries the name of Banque Misr for funding construction work and furnishings. It is worth noting that phase three of the hospital comprises various cancer treatment departments such as ER, diagnostic radiology, specialized out-patient clinics, admissions, physical therapy, and other units.

## Tahya Misr Fund's "Noor Hayat" Initiative

BM cooperated with the Tahya Misr Fund to implement the fund's "Noor Hayat" initiative, targeting avoidable vision impairment. BM allocated EGP 80m for the initiative. The initiative aims to provide 2m citizens with eye care services and perform more than 200,000

surgeries in addition to providing treatment and follow-ups. The initiative seeks to offer affordable access to quality inclusive clinical and surgical eye care for the underprivileged and to reduce the rates of vision impairment and vision loss.

The initiative's agenda encompasses reintegrating and empowering the visually impaired, as well as raising awareness among Egyptians, aiming for Egypt to be free of avoidable vision impairment. Last year, the bank allocated many donations for supporting blood and cardiovascular system research, treating patients, and purchasing the necessary medical supplies.

## BMFCD Efforts

Banque Misr Foundation mainly focuses on promoting healthcare and medical services provided for Egyptians through its contribution in promoting 56 healthcare units at public and university hospitals, as well as purchasing medical equipment and supplies in support of low-income patients and providing treatment and surgical assistance for those who can't afford the medical costs. During FY 2019-2020, Banque Misr Foundation contributed to providing all the required medical supplies to healthcare units and surgery financing as follows:

As part of boosting the healthcare systems in Upper Egypt, villages, and slums, Banque Misr Foundation cooperated with a number of NGOs to enhance the healthcare systems at 10 Upper Egyptian villages, and four slum areas in Cairo through:

- ◆ Developing and providing facilities for the health units in villages  
Developing dialysis units and dental clinics in the health units
- ◆ Launching awareness campaigns about hepatitis C, breast cancer, and disease prevention methods
- ◆ Launching campaigns to detect hepatitis C and anemia blood tests for school students
- ◆ Providing nursing training in villages
- ◆ Providing healthcare services and treatment for chronic diseases
- ◆ Sponsoring medical convoys and sending referral requests to hospitals to carry out the required surgeries
- ◆ Equipping the Critical Care Unit in the Pediatric Department for Sohag University Hospital
- ◆ Preparing three Operation Capsules for the South Egypt Cancer Institute
- ◆ Equipping the Intensive Care Unit (ICU) for the Pediatric University Hospital in Mansoura University
- ◆ Equipping the Neurology Unit for Zagazig University Hospitals
- ◆ Supplying an Endoscope Device for the treatment of hematemesis cases for the Zagazig Fever and Liver Hospitals
- ◆ Supplying Gastroscopy Device for the National Cancer Institute in Cairo University

## Supporting Public and University Hospitals

- ◆ Developing a unit for treating burns for the Emergency Hospital in South Valley University
- ◆ Equipping Operating Rooms and an Intensive Care Unit (ICU) for the Cardiovascular Hospital in Ain Shams University Hospitals
- ◆ Equipping a Pathology Lab and purchasing C-Arm X-Ray Machines for the Qena Oncology Center
- ◆ Providing the Gastrointestinal Endoscopy Unit equipment for the Al Azhar Teaching Hospital in Zagazig
- ◆ Replacing and renewing the Dialysis Unit at Assiut University Hospitals
- ◆ Supplying medical equipment to support the Liver and Digestive System Unit for Sohag Teaching Hospital
- ◆ Developing a Spirometer for the Fitness and Rehabilitation Unit in Cairo University
- ◆ Equipping the Center for Heart Diseases and Surgery for the University Hospital for Students, Health Insurance Organization of Egypt, Sporting – Alexandria
- ◆ Equipping the Gastroenterology and Kidney Department of the Theodor Bilharz Research Institute
- ◆ Developing the extension of the Intensive Care Unit (ICU)-Abbassia Fever Hospital



## Covering Surgical Expenses

- ◆ Covering nursing and operation costs - Intensive Care Unit at Ain Shams University
- ◆ Covering nursing and operation costs in the Emergency Care Unit at Abu El-Rish Pediatric Japanese Hospital
- ◆ Providing hepatitis C treatment in cooperation with the Journalists Syndicate
- ◆ Covering the expenses of eye surgeries in cooperation with the National Association of Rotary Clubs
- ◆ Covering medical care costs of two hospital beds at the Intensive Care Unit in the National Cancer Institute - Cairo University
- ◆ Supplying special operations requirements in the Abu Al-Rish Pediatric Japanese Hospital and Mounira Pediatric Hospital

## Community Wellbeing

### BM Efforts

Aiming to boost community wellbeing, Banque Misr is keen on turning Egyptian athletes' dreams into reality through:

#### Tokyo Summer Olympics

BM supported Egyptian athletes who participated in the 2020 Tokyo Summer Olympics-held in August 2021-in collaboration with the Egyptian Ministry of Youth and Sports.

#### Egyptian Tennis Federation-Davis Cup

As part of its leading role in supporting sports, Banque Misr signed an agreement with the Egyptian Tennis Federation to sponsor the Davis Cup, the premier international team event in men's tennis.

#### Women's International Tennis Championship

The ITF Women's International Tennis tournament took place in SOHO Square, in Sharm El-Sheikh during the period from October 17<sup>th</sup> to 24<sup>th</sup>, 2019. A total of 64 players from more than 25 countries, including Russia, Spain, Italy, England, France, Belgium, United States, Belarus, Germany, Sweden, China, Argentina, and Mexico took part in the championship.

## Egyptian Sports Fund

BM launched the Egyptian Sports Fund, the first charitable investment fund to support a renaissance in Egyptian sports under the management of Beltone Egypt S.A.E. The beneficiaries of this fund will reach up to 70 Egyptian athletes during the first three years following its launch.

#### Promoting Youth Sports Centers

BM contributes to equipping and refurbishing youth sports clubs, considering that youth engagement in sports has a positive impact on both their mental and physical health. BM provides funds to cooperate in establishing new centers, as well as developing the required facilities.

### BMFCD Efforts

The foundation has equipped and developed three youth sports centers within the scope of its developmental projects in the villages. The foundation executed infrastructure projects as well as equipping stadiums, gyms, computer centers, and halls for women's social activities. On a separate note, the foundation funded utility network services, such as urban water and electricity for the Sakan Misr project.

## THE FOURTH TRACK | EDUCATION

**Banque Misr (BM)** is keen on financing inclusive education initiatives and promoting equitable education, with a focus on individuals with learning and physical disabilities. These efforts aim to create a positive impact on society in terms of overall social cohesion and in particular shaping a better future in terms of sustainable economic development. Banque Misr has a solid belief that civilization can only be sustained through inclusive equitable education. BM and its foundation play a significant role in ensuring access to education, which extends to bridging the education-to-employment gap through offering internship opportunities.



### BM Efforts

#### Training Governmental Administrative Sector

BM allocated EGP 200m to finance educational and training programs offered by the ministry over two years. The collaboration boosted the efficiency of the governmental administrative sector.

#### Ministry of Higher Education and Scientific Research

BM participates in financing research and scientific study missions with EGP 300m on an annual basis.

#### National Association of Rotary Clubs

In collaboration with the National Association of Rotary Clubs, Banque Misr assigned EGP 2m to furnish, equip, and paint an experimental school in Fayoum. The School comprises 32 classrooms for the primary, preparatory, and secondary stages to serve resident families in Fayoum.

### Egypt-Japan Education Partnership

Under this agreement, Banque Misr offers various loan programs with up to an eight-month loan term from fall to spring. The loan program also offers free life insurance for the borrower in case of death or total disability. The loans will also cover up to 100% of the value of the tuition fees. BM facilitated education loans to cover the school fees of students enrolled in the Egyptian Japanese schools, which have reached 43 schools in 24 governorates.

#### Electronic Tuition Collection

Banque Misr signed a collaboration protocol with Sinai University, to provide electronic collection and tuition fee payment services. This step is part of Banque Misr's expansion plan in the online collection field, and comes in support of the state direction towards financial inclusion, electronic payment and collection, and the gradual transformation to a cashless society. In addition to 6<sup>th</sup> of October University, the bank has also signed cooperation protocols with around 23 public and private universities; including Cairo University, Ain Shams University,

Banha University, Damanhour University, Suez Canal University, Asyut University, and Sohag University.

## Training and Employment Opportunities

BM offers undergraduates and graduates training and employment opportunities to develop their competencies in the job market. The bank concluded agreements with several private universities in this regard, including 6<sup>th</sup> of October University and the Egyptian Russian University.

## Zewail City of Science and Technology

Banque Misr supports 19 talented senior students at Zewail City of Science and Technology, through fully-funded scholarships. This is in addition to its continuous support for the university through allocating EGP 25m for the development of a student service center. The new student service center provides a centralized location for all strategic studies. The building represents a real breakthrough in terms of vocational guidance and training, by helping students to navigate their academic journey.

## Beni Suef University Protocol

The protocol aims to provide training and employment opportunities for students and graduates and comes in line with the bank's efforts to attract competent personnel to its ranks; in order to enhance its competitive edge and maintain its leadership within the Egyptian banking sector.

## BM Internship Program

BM offers a well-rounded internship program that provides

undergraduates with first-hand experience in the banking industry. The program equips interns with the necessary professional and developmental skills to pursue a successful banking career.

## BMFCD Efforts

### Nile University

In line with BMFCD's policy to develop the education sector, it collaborates with Nile University to qualify the youth to successfully enter the labor market. This is in addition to offering unique scholarships and professional training programs for academically superior students. For the fifth consecutive year, the foundation offered 55 fully-funded scholarships for talented students at Nile University to earn bachelor's degrees in engineering and business administration, in addition to 10 postgraduate scholarships. During FY 2019-2020, Banque Misr celebrated the graduation of the first Nile University scholarship class.

## Vocational Internship Program

In collaboration with Ghabour Auto, Banque Misr Foundation for Community Development (BMFCD) offers 35 annual training programs for the students in the preparatory stage to receive training at automotive vocational centers in Imbaba – Giza, Moharam Bek – Alexandria, and Kafr El-Zayat City-Gharbia Governorate.

After completing the three-year training program, the student receives two certificates: a vocational education diploma offered by the center's productivity and vocational training division and a certificate from Saxony International Schools.

The Foundation also cooperated with Elsewedy Electric Foundation to provide technical education opportunities for 16 students at Elsewedy Electric Technical Secondary School. The School offers

dual education and training opportunities in the Information and Communication Technology field over three academic years. Enrolled students who complete the ICT program receive two certificates: a Diploma from the Ministry of Education and Technical Education and a Finnish-accredited certificate from Omnia Education Partnerships.

### Promoting the educational environment in Upper Egypt

As promoting the educational environment marks a gateway for development, BMFCD cooperated with NGOs to develop the educational environment in some of the neediest villages in Upper Egypt (Fayoum, Minya, Assiut, Sohag, Luxor, and Aswan) through cooperative efforts that resulted in:

- ◆ Renovating six primary and preparatory schools
- ◆ Furnishing and providing 39 kindergarten classrooms with the required teaching tools
- ◆ Establishing kids' play areas and providing them with the required supplies
- ◆ Holding 44 literacy classes in 10 villages for female breadwinners and drop-out students
- ◆ Providing specialized training programs for kindergarten teachers
- ◆ Establishing computer and science labs
- ◆ Holding classes for students with academic difficulties in primary and preparatory schools
- ◆ Providing scholarships and uniform fees for the neediest students
- ◆ Providing supplies for the computer lab in the Faculty of Medicine- Al-Azhar University for Girls

### Talent Program

The foundation developed an integrated program to support school students in Aswan Governorate who have talents in poetry, theater, and information technology.

### The Literacy Initiative

In collaboration with Sonaa Al-Hayat association, Banque Misr Foundation for Community Development established 36 mobile literacy classes in Rawafia Al-Issawiya village in Sohag to reach the largest number of beneficiaries and facilitate their participation. A total of 500 women have enrolled in these literacy classes and received certificates from the General Authority for Literacy and Adult Education.

### Teaching with Technology Program (TWT)

Banque Misr Foundation collaborated with a number of civil society organizations to boost teachers' effective utilization of technology. The Microsoft "Teaching with Technology" program is designed specifically for teachers to train them on how to use technology in education, as well as the innovative tools that can boost peer interaction and communication with students. Additionally, it provides educators with an opportunity to obtain a Microsoft Certified Educator certificate.

### The Stem Schools Initiative

Banque Misr Foundation for Community Development equipped 20 computer labs in schools in Fayoum, Minya, Sohag, Luxor, Aswan, and Cairo. The foundation also provided internet connections in laboratories, enabling the teachers to integrate technology in the curricula to be more effective.





BM Green Branch  
in Nasr City, Cairo

## Corporate Environmental Responsibility

**As one** of the founding signatories to the Principles for Responsible Banking Initiative, Banque Misr (BM) recognizes the importance of aligning its strategy with the United Nations Environment Programme Finance Initiative (UNEP FI), UN global 2030 Agenda for Sustainable Development, and its 17 Sustainable Development Goals (SDGs) and the UN Global Compact (UNGC) Principles. As the impact of climate change is moving at breakneck speed, BM recognizes the significant role it has to play in assisting customers, business partners, and suppliers in navigating their impacts while contributing to environmental stewardship and responsible business operations. Collectively with our stakeholders, we can unite to transit to the most sustainable path forward in creating a green digital financial future. This unity is a prime opportunity to understand, re-imagine, and reduce overall direct and indirect environmental impact.

To mitigate the adverse impact of climate change, BM focuses on harnessing the quality and efficiency of its operations without compromising its Corporate Environmental Responsibility (CER), pursuing a better future for the next generations. BM promotes an environmentally conscious workplace starting from corporate plans to account statements. The bank supports green and eco-friendly commuting and maintenance practices.

BM spearheads efforts to optimize resource allocation, reduce greenhouse gas (GHG) emissions generated on-site and off-site, and carry out responsible waste disposal and water discharge. The bank also takes the top environmental practices and learns from other peers that are leading in this area. BM will seek ways to proceed with these environmental targets by rethinking future operations, and business practices.

Here are some accomplishments in that regard:

Developing Former Landfill Sites



Landfill gas flaring is one of the causes of air pollution in Egypt, resulting in hazardous waste. To enhance air quality, Banque Misr allocated EGP 65m to fund the transformation of Menoufia’s Abu Kharita, the largest landfill in Egypt, into a recycling plant.

The new garbage recycling plant covers five acres, with costs estimated at EGP 130m and a production capacity of up to 500 tons per day.

Responsible Water Consumption



Promoting water conservation is an essential target for BM. In this regard, the bank deployed water flow regulators to monitor overall water consumption in the Mostafa Kamel building. The bank also installed water occupancy sensors in its new administrative office in New Cairo, which resulted in up to 23.5% of water savings.

On a further note, Banque Misr installed Water Mist Fire Suppression Systems in 20 branches. The new system is a more water-efficient alternative to traditional sprinklers. The newly installed system cuts water consumption by 95%.

Wastewater Treatment



Banque Misr approved funding the construction of the Abu Rawash Wastewater Treatment Plant. The project will serve various areas, including the east side of the Nile River, Cairo-Alexandria Desert Road, Giza Governorate, along the west bank of the Nile.

The Abu Rawash Wastewater Treatment Plant is considered one of the largest wastewater treatment plants with a potential capacity of 1.6m m³/day. The project will carry out primary and secondary wastewater treatment, serving 8m inhabitants.

The project will protect the environment and water resources from pollution. It will also reduce health risks associated with discharging untreated wastewater to the drains and canals and enhance water reuse.

Sourcing Eco-Friendly Giveaways



BM makes every effort to consider environmental protection and conservation when purchasing office supplies and other materials. The bank prefers to source locally made giveaways to support Egyptian artisans and craftsmen.

Purchasing local products, mostly biodegradable, which do not require transportation over thousands of miles, means less fuel and emissions from vehicles, planes, and ships.

## Paper Waste Reduction



Recycling paper is an easy way to help maintain oxygen levels globally, which is especially necessary in view of the unprecedented rise of global warming. The destruction of trees for paper production does more than impact air quality by reducing the oxygen ratio and increasing GHGs.

It also eliminates natural habitats due to deforestation. BM ensures that recycling programs are in place to allow employees to dispose of and reuse paper. Around 166 tons of paper were shredded for recycling during FY 2019-2020, compared with 166.24 tons during FY 2018-2019. These ratios demonstrate the progress achieved in significantly reducing paper on a year-on-year basis.

BM strives to achieve customer ease and flexibility while reducing paper waste, energy use, and emissions. The bank is working on decreasing its paper flow trail to and from business partners, suppliers, and customers, using cloud-based content management and process automation technologies that provide a great omnichannel experience.

Likewise, COVID-19 measures during FY 2019-2020 dramatically increased our clients' use of online and mobile banking services. As detailed throughout the report, we launched new digital tools in a matter of days, and teammates reached out to help individual clients take advantage of our digital resources.

## Rationalizing Energy Consumption



In alignment with national and global efforts for environmental protection, BM ensures rationalized power consumption across its premises. The bank also supports eco-friendly projects and governmental initiatives for renewable energy production through allocating finances.

Heading towards clean energy consumption, BM increased its renewable power capacity by installing solar panels in the building located in its social club, producing 111,970 kilowatt hours (kWh). The solar power panels cut monthly electricity bills by 20%.

By the end of 2020, BM installed LED lighting in 600 branches and 66 central divisions. The move aimed at decreasing the overall carbon footprint. Greenhouse gas emissions associated with the LED lights are far less than conventional incandescent or compact fluorescent alternatives. LED bulbs provide the same luminosity as one incandescent bulb while emitting 80% fewer greenhouse gases. BM also installed VRV air conditioning systems in 340 branches, which resulted in up to 22% energy savings per branch.

## Green practices for sustainable future



The BM Green Branches project aims at achieving the utmost efficiency and effectiveness of interior conditions in terms of thermal comfort, natural daylighting, efficient artificial lighting, and adequate air conditioning. The impact of the design on users and surroundings is a crucial part of the design and construction process to create a holistic approach for the health of users and the environment.

The BM Green Branches project features newly designed windows with high-performance glazing and ratios that provide maximum natural daylighting for spaces to ensure that the internal thermal comfort is not compromised. The project also features VRV HVAC systems and an efficient artificial lighting system, including LED lighting for all fixtures to ensure low energy consumption.

The BM Green Branches project features external wall insulation to prevent heat and energy loss throughout the building. BM installs external louvers on the south facade for sufficient shading of the windows. The project also uses special water meters, low flow lavatory faucets in kitchens, infrared electronic mixers in bathrooms, and low-flow flush tanks to monitor water consumption and control wastewater management measures to minimize waste as much as possible. Additionally, the bank utilizes a drip irrigation system for the branch landscapes. The project includes a place for bicycle racks to encourage users for cycle, decrease emissions, and improve physical health.

In terms of separating and recycling waste, the construction materials used in the project include recycled cement tiles. All materials used in the project are locally sourced, including low VOC paint and mechanical exhaust to minimize pollutants inside the building. The green branches are non-smoking workspaces. Smokers can go to the outdoor area in front of the building to smoke. BM Employees further receive special training to understand their role in decreasing the bank's carbon footprint.

## COVID-19 Response Strategy

**The coronavirus** has changed the rhythm of our lives. The World Health Organization declared COVID-19 a pandemic on March 11<sup>th</sup>, 2020. Egypt took a series of measures to contain the disease from spreading. Egypt announced the first lockdown on March 25<sup>th</sup>, 2020, followed by a series of lockdowns. In terms of infection prevention and control, Egypt imposed a nighttime curfew, suspended air travel, closed places of worship, and suspended learning at schools and universities.

To prevent the spread of the virus, Egypt also conducted COVID-19 tests, contact tracing, isolation, and treatment, in addition to several preventive measures to implement social distancing. Egypt also adopted economic measures covering monetary and fiscal policy to improve overall performance, protect the Egyptian Stock Exchange, and support the tourism sector, which was the hardest hit by the crisis. Concerning social security, the government reduced the number of private and public sector employees in workplaces, improved pensions, and included irregular labor in the social security net.

## Collective Efforts

BM efficiently took pre-emptive and immediate measures in response to the COVID-19 outbreak. BM achieved a low spread rate of 0.02% of the total population during peak time, which declined to 0.004%. BM launched an on-site emergency preparedness and response plan. BM also formed a Crisis and Emergency Committee to address the potential attendant crises and handle emergency assistance. The committee creates and maintains an efficient and integrated structure

for preventing and managing incidents. It aims to ensure preparations for force majeure events and develop action plans. BM reviews its plan regularly and updates it to incorporate the latest consultations and recommendations related to the occupational health and safety measures announced by local, regional, and international public health authorities. BM further adopted strict safety standards to ensure that employees are safely returning to the office.



## Scaling-up Health Preparedness

The BM Medical Division extended working hours to 24/7, entailing accessible medical consultation and immediate response to any questions submitted via e-mail or phone. Banque Misr conducted COVID-19 screening on 75% of its total workforce, including around 20,000 employees and 8,000 retirees. This included 24,554 rapid tests and almost 4,969 PCR tests, detecting 1,599 positive cases with a recovery rate of 97% of the total confirmed cases. BM covered health care from hospitalization to recovery and daily follow-up through a dedicated team which followed up daily through phone calls and SMS.

Further, BM eliminated travel overseas or between Egyptian cities. BM requires travelers to take a two-week leave and quarantine upon arrival and undergo a medical checkup before returning to work. BM also provided interest-free cash loans to employees to help their families (parents) who don't have a health insurance scheme.

## Adopting A Hybrid Work Model

BM suspended the fingerprint biometric attendance system and encouraged conducting in-office meetings and workshops via videoconferencing or teleconferencing instead of person-to-person communication. The HR Division resumed digital and online training programs via video conference and conducted online assessments for job promotion cycles.

BM adopted a rotational shift system to protect the workforce and to prevent all employees from falling ill. BM reduced headquarters and branch capacity. BM also reduced working hours to six hours per day after obtaining consent from the Central Bank of Egypt (CBE). BM provided all possible remote work facilities, including MiFi mobile internet, Virtual Private Network (VPN) Remote Access, and laptops for employees, according to the needs and nature of each job.

BM further offered emergency leave for employees with special needs and patients with chronic diseases: heart disease, renal disease, liver disease, respiratory illness, immune deficiency, and tumors. BM also offered emergency leave for female employees parenting 7-12 years old children and pregnant ladies following the outbreak of COVID-19.

## Implementing A Facility Protocol

Among COVID-19 preventive measures, BM introduced a facility protocol. The protocol encompasses measures and guidelines to ensure infection prevention, including providing temperature scanning checkpoints and ensuring sufficient hygiene supplies and materials (tissues, soap, hand sanitizer gel, disinfectants). The protocol included frequent cleaning and disinfecting processes every two hours using the alcohol-based surface disinfectant solution. The protocol also entailed replacing reusable tableware with disposable ones.

## Setting up A COVID-19 Communication Kit

COVID-19 safety measures and guidelines are displayed on roll-ups in different locations at all the premises, providing instructions such as social distancing on elevators, frequent hand washing, and wearing face masks inside branches and offices. BM produced awareness videos and displayed them on-premises and ATMs. The bank launched a dedicated campaign to urge customers to use electronic channels within this framework under the name Stay at Home.

## Maintaining Social Distancing Measures

To minimize the risk of spreading infectious disease, the bank asked suppliers to take all necessary measures. BM suppliers include cleaning companies, shipping, cash transfer, security, etc. The bank applied proactive measures related to its transportation system to ensure the safety of the drivers. BM also optimized safety procedures for its customers. The bank reduced in-branch capacity by 50%. The bank also established outdoor waiting areas for customers and placed distancing marks in front of ATMs to maintain appropriate social distance. The bank further assigned an employee to monitor adherence to social distancing measures in front of ATMs during peak times (within BM operating hours).

## Supporting Customers Remotely

BM conducted more frequent ATM money feeding during weekends and official holidays. The bank also increased cash flow in bank branches to reduce the number of trips of the cash transfer vehicles. BM also ensured seamless access to all electronic service facilities (internet and mobile banking, e-wallet, etc.) to reduce

customer site visits. The bank offered online service subscriptions for BM Wallet, issued prepaid cards fee-free, and exempted ATM withdrawal fees for non-customers. The bank further introduced mobile ATMs for accessible banking services everywhere, to all customers, especially pensioners.

BM also launched a comprehensive program to support MSMEs in addressing the COVID-19 crisis via Business Development Centers "Nilepreneurs." BM held non-financial workshops to guide MSMEs in mitigating the adverse effects they may encounter due to the COVID-19 crisis.

## Supporting the Community

BM signed a cooperation protocol with the Ministry of Health and the National Bank of Egypt (NBE). The protocol was aimed at supporting the health sector requirements with an amount of EGP 60m to purchase several CT scanners for hospitals designated to receive infected and suspected COVID-19 patients.

Moreover, BM allocated EGP80m to the Federation of Egyptian Banks initiative to aid households affected by the COVID-19 pandemic, including daily and irregular workers. The bank cooperated with the Egyptian Food Bank and Misr El Kheir Foundation to disburse 10,500 family parcels, including various basic foods, in addition to antiseptic materials to support the most deserving Egyptian families. BM further participated in the fundraising campaign led by the American Chamber of Commerce in Egypt to provide medical equipment for the Egyptian Ministry of Health and Population in cooperation with UNICEF. The bank's contribution involved the purchasing of three ventilators. BM also allocated EGP 500m to meet the needs of hospitals in various governorates. The bank also allocated additional donations to manufacture COVID-19 vaccines.



Mr. Mohamed Roshdy,  
BM CEO (1955-1969),  
escorting Mr. Kwame Nkrumah,  
former president of Ghana, during  
a tour in one of BM's projects.





## Corporate Governance

Over a century, BM's supremacy was built fundamentally on robust governance and compliance. Our governance strategy has inherently been essential to the relentless efforts towards sustainable growth and welfare. We adopt a well-managed governance structure conducive to our perdurable leadership and create a positive impact. Our governance structure sets the imperative mechanisms through which our operations follow both national and international statutory regulations, principles, and standards.

We uphold integrity and ethics across our business conduct. Banque Misr (BM) exerts every effort to ensure compliance with the best governance practices and to mitigate possible conflicts of interest between stakeholders. The bank prides itself on effectively reinforcing the best governance principles in its insightful corporate culture, which has operated under steadfast leadership for over a century. BM proactively upholds the highest standards of integrity, transparency, accountability, and responsibility while safeguarding stakeholder rights and other ethical considerations. Our code of conduct explicitly communicates the role of every employee or third party working on behalf of our bank, emphasizing the importance of consistent adherence to the best professional ethics.

Our internal and external audit raises the bar of governance assurance through objective reporting assessment. Our accurate and timely decision-making is attributed to the reliability and transparency of the entire reporting process, whether on the internal or external levels. The good governance practices enable the board to have a more comprehensive standpoint, clearly communicating the strategies and plans with the concerned stakeholders and specialized committees. Our articulate board of directors has a diverse range of expertise, perspectives, and knowledge, allowing it to professionally set and uphold prudent strategies to effectively manage performance, review progress on short and long-term plans, in addition to other supervisory roles. Our Corporate Communication sector is entitled to submit bi-annual follow-up reports to the Governance Committee regarding the progress achieved in corporate social responsibility fronts, to be disclosed in the annual report later on.

About This Report

A Century-Old Institution

Business and Strategy

Sustainability Approach

Corporate Governance

Operational Performance

Financial Performance

## Board Roles and Responsibilities

**Banque Misr's** Board of Directors performs three roles: providing direction, monitoring the management, and offering support and advice. The board evaluation typically examines these roles. The bank upholds regulations to assess board duties and pinpoint conflicts of interests in case of cross-participation in the bank's bodies and committees.

Ultimately, BM Board and Senior Management Executives build on the bank's legacy of success and continuous development. Driven by its leadership in the banking sector, Banque Misr (BM) adopted sustainability at an early stage, successfully balancing financial performance with sustainability, transparency, and good governance. The BM Board undertakes its oversight of economic, environmental, social, and governance (ESG) issues through setting responsible sector-specific policies and strategic decision-making that fully integrate the long-standing mission and values to attain sustainable success.

In essence, the bank adopted a strategy pertinent to the SDG goals and Egypt Vision 2030. The BM Board Members brings their expertise to fulfill their role in articulating the bank's sustainability vision in the entire strategy aligned with the ESG approaches and principles.

The BM Board, along with senior management and staff, provide transparent disclosure of ESG risks to foster more proactive

adoption of the sustainability approaches. The bank seeks a more balanced standpoint regarding its sustainability, incorporating both positive and adverse impacts on ESG factors.

BM has set various channels to address, discuss, and communicate its ESG practices and targets. These effective channels include periodical reporting, stakeholder engagement strategies, meetings, and internal and external assurance. The bank also identified performance indicators to assess sustainability efforts.

BM adopts a transparent and fair succession system for senior-level positions while focusing on diversity to achieve a more effective decision-making process. In addition, the bank evaluates the performance and the transparency of its remuneration system.

Further, BM accurately determines the adequate eligibility criteria regarding nominating the ideal candidates for senior management and board-level positions.



## Appointment of a New Board of Directors

The year 2020 brought some changes to Banque Misr's Board of Directors. The Central Bank of Egypt (CBE) announced that the Egyptian Prime Minister, Dr. Mostafa Madbouli, issued a decree to reform Banque Misr's board of directors for three years starting from September 25<sup>th</sup>, 2020.

The Central Bank of Egypt (CBE) renewed the terms of Mr. Mohamed Mahmoud Ahmed El-Etreby as Chairman of the Board, Mr. Akef El Maghraby as Vice Chairman-Executive Member of Board, and Mr. Hossam Abdelwahab as Vice Chairman-Executive Member of Board.

The new bank's non-executive board members include Mr. Ahmed El-Guindy, Mr. Tamer Gadalla, Mr. Mohamed Seif Elnasr, Mr. Khaled Kandil, and Ms. Mirna Arif.

On behalf of Banque Misr, we would like to welcome our new board members who will certainly spare no effort to attain excellence in achieving BM's mission. We would also like to extend our deep appreciation to BM's outgoing members for their dedicated efforts and great contributions in ensuring BM's mission-oriented success with their insight and expertise.

# Board of Directors

December 2021



Mohamed El-Etreby

Chairman



Akef El Maghraby

Vice Chairman



Hossam Abdelwahab

Vice Chairman



Ahmed El-Guindy

Independent Non-Executive Director



Khaled Khalil Kandil

Independent Non-Executive Director



Mahmoud Fawzy

Independent Non-Executive Director



Mohamed Seif Elnasr

Independent Non-Executive Director



Mirna Arif

Independent Non-Executive Director



Tamer Gadalla

Independent Non-Executive Director

# Senior Executives

December 2021

				
<b>Ahmed Ibrahim</b>	<b>Ahmed Sobhy</b>	<b>Akram Mohamed Abd El Basset</b>	<b>Amr Hashem</b>	<b>Ashraf Tolba</b>
<b>Head of Remedial</b>	<b>Chief Investment Officer</b>	<b>Head of Administration</b>	<b>Head of Internal Control</b>	<b>Chief Risk Officer</b>

					
<b>Fatma El-Gouly</b>	<b>Hany Elsamra</b>	<b>Hany Farahat</b>	<b>Hossam Raouf</b>	<b>Ibrahim El-Sherbini</b>	<b>Ihab Dorra</b>
<b>Chief Corporate Communication Officer</b>	<b>Chief Human Resources Officer</b>	<b>Head of Research, Strategy, and Quality Assurance</b>	<b>Head of International Business and Foreign Branches</b>	<b>Chief Information Officer and Head of Digital Innovation</b>	<b>Chief Consumer and Retail Payments Officer</b>

					
<b>Ihab Maher Desoky</b>	<b>Khaled Atris Abdel Aziz</b>	<b>Mohamed Afifi</b>	<b>Mohamed El-Antably</b>	<b>Mohamed Khairat</b>	<b>Mohamed Sherif</b>
<b>Head of Engineering</b>	<b>Chief Legal Affairs Officer</b>	<b>Chief Compliance Officer and Corporate Governance</b>	<b>Head of SMEs and Micro Finance</b>	<b>Head of Corporate Banking and Syndicated Loans</b>	<b>Chief Financial Officer</b>

					
<b>Mohamed Yehia</b>	<b>Moustafa Gamal</b>	<b>Sayonara El Asmar</b>	<b>Suzan F. Hamdy</b>	<b>Shehab Zidan</b>	<b>Yasser Ali Khater</b>
<b>Chief Internal Auditor</b>	<b>Chief Treasurer and Financial Institutions Officer</b>	<b>Chief Operations Officer</b>	<b>Chief Financial Inclusion and Business Development Officer</b>	<b>Head of Global Transaction Banking and Chief Transformation Officer</b>	<b>Chief Security Officer</b>



Board  
of Directors







# Mr. Mohamed El-Etreby

## Chairman of Banque Misr



Mr. Mohamed El-Etreby is a prominent banker with a long-standing experience of more than 35 years in the banking sector.

Prior to joining Banque Misr, he was the CEO and Managing Director of the Egyptian Gulf Bank from January 2013 to December 2014. Mr. El-Etreby began his banking career in 1977 joining the Arab African International Bank (AAIB), and Crédit International d’Egypte Bank later on. In 1983, he joined Misr International Bank (MIBank, currently Qatar National Bank Alahli), where he spent more than 22 years, and during which he held several senior banking positions and acquired a wide range of experience in different key areas of the banking business.

In September 2005, he joined the Egyptian-Arab Land Bank as Vice Chairman and Board Member. In 2009, he was appointed as the Managing Director of the Arab Investment Bank. In 2011, Mr. El-Etreby was rehired at the Egyptian Arab Land Bank as a Chairman.

In recognition of his great achievements, Mr. El-Etreby was appointed as the Chairman of the Egyptian Gulf Bank in 2013. Subsequently, he was appointed as the Chairman of Banque Misr in January 2015. He also serves as the Chairman of Banque Misr Liban (BML), Vice Chairman of Cairo Amman Bank, and Chairman of Banque Misr Foundation for Community Development.

He graduated with a Bachelor’s degree in Commerce from Ain Shams University in 1976.

### Other Current Positions:

- ◆ Vice Chairman, Union of Arab Banks
- ◆ Chairman, Federation of Egyptian Banks (FEB)
- ◆ Board Member, Egyptian General Company for Tourism and Hotels (EGOTH)
- ◆ Board Member, Misr Insurance Holding Company S.A.E.
- ◆ Board Member, General Authority for Investment and Free Zones (GAFI)
- ◆ Board Member, Ain Shams University (ASU)
- ◆ Board Member, Arab Contractors Company
- ◆ Board Member, National Investment Bank

### Committees:

(a1, E, ALCO, b9, b)

# Mr. Akef El Maghraby

## Vice Chairman-Executive Member



Mr. Akef El Maghraby joined Banque Misr as Vice Chairman in August 2016. Earlier, he gained 16 years of experience in Citibank. Throughout his banking career, he held various positions in several divisions, including Credit Analysis, Corporate Finance, Ratings Advisory, and Corporate and Investment Banking Services. He gained international professional experience, working in several countries, including Egypt, Bahrain, Saudi Arabia, the United Kingdom, and the Netherlands, where he managed and executed many corporate finance programs and sovereign wealth funds, either through offering banking loans or issuing bonds and Sukuk.

Mr. El Maghraby supervises a number of business lines, including Corporate, Treasury, Investment, SMEs, Retail, Branches, Islamic Financing, Global Transaction Business, International Business, Financial Inclusion, and Digital Transformation.

He also led and executed many major mergers and acquisitions (M&As), debt, and equity capital markets, loan markets, and derivatives transactions.

Mr. El Maghraby holds a Bachelor's degree in accounting and a Master of Business Administration, both from the American University in Cairo.

### Other Current Positions:

- ◆ Chairman, Misr Bank-Europe GmbH Frankfurt
- ◆ Chairman, Misr Digital Innovation Company
- ◆ Board Member, Banque Misr Liban S.A.L. (BML)
- ◆ Board Member, Misr Capital Investments S.A.E.
- ◆ Board Member, Egyptian Banking Institute
- ◆ Board Member, Misr Insurance Holding Company S.A.E.
- ◆ Board Member, Egypt Air Holding Company
- ◆ Board Member, Altera
- ◆ Board Member, Africa 50

### Committees:

(a1, E, ALCO, C, b9, b, V, I, H, b2, a5)

# Mr. Hossam Eldin Abdelwahab

## Vice Chairman-Executive Member



Hossam Eldin Abdelwahab joined Banque Misr in October 2018 as Vice Chairman. Formerly, Mr. Abdelwahab was the Deputy Chief and Executive Officer at Al Ahli Bank of Kuwait, where he managed the Retail, Branches, and SMEs Divisions from 2016 until September 2018.

Mr. Abdelwahab began his banking career in 1989 at Gulf Bank in Kuwait before moving to Procter & Gamble in 1991, climbing the ranks throughout his tenure of nine years in the company. During that time, he held the position of Head of Investments in 2000. Then, he left Procter & Gamble to join Investia Venture Capital from 2000 until 2001 as Manager of Investments.

Later in 2001, he joined Citibank Egypt, taking on leadership positions from 2001 to 2006 in the fields of risk management, as well as distribution and operations. He then moved to Citibank London's regional office as Vice President of Credit Operations in the Middle East, Africa, and Europe from 2006 to 2008. Later, he took the position of Head of Retail Banking at Bank Audi Egypt from 2008 to 2012, before moving to the Arab Banking Corporation, where he held the positions of Executive Board Member and Head of Retail Banking and Branches from 2012 to 2016. Mr. Abdelwahab received his Bachelor's degree in Commerce from the Faculty of Commerce, Economics, and Political Science at Kuwait University.

### Other Current Positions:

- ◆ Board Member, Misr Capital Investments S.A.E.
- ◆ Board Member, Banque Misr Liban S.A.L. (BML)
- ◆ Board Member, International Company For Touristic Investments S.A.E. (Conrad)
- ◆ Board Member, Misr Digital Innovation Company
- ◆ Board Member, Banque Misr Foundation for Community Development

### Committees:

(b1, a1, E, ALCO, C, b9, b, a2, a8, V, I, H, BRCC, b2, a5, ICAAP, a3)

# Mr. Ahmed Alaa El-Din El-Guindy

## Independent Non-Executive Director



Mr. Ahmed El-Guindy has been a Founding Partner of TCV Holding for Investment, one of the most successful companies operating in direct investments in Egypt, since June 2016.

He began his career in research and economics at the World Bank's bureau in Cairo in 2002.

Then, he joined EFG-Hermes as an associate in 2004 in the Investment Banking Division. Then, he was promoted as Vice President of Investment Banking in 2008, before becoming the Managing Director of Investment Banking during the period from 2012 to 2016. During this period, he managed the company's operations in Egypt and the Arab region. Mr. El-Guindy received his Bachelor's degree in Business Administration and Economics from the American University in Cairo in 2002 and a Master's degree in Accounting and Finance from the London School of Economics in 2004.

### Committees:

(V, A, G, H)



# Mr. Khaled Khalil Abd Elwahab Kandil

## Independent Non-Executive Director



With a successful career spanning over 40 years, Mr. Khaled Kandil gained remarkable experience in organizational leadership, development, and operational excellence while holding senior positions for 25 years.

He spent most of his career in Oil and Gas industry, where he ended as ExxonMobil Egypt's Managing Director for eight years. He headed EM Lubricants and Specialties line of business in Egypt, Cyprus, and across North and East Africa countries, including Sales, Marketing, Technical Services, Manufacturing, and Supply Chain. Earlier in his career, he led various divisions, including Marketing Studies, Planning, Treasury, Accounting, Audit, and IT.

He also spent two years in Mobil Corporation on international assignments in the United States. He was also selected during 1999 to be part of the Global team to conclude the merger of Exxon and Mobil across Africa and the Middle East.

Mr. Kandil joined Ghabbour Auto in 2011 to head Passenger Vehicles sales and after-sales business. He was appointed in 2014 as an Executive Board Member of Ghabbour Auto Group and from 2015 to 2016 as a Non-Executive Board Member.

From the outset of his career, Mr. Kandil worked for many reputable institutions, including the Ministry of Petroleum and Mineral Resources and the United States Information Agency (USIA).

Mr. Kandil obtained a Master of Business Administration from the American University in Cairo (AUC) in February 1979.

### Committees:

(V, G, H, R)



# Mr. Mohamed Mahdly Seif Elnasr

## Independent Non-Executive Director



Mr. Seif El Nasr is currently Co-Founder and Managing Director of Lakemore Partners. He has over 40 years of investment management experience, during which he has managed more than USD 30bn across conventional and alternative asset classes. Prior to Lakemore, he was Chief Investment Officer at Safanad, a global principal investment firm focused on Private Equity, Real Estate, and Liquid Strategies. Previously, he spent 17 years with NCB where he was Head of Asset Management overseeing more than USD 26bn in conventional and alternative asset classes that included Specialist Credit, Hedge Funds, Real Estate, and Private Equity.

He was instrumental in building the proprietary trading and alternative asset management business of NCB. Previously, he was Head of Risk for the Middle East region at CSFB–London and Cairo, where he was a member of the emerging markets team. He also worked for the investor services group at Citibank–London. Mr. Seif El Nasr holds a Bachelor of Arts degree in Economics from the University of Cairo.

### Other Current Positions:

- ◆ Founding Partner and General Director, Lakemore Partners Ltd (DIFC), Dubai (November 2016 – Present)

### Committees:

(V, I, H)

## Ms. Mirna Essam Eldin Arif

### Independent Non-Executive Director



With professional experience spanning more than 19 years, Ms. Mirna Essam Eldin Arif joined Banque Misr as a Non-Executive Board Member. Ms. Arif gained sound global professional experience, where she worked for numerous multinational organizations and state entities in Europe, the Middle East, and Africa.

As Country General Manager at Microsoft Egypt, Ms. Arif oversees Microsoft's overall efforts in the country to empower public and private organizations to accelerate their digital transformation agendas and attain better customer engagement, in addition to empowering employees, optimizing operations, and transforming business models.

Ms. Arif joined Microsoft in 2019 as MEA Business Group Director, managing the company's surface portfolio in the region. Before joining Microsoft, she served as Digital Transformation Director at GE Oil & Gas in July 2017, where she managed the delivery of the digital transformation strategy to oil and gas customers in North Africa and Turkey.

In 2015, Ms. Arif held the position of Regional Manager for Gulf for the Emerson Rosemount Group at Emerson Automation Solutions Company. She also held the position of Minister's Assistant for Investment and International Cooperation at the Ministry of Petroleum, where she was responsible for advising on the development and implementation of the strategy of the petroleum sector in Egypt. This is in addition to her role in fostering international cooperation and bilateral relations between Egypt and various other countries through investment opportunities, international cooperation, and strategic dialogue.

Before holding a senior position at Emerson, Ms. Arif was Global Marketing Manager for Schlumberger in London, where she was responsible for devising the worldwide marketing strategy for the Software and Marine Operations segments. Ms. Arif spent the first 12 years of her career in Schlumberger, where she held various leadership positions, including Regional Sales Manager in the UK and Ireland and Regional Sales Manager in East Africa and East Mediterranean.

Ms. Arif holds a Master of Business Administration (MBA) in Marketing and Operations from the American University in Cairo and a Bachelor of Science (BSC) in Computer Science from the same university.

#### Committees:

(I, A, H, R)

# Mr. Tamer Abdel Aziz Gadalla

## Independent Non-Executive Director



Mr. Tamer Abdel Aziz Shehata Gadalla began his career as a Systems Engineer and Programming Coordinator at the Egyptian Cabinet's Information and Decision Support Center (IDSC) in 1993.

In 1996, Mr. Gadalla joined GigaNet Egypt as a Sales Manager. Then, he worked for MenaNet for Communications, where he held the position of Business Development Manager in 1999, before being promoted to hold the position of General Manager in 2001.

Subsequently, Mr. Gadalla joined TE Data as Sales Director in 2004, before heading the Commercial Division in 2005. Later on, he was appointed as Chief Executive Officer and Managing Director of TE Data in the period between August 2008 and March 2016. He later held the position of Chief Executive Officer and Managing Director of Telecom Egypt from March 2016 to April 2017.

Mr. Gadalla earned his Bachelor's degree in Electronics and Communication Engineering from Cairo University in 1992. He also completed his Master's degree in Business Administration from Maastricht University, the Netherlands in October 1996.

### Other Current Positions:

- ◆ Chairman, Eastern Tobacco Company (since 2018)
- ◆ Executive Director, SAP Egypt (since 2018)

### Committees:

(I, A, G, R)





Senior Executives







# Mr. Ahmed Ibrahim

## Head of Remedial



Mr. Ahmed Ibrahim was appointed as the Head of Remedial. Prior to joining Banque Misr, Mr. Ibrahim was the Head of the Recovery Division-Risk Group at NSGB Egypt.

He has extensive experience, spanning more than 36 years in the banking industry and covering different areas, including Retail Banking, Branches and Marketing, Corporate Credit, Credit Risk Assessment, and Remedial Loans.

He obtained his Bachelor’s degree from the Faculty of Commerce at Cairo University in 1984.

### Other Current Positions:

- ◆ Board Member, El Salhia for Investment Development Company

### Committees:

(E, b, a8, a5)

# Mr. Ahmed Sobhy

## Chief Investment Officer



Mr. Ahmed Sobhy joined Banque Misr in April 2020 as the Chief Investment Officer with oversight over the bank's principal investments in private equity, debt capital markets, and third-party assets under management.

Mr. Sobhy joined with extensive experience in investing and investment banking in several locations, including the UK, the US, and Egypt, where he led and worked on M&A transactions valued at more than USD 31bn.

Before joining Banque Misr, Mr. Sobhy was Investment Principal at Ezdehar Fund Management in Egypt. Prior to that, he held the position of Vice President in the Investment Banking Division at Morgan Stanley, where he advised on M&A transactions and capital raising for several sectors across North America and EMEA (Europe, Middle East, and Africa).

Before that, Mr. Sobhy worked in the Financial Advisory and Principal Investments teams at Swicorp, a MENA-focused M&A and investment firm based in Geneva and Riyadh.

Mr. Sobhy holds a Bachelor's degree in Business Administration from the American University in Cairo and a Master's degree in Finance from London Business School.

### Other Current Positions:

- ◆ Non-Executive Board Member, CI Capital Holding
- ◆ Non-Executive Board Member, El Mostakbal for Urban Development
- ◆ Non-Executive Board Member, Misr Capital Investments S.A.E.

### Committees:

(a1, E, ALCO, a8, b2, a5)

# Dr. Akram Mohamed Abd El Basset

## Head of Administration



Dr. Akram Mohamed Abd El Basset joined Banque Misr in 2021 as the Head of Administration Sector. Dr. Abd El Basset has around 35 years of experience in various fields. Before joining Banque Misr, he occupied several positions in the Administrative Control Authority, including the Head of the Anti-Corruption Agency, Head of the Information Technology Authority, and the Assistant Head of the Administrative Control Authority.

Dr. Abd El Basset received a Bachelor's degree in Military Sciences from the Military College, a Bachelor's degree in Engineering from Cairo University, and a Bachelor's degree in Commerce from Ain Shams University. He also holds a Doctorate of Business Administration from Ain Shams University.

### Other Current Positions:

- ◆ Lecturer, the National Anti-Corruption Academy

### Committees:

(b1, E, b2)

## Mr. Amr Hashem

### Head of Internal Control



Mr. Amr Hashem joined Banque Misr as the Head of Internal Control in March 2019. Prior to joining Banque Misr, he obtained more than 24 years of progressive experience in the banking sector.

He is responsible for managing the Internal Control Division's framework strategy in Egypt and the UAE. He also directs efforts to strengthen the bank's corporate culture in the internal control operations across branches, as well as finance and support functions. Mr. Hashem worked in four leading multinational banks, namely the National Bank of Kuwait, Citibank, Arab Bank PLC and the Egyptian American Bank.

He attained extensive supervisory experience in all aspects of in the banking sector, including internal control, operational risk management, business continuity, internal audit, AML compliance, banking operations process design, balance sheet accounts monitoring, in addition to reconciliation and control requirements of bank branches.

He was the Head of Operational Risk Management and Business Continuity in the National Bank of Kuwait-Egypt. Subsequently, Mr. Hashem served as the Cluster Head of Internal Control at Citibank (Egypt, Jordan, and Lebanon). He obtained his Bachelor's degree in accounting from the Faculty of Commerce, Ain Shams University in June 1992.

#### Committees:

(BRCC)



# Mr. Ashraf Tolba

## Chief Risk Officer



Mr. Ashraf Tolba joined Banque Misr as Chief Risk Officer in September 2019. Previously, he garnered more than 27 years of experience in credit risk management, corporate banking, and investment banking. From 2003 until 2019, he worked for Union National Bank-UAE (UNB), gaining more than 13 years of specialized experience in credit risk. During this period, he was promoted to Executive Vice President in Credit Risk Management, as he was assigned to manage the entire portfolio of the bank, including international subsidiaries.

His last position in UNB was Executive Vice President – Corporate Banking (UAE), and Islamic Finance. From 1992 to 2003, he was specialized in the Corporate Banking Division, working for various financial institutions, including Commercial International Bank, Arab Bank Plc, and Citibank. At Citibank, he handled the responsibilities of Senior Relationship Manager for Public Sector Enterprises.

Mr. Tolba also worked for Alliance Capital Management, one of the top 10 global fund managers, as an Equity Research Analyst and as Co-Fund Manager for the Nile Growth Fund dedicated to Egyptian equities. Mr. Tolba became a certified credit official in 1994. Since then, he completed a number of high-profile training programs in Egypt, the UAE, UK, South Africa, Brazil, and Oman, offered by global institutions, such as Alliance Capital Management, Harvard Business School, and Franklin Covey.

### Other Current Positions:

- ◆ Board Member, Misr Bank-Europe GmbH Frankfurt
- ◆ Board Member, Banque Misr Liban S.A.L. (BML)
- ◆ Board Member, Corporate Leasing Company Egypt (CORPLEASE)
- ◆ Board Member, Misr Real Estate Assets Management Company

### Committees:

(a1, E, ALCO, c1, C, b9, b, a8, BRCC, b2, ICAAP)



# Dr. Fatma El-Gouly

## Chief Corporate Communication Officer



Dr. Fatma El-Gouly was appointed as Chief Corporate Communication Officer at Banque Misr in 2006.

Dr. El-Gouly has over 20 years of experience in marketing, public relations, corporate communication, and management.

Prior to joining Banque Misr, Dr. El-Gouly held several managerial positions in different industries, such as pharmaceuticals, banking, and communications. She was the former Director of Marketing and Corporate Communication for National Societe Generale Bank (NSGB) and Misr International Bank (MIBank), and Head of Marketing Communication at Novartis Swiss Company.

She has experience in leading firms such as Bristol-Myers Squibb and Raya.

She has been exposed to diverse training and personal development programs, in addition to earning a Master of Business Administration in Business and Marketing Management in 2005, a Master of Philosophy in Corporate Communication in 2009, and a Doctorate of Business Administration in 2013; all from Maastricht School of Management, Netherlands.

### Other Current Positions:

- ◆ Board Member, Egyptian Media Production City (EMPC)
- ◆ Board Member, Banque Misr Foundation for Community Development
- ◆ Board Member, Misr El Amreya Spinning and Weaving Company
- ◆ Board Member of the Foundation of the United Nations Global Compact for Development, Network Egypt

### Committees:

(b2)

# Mr. Hany Elsamra

## Chief Human Resources Officer



Mr. Hany Elsamra was appointed as Chief Human Resources Officer in June 2018, with more than 19 years of progressive experience within the banking sectors in Egypt and Kuwait.

Before joining Banque Misr, Mr. Elsamra worked with three different leading multinational and regional banks, such as Citibank, Abu Dubai Islamic Bank, and Burgan Bank, where he was distinguished by his commended performance and proven results.

He has extensive experience in all aspects of HR, including Recruitment and Selection, Employee Relations and Conflict Resolution, Performance Management, Training and Development, Compensation and Benefits, Talent Management, Career and Succession Planning, HR Systems, Payroll Personnel and Administration, Governmental Activities, Manpower Planning, and Budgeting.

Mr. Elsamra is responsible for directing the Human Resources group strategy with a key focus on helping develop the bank's transformation through leadership, differentiated talent models, attracting and developing the best talents, and building a culture of engagement, agility, and innovation. He is also responsible for planning, developing, coordinating, and tracking HR management to maximize the strategic use of human resources and provide business units with value-added HR services.

He obtained his Bachelor's degree from the Faculty of Commerce, English section in June 1997.

### Other Current Positions:

- ◆ Board Member, Misr Capital Investments S.A.E.
- ◆ Board Member, First Design Company

### Committees:

(a2, b2)

# Mr. Hany Farahat

## Head of Research, Strategy, and Quality Assurance



Mr. Hany Farahat appointed as the Head of Research, Strategy, and Quality Assurance in 2021. Mr. Farahat has 18 years of experience in economics and finance, covering Egypt and the MENA region.

Before joining Banque Misr, Mr. Farahat was the Chief Economist at CI Capital Group. In this post, Mr. Farahat supervised a team of economists. During his term, Mr. Farahat significantly contributed to the growth in the research business for the group. He onboarded multiple foreign investment clients in the MENA region, Africa, the USA, and Europe. Before that, Mr. Farahat spent several years as Head of Client Portfolio Management in Beltone Financial. During his term, he assisted in formulating strategies for several equities and fixed income products, risk management, and investment across the MENA region.

Before this post, Mr. Farahat was the assistant Minister of Investment for Economic and Financial Affairs. During his term, he assisted in implementing several financial, economic, and investment reforms from 2004 until 2009.

Mr. Farahat holds a Master's degree in Economics from the University of Essex, the United Kingdom, and a Bachelor's degree in Political Economy from the American University in Cairo. He also received the Pearson prize for his work on modern banking.

### Other Current Positions:

- ◆ Board Member, Nile Holding for Development and Investment (NDI)

### Committees:

(ALCO, C)

# Mr. Hossam Raouf

## Head of International Business and Foreign Branches



Mr. Hossam Raouf joined Banque Misr in August 2017 as Head of the International Business and Foreign Branches.

Prior to joining the bank, Mr. Raouf served as Head of Saudi Arabia and GCC Markets at Credit Suisse Dubai from October 2008 to July 2011. He was responsible for managing several teams and leading wealth management activities, among other responsibilities.

Mr. Raouf has a rich banking experience of more than 30 years. He began his banking career at Misr International Bank in 1982 as Chief Dealer, until 1994, when he joined American Express Bank.

At American Express Bank, he held various positions, including Treasurer and Head of Financial Market Services, until he was finally named Middle East Treasurer and Head of Financial Market Services, a post he held for 14 years.

Moreover, Mr. Raouf obtained an Executive Master of Business Administration from the American University in Cairo and the Kellogg School of Business in Chicago. He also attended extensive managerial, sales, credit, investment banking, and product-related training courses.

### Committees:

(b9)



# Mr. Ibrahim El-Sherbini

## Chief Information Officer and Head of Digital Innovation



Mr. Ibrahim El-Sherbini joined Banque Misr in March 2018 as Chief Information Officer and Head of Digital Innovation.

Prior to joining the bank, Mr. El-Sherbini was the Chief Operations Officer of Non-Market Operations and the Chief Information Officer at EFG Hermes, where he was responsible for overseeing the IT, Marketing, Legal, Facilities, and Administration divisions, directing overall strategy, driving support to all EFG Hermes' lines of business, in addition to steering the technology strategy of the firm and driving its development to further support and enhance EFG-Hermes' products and services.

Prior to joining EFG Hermes, Mr. El-Sherbini was Vice President of Development at the Pennsylvania-based Primavera Systems, where he led the design programming, testing, and documentation of the Primavera enterprise project resource and portfolio management solutions. He also helped drive the company's implementation of agile development methodologies and successfully adapted the agile methods to work within a project management culture.

Mr. El-Sherbini has more than 25 years of experience in the technology sector. He has published articles and presented at conferences focused on both agile development and project management, and has mentored other development organizations in their adoption of agile development practices.

He received a Master of Science in Computer-Aided-Engineering from Carnegie Mellon University and a Master of Business Administration from the Wharton School at the University of Pennsylvania.

### Other Current Positions:

- ◆ Board Member, Misr Digital Innovations Company (MDI)
- ◆ Board Member, Fawry Plus

### Committees:

(b1, E, ALCO, BRCC, b2, a3)



## Mr. Ihab Dorra

### Chief Consumer and Retail Payments Officer



Mr. Ihab Dorra is Chief Consumer and Retail Payments Officer. Previously, Mr. Dorra was the Head of Retail Banking at Banque Misr from February 2017.

He is responsible for leading global performance and strategic delivery of a broad range of personal banking products and services with a focus on new banking technology, innovative, and digital banking trends, as well as online payment and e-banking channels.

This is in addition to driving Banque Misr's strategy in retail business banking segments to maximize customer and shareholder value and achieve market leading business growth.

Prior to joining Banque Misr, Mr. Dorra was the Head of Retail Banking at Bank Audi Egypt, where he built the platform for a full-fledged retail arm, including Audi Première Service and Branch Model Optimization.

In 2008, Mr. Dorra joined Barclays as Cluster Head, managing a region of 15 branches constituting over 50% of the bank's liabilities portfolio. Mr. Dorra also worked in Citibank in 2001, where he spent eight years in different positions ranging from Auto Loan Sales Manager and Auto Loan Product and Sales Manager to Branch Manager and Branch Area Head.

Mr. Dorra, who is a Certified Trainer at the Egyptian Banking Institute (EBI), received a number of certificates and diplomas in retail banking, which enriched his area of expertise. He received a Banking Diploma from the University of Madison in Wisconsin, USA in 2016, in addition to holding a Master of Business Administration from the Operational Unit for Development Assistance (OUDA).

#### Other Current Positions:

- ◆ Board Member, Egyptian Banks Company for Technological Advancement S.A.E. (EBC)

#### Committees:

(I, b1, E, ALCO, BRCC, b2, a4)

# Mr. Ihab Maher Desoky

## Head of Engineering



Mr. Ihab Maher joined Banque Misr in 2021 as the Head of Engineering. Mr. Maher oversees the bank's premises and properties. He also manages all engineering tasks, design, execution, and facilities.

Mr. Maher has more than 30 years of proven experience in various fields of engineering. Mr. Maher worked for the Commercial International Bank (CIB) for the past 17 years. Before joining Banque Misr, he served as the Senior Director of the Real Estate and Premises Project Group at CIB.

Before that, he held different senior roles, including Technical Office and Planning Manager at A.D.M, Project Manager at Bank of Alexandria, and Engineering Consultant at Arab Bureau of Design and Consulting.

Mr. Maher holds a Bachelor of Science in Architectural Engineering from Ain Shams University. He also received certificates in Business Administration and Construction Project Management from the American University in Cairo. He also attended numerous technical and managerial courses.

### Other Current Positions:

- ◆ Member, The American Society of Civil Engineers
- ◆ Board Member, Egyptian Company for Real estate Asset Management and Investment S.A.E.

### Committees:

(b1, E, b2)

# Mr. Khaled Atris Abdel Aziz

## Chief Legal Affairs Officer



Mr. Khaled Atris Abdel Aziz El Sayed is the Chief Legal Affairs Officer. He joined Banque Misr in 1993. He has more than 27 years of proven experience in various legal fields.

He has risen through the positions, starting as a lawyer in the Legal Division until he reached his current position as the Head of the Legal Affairs Division on March 13<sup>th</sup>, 2018.

Mr. Atris graduated from the Faculty of Law at Ain Shams University in 1991. He holds a Master’s degree in Private Law from Ain Shams University and received an Honorary Doctorate from the Cambridge Academy of Science and Technology in collaboration with IAUS College and UNESCO. Mr. Atris is also a Ph.D. Researcher at the Faculty of Law, Ain Shams University.

### Other Current Positions:

- ◆ Member, the Egyptian Bar Association, and an Advocate before the Supreme Court of Cassation, the Egyptian Administrative Court
- ◆ Member, Arab Lawyers Union (ALU)
- ◆ Certified Arbitrator, Cairo Regional Center for International Commercial Arbitration (CRCICA)
- ◆ Certified Arbitrator, Arab International Federation for Arbitration (AIFA)
- ◆ Member, Legal Department, Directors and Members Committee - Egyptian Cabinet
- ◆ Legal Advisor, Cairo Regional Office, Union of Arab Banks (UAB)

### Committees:

(b1, a1, E, a2, a8, BRCC, b2, a5, a3)

# Mr. Mohamed Afifi

## Chief Compliance Officer and Corporate Governance



Mr. Mohamed Afifi was appointed as the Chief Compliance Officer and Corporate Governance for Banque Misr in January 2019.

With more than 40 years of professional banking experience, he brings a broad perspective regarding banking operations, retail banking, and control functions. Before joining Banque Misr, he leveled up his career in the banking sector while holding various senior positions at a number of leading regional and international banks and institutions, among which are the Arab Banking Corporation, Barclays Bank, NBAD, Crédit Agricole, and BNP Paribas. He also served in several senior management positions, including Group Head of Compliance, Chief Internal Auditor, Deputy Chief Operations Officer and Regional Head of Compliance. He holds a Bachelor's degree in Business Administration.

### Other Current Positions:

- ◆ Non-Executive Board Member, Fawry Dahab Company

### Committees:

(b9, BRCC, b2, ICAAP, a3)



# Dr. Mohamed El-Antably

## Head of SMEs and Micro Finance



Dr. Mohamed El-Antably is the Head of SMEs and Micro Finance at Banque Misr. Mr. El-Antably has extensive experience and competencies in the banking industry that span more than 31 years, during which he held many leadership positions in prominent banks across Egypt.

El-Antably held many positions during his career, including a 30 years successful track record with Qatar National Bank Alahli-Egypt (QNB Alahli). He held several positions, including the Head of the Financial Institutions Division and the Head of the Commercial and Marketing Division. He was also responsible for strategically setting up and managing the SME Banking and Microfinance Division. Additionally, El-Antably was in charge of the Corporate Marketing, Sales, Reports, GTB, International Operations, and Midcap divisions. He further serves as a Member of the Management Committee, Branches Expansion, PMO since 2010.

El-Antably is also a qualified instructor teaching several credit courses at the American University in Cairo (AUC) and the Egyptian Banking Institute (EBI) Future Leaders Program. He also serves as a visiting professor of strategic management and marketing. El-Antably holds a Doctorate from ESLSCA French Business School.

### Other Current Positions:

- ◆ Board Member, Arab Academy for Management, Banking, and Financial Sciences
- ◆ Outstanding Member, The American Chamber of commerce
- ◆ Head of Small and Medium Enterprises Committee, The Federation of Egyptian Banks

### Committees:

(E, ALCO, c1, C, b2, a4, a3)



# Mohamed Khairat

## Head of Corporate Banking and Syndicated Loans



Mr. Mohamed Khairat joined Banque Misr in June 2021 as Head of Corporate Banking and Syndicated Loans, responsible for managing the bank's conventional and Islamic corporate and syndicated loan portfolio and setting its overall growth strategies. Mr. Khairat is a well-rounded executive banker with 27 years of experience in prominent local and regional banks.

Before joining Banque Misr, Mr. Khairat was the Deputy CEO, Corporate Banking at Ahli United Bank – Egypt. He supervised the Corporate Banking, SMEs, Global Transaction Banking, and Strategic Relationships divisions. He established the pillars for Corporate Banking success and led the bank's exponential growth by launching new initiatives and implementing new action-oriented growth strategies. Mr. Khairat also served as a Member of the Board of Directors at Ahli United Finance Company and IT Investments.

Mr. Khairat started his career with the Commercial International Bank-Egypt (CIB) and assumed several positions with CIB in various departments, including Corporate Banking, Investment Banking, Risk Management, and Private Equity, and completed CIB's in-house credit course in 1994.

Mr. Khairat graduated with a Bachelor of Arts degree in Economics with a minor in Political Science from the American University in Cairo in 1992. He also obtained his Masters in Finance from London Business School in 2003.

### Committees:

(a1, E, ALCO, C, b, b2)

# Mr. Mohamed Sherif

## Chief Financial Officer



Mr. Mohammed Sherif was appointed as Chief Financial Officer for Banque Misr in June 2019. Sherif was selected as a guest speaker for various international banking conferences. He is also a Non-Executive Board Member in many joint-stock companies, in addition to being a part-time instructor at the Egyptian Banking Institute (EBI).

Previously, Mr. Sherif served as Executive Board Member, Chief Financial Officer and Strategic, and Transformation Director at Attijariwafa Bank -Egypt (formerly Barclays-Egypt) since September 2012, and a Board Member since January 2013. He joined Barclays-Egypt as Operations Risk and Control Director in February 2009.

Prior to joining Barclays Egypt, Mr. Sherif held several positions at Citibank, including his final post as Vice President and Quality Assurance Unit Head. Mr. Mohammed Sherif holds a Master of Business Administration from the German University in Cairo, in addition to obtaining a Diploma in International Accounting Standards and Report from the Association of Chartered Certified Accountants (ACCA). He has also been a Member of the American Institute of Certified Public Accountants (AICPA) since 2004.

### Other Current Positions:

- ◆ Non-Executive Board Member, Misr Life Insurance Company
- ◆ Board Chairman, Risk Committee, Misr Life Insurance Company
- ◆ Board Member, Audit Committee, Misr Life Insurance Company
- ◆ Board Member, Financial Assets and Liabilities Management Committee, Misr Life Insurance Company
- ◆ Board Member, Hiring and Remuneration Committee, Misr Life Insurance Company
- ◆ Non-Executive Board Member, SEDICO Pharmaceutical Company
- ◆ Non-Executive Member, Audit Committee, SEDICO Pharmaceutical Company
- ◆ Board Member, representing CI Capital Company, Sohoula Company
- ◆ Non-Executive Board Member, BM Lease Company
- ◆ Chairman, Compliance and Governance Committee, BM Lease Company
- ◆ Member, Subsidiary Audit Committee, BM Lease Company
- ◆ Member, Board of Trustee, Banque Misr Foundation for Community Development

### Committees:

(b1, a1, E, ALCO, C, a8, BRCC, b2, a5, ICAAP, a3)

# Mr. Mohamed Yehia

## Chief Internal Auditor



Mr. Mohamed Yehia brings more than 22 years of professional experience in internal and external auditing. Before joining Banque Misr, Mr. Yehia was the Chief Internal Auditor and the Audit and Risk Review Division Head at Abu Dhabi Islamic Bank - Egypt. Additionally, he held various senior positions, such as Head of Retail Audit, Head of Operations, Branches, and Financial Audit. Mr. Yehia was the Acting Head of Corporate Credit Audit and one of the audit team members responsible for cross-border auditing in the UAE and Sudan.

Having displayed continuous efforts and success, he was assigned additional responsibilities and chaired the Board of Directors of the ADIB "End of Service" Fund. Before serving at ADIB, he joined KPMG-Hazem Hassan as a Senior Audit Manager (Financial Sector and Contracting). He demonstrated significant professional experience working for various prominent institutions.

He also strengthens his professional development through continuous academic and professional training. He is a CPA, CIA, CISA, and CFIP holder. Further, his expertise spans over different segments, including auditing financial statements, fraud investigations, audit quality assurance, IT, information security, corporate and retail credit risk, operations, subsidiaries, compliance, and corporate governance, in addition to conducting financial due diligence (valuation) for financial institutions for mergers and acquisitions. He has a well-established track record of experience in strengthening the corporate internal control systems, risk management framework, and corporate governance.

### Committees:

(E, A, G, ALCO, IFRS9, BRCC, b6, a5)

# Mr. Moustafa Gamal

## Chief Treasurer and Financial Institutions Officer



Mr. Moustafa Gamal joined BM as Chief Treasurer and Financial Institutions Officer in August 2018 with over 28 years of professional experience in the banking industry. Mr. Moustafa Gamal held numerous executive positions before joining Banque Misr, most recently as Senior General Manager for Treasury and Capital Markets at Bank Audi, a role he assumed for eight years.

In addition, Mr. Moustafa Gamal has a strong background in financial markets. He held various leading positions in the Commercial International Bank-Egypt (CIB) for over 20 years from 1990 until 2010, including Chief Dealer and Director of Treasury, and served in many different Divisions in the bank, from Branches to Trading Support.

Mr. Gamal earned a Banking Diploma and a Certificate of Executive Leadership from the University of Madison in Wisconsin, the USA in 2012 and 2014, respectively, followed by an Executive Education Program from Harvard Business School, Boston Campus, USA in 2019, in addition to several training programs in the USA, UK, and the GCC.

### Other Current Positions:

- ◆ Chairman, BM Lease Company
- ◆ Board Member, Banque Misr Liban S.A.L. (BML)

### Committees:

(a1, E, ALCO, C, b9, b2, a3)



# Eng. Sayonara El Asmar

## Chief Operations Officer



Eng. Sayonara El Asmar is an executive committee member at Banque Misr. She also has held the position of Chief Operations Officer in the bank since May 2019. She was elected as a board member in I-score. Eng. El Asmar brings a broad experience of 35 years in banking operations and Information Technology (IT).

Her banking experience includes managing the IT Division, implementing different core banking systems, managing the Operations Division, and handling all types of operations related to personnel and companies. She also possesses broad experience in managing automation and re-engineering process projects to achieve resources optimization. Her role contributes, in return, to boosting service quality, operational efficiency, and reducing turnaround time.

Moreover, Eng. El Asmar participated in different merging processes and digital transformation initiatives. She also formalized and implemented the digital transformation strategy for banking operations.

Prior to joining Banque Misr, Eng. El Asmar was the Head of Bank Operations and Deputy COO at Credit Agricole Bank - Egypt for 13 years. She was also appointed the Head of Information Technology (IT) Division at CALYON/CAE, a subsidiary of Credit Agricole Group for six years. Earlier, Eng. El Asmar held different positions for almost 16 years in the Information Technology Division in the Egyptian American Bank, a joint venture between American Express Bank and Bank of Alexandria.

She earned a Bachelor's degree from the Faculty of Engineering, Cairo University in 1984.

### Other Current Positions:

- ◆ Board Member, representing Banque Misr, The Egyptian Credit Bureau (I-Score)

### Committees:

(E, BRCC, b2, a3)



## Dr. Suzan F. Hamdy

### Chief Financial Inclusion and Business Development Officer



Dr. Suzan F. Hamdy serves as the Chief Financial Inclusion and Business Development Officer at Banque Misr since April 2020. Dr. Hamdy supervises the sustainability development operations. Dr. Hamdy also chairs the Financial Inclusion Committee at the Federation of Egyptian Banks. Before this role, she was the Chief Investment Officer. She founded the Capital Markets and Investments Group at Banque Misr in 2006. During her term, BM assets under management surged to EGP 60bn by 2020, marking one of the largest investments portfolios in Egypt. Dr. Hamdy has a career spanning more than 36 years in the banking industry. She began her career at the credit and syndications department at the Arab African International Bank, where she worked in a variety of banking divisions, including project finance, remedial management, investment banking, retail banking, marketing, business development, and foreign branches. She was formerly the Chairman of the Nile Fund Company for Development and Investment in the Nile Basin countries.

She was also a Board Member at the Export Development Bank and several other companies. She also served as a Board Member at different prominent companies, including Export Development Bank of Egypt (EBE), Misr Beltone Asset Management, Conrad Hotels & Resorts, and Petroleum Tankers. Moreover, Dr. Hamdy is a member of different business associations, such as the Egyptian Capital Market Association, Fixed Income Association, Egyptian Investment Management Association, the American Chamber of Commerce, the British Egyptian Business Association, and the World Studies Future Generation in Finland. Dr. Hamdy is a certified Corporate Director by the IFC and a certified trainer by the Egyptian Central Banking Institute. She is also a certified expert in Financial Inclusion Policy by AFI. Besides, she is a lecturer in several universities and a speaker at several conferences on retail banking, real estate, and financial markets locally and internationally.

She had represented Egyptian banks as part of the Visa International Risk Advisors for the Central and Eastern Europe, Middle East, and Africa (CEMEA) region. In 2014, Dr. Hamdy was chosen as one of the top 10 bankers in Egypt, and as one of the 50 most influential women in the Egyptian economy in 2015. She was also selected as a member of the International Who's Who of Professionals for the year 2009. She holds Bachelor's and Master's degrees in Economics from the American University in Cairo. Graduating at the age of 17, Dr. Hamdy holds a Doctorate of Philosophy in Monetary Policy from the University of Hungarian Sciences, which she received at the age of 22, to become the youngest university graduate and Doctorate holder in Egypt and the Middle East.

#### Other Current Positions:

- ◆ Board Member, Banque Misr Liban S.A.L. (BML)
- ◆ Board Member, Misr Capital Investments S.A.E.
- ◆ Board Member, Egyptian Company for Real estate Asset Management and Investment S.A.E. (ECRAMI)
- ◆ Board Member, International Company for Leasing (Incolease)

#### Committees:

(E, ALCO, b2, a5)

# Mr. Shehab Zidan

## Head of Global Transaction Banking and Chief Transformation Officer



Mr. Shehab Zidan joined Banque Misr in October 2017 and is currently the Head of Global Transaction Banking and Chief Transformation Officer. Mr. Zidan has extensive experience spanning over 21 years, whereby he held diversified banking managerial roles in the Commercial Operations, Financial Institutions, Corporate Banking, and Global Transaction Banking Divisions. In September 2018, he took responsibility for governmental relations in Banque Misr after the Governmental Relationship Division was consolidated under the Global Transaction Banking.

In November 2019, Mr. Zidan assumed a new supervisory role, involving managing the initiation and establishment of the Transformation Office for Banque Misr.

Mr. Zidan commenced his banking career in 2000 with the Commercial International Bank (CIB), after which he joined the Arab African International Bank (AAIB) in 2004. From 2007 until 2017, he worked at Barclays. From 2014 to 2017, he was responsible for establishing the Global Transaction Service (GTS) platform in Barclays Egypt.

Mr. Zidan graduated with a Bachelor’s degree from the Faculty of Commerce and Business Administration at Helwan University. He studied Business Administration at the American University in Cairo in 2000 and he holds a Master of Business Administration from ESLSCA Business School. Mr. Zidan also holds several professional certificates, including the CDCS from the IFS School of Finance and the International Chamber of Commerce (ICC), and the Advanced Commercial Lending Certificates from the IFS School of Finance. In addition, he successfully completed the Harvard Business School – EBI executive leadership program.

### Other Current Positions:

◆ Board Member, Fawry

### Committees:

(E, ALCO, C, b2, a4, a3)

# Mr. Yasser Ali Khater

## Chief Security Officer



Mr. Yasser Ali Khater joined Banque Misr in 2019 as the Chief Security Officer. Mr. Khater has more than 25 years of top-ranking security experience.

Before joining Banque Misr, Mr. Khater was the Head of Security, Crisis Management, and Business Continuity at Bank of Alexandria for more than eight years. Before joining the Bank of Alexandria, he served as a Security Manager at DHL Express.

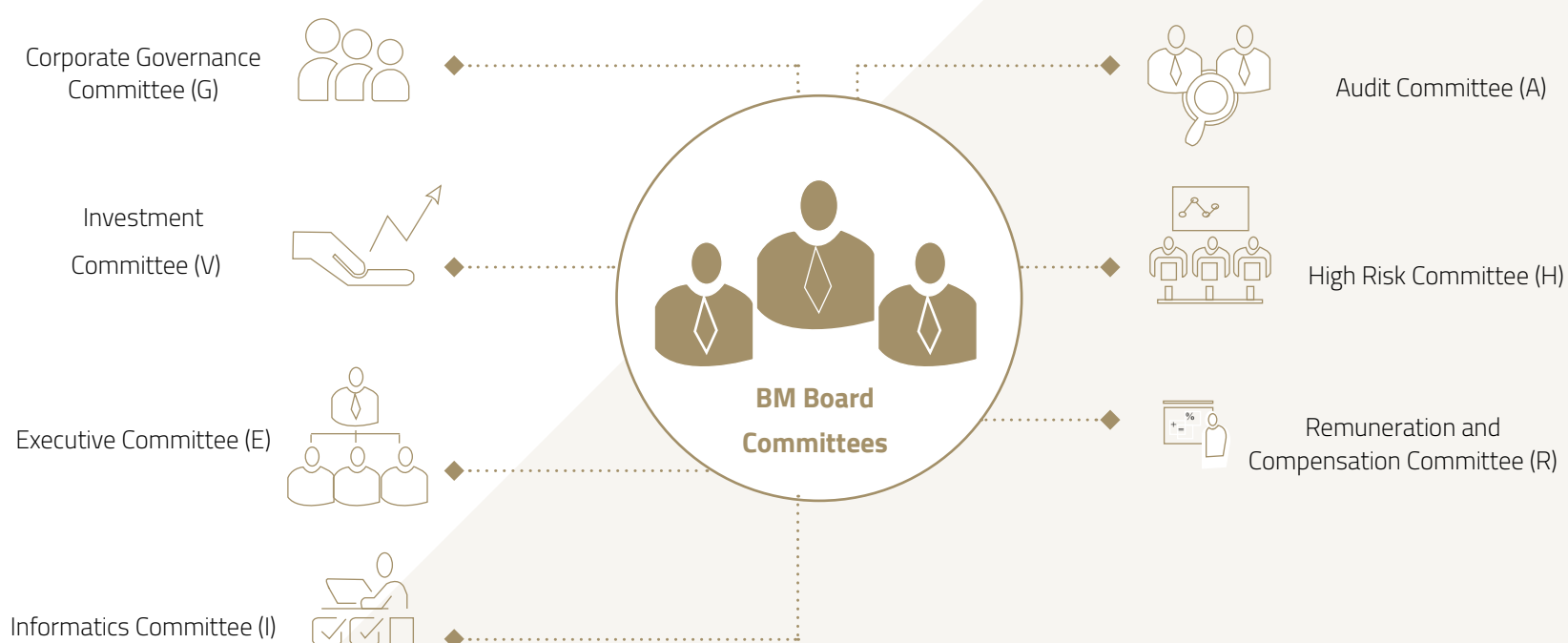
Mr. Khater spent the first 15 years of his career working for the Ministry of Interior, where he held several positions and participated in the United Nations peacekeeping missions in several countries.

Mr. Yasser Khater holds a Bachelor's degree in Law and Police Science from the Police Academy in May 1991. He also obtained a Diploma in Human Resources in December 2007 and an Advanced Management in 2019, both from the American University in Cairo. He also strengthened his professional development through receiving trainings from England (2016), the United States, and the United Nations.

### Committees:

(b1, b2)

## Board Committees



The Board of Directors is accountable to the General Assembly of Financial and Operational Performance, and it is responsible for:

- ◆ Acting in the interest of the bank's stakeholders and the public.
- ◆ Ensuring effective implementation of risk management strategy.
- ◆ Delivering long-term value to the bank's stakeholders.
- ◆ Setting corporate management policies.

## The Audit Committee (A)

The Audit Committee (A) is responsible for overseeing the financial reporting process, including the risks and controls in that process. The committee should supplement figures received from the Executive Management with further information and assurance from both internal and external auditors.

The committee handles a number of responsibilities that include:

### A- Financial Statements:

- ◆ Reviewing annual financial statements before being submitted to the Board of Directors for approval.
- ◆ Analyzing the Central Bank of Egypt's inspection findings related to the bank's activities and its financial statements, to be reported to the Board of Directors along with recommendations.

### B- Internal Control System:

- ◆ Reviewing the reports compiled by the Internal Audit Division, including reports on the adequacy, efficiency, and effectiveness of the bank's Internal Control System.
- ◆ Coordinating the duties of both internal and external audit teams and ensuring effective communication between the Chief Internal Auditor and external auditors.
- ◆ Reviewing the procedures adopted by the bank's management to ensure compliance with regulations.

### C- Compliance and Anti-Money Laundering:

- ◆ Reviewing the Head of Compliance's reports.
- ◆ Ensuring that the bank complies with applicable laws and regulations governing the bank's activities.

### D- External Auditors:

- ◆ Providing recommendations to hire external auditors, setting their tasks, and reviewing issues related to their resignation or dismissal, in adherence with regulations.
- ◆ Offering counsel on permission to assign external auditors to provide services to the bank, rather than reviewing financial statements.

### E- Internal Audit Division:

- ◆ Reviewing and overseeing the implementation of the Annual Risk-based Audit plan.



## Corporate Governance Committee (G)

The Corporate Governance Committee (G) ensures strict adherence to the principles of corporate governance.

The committee handles a number of responsibilities that include:

### **A. Defining clear boundaries of responsibility and accountability in the bank and ensuring the clarity of the rules relating to the existence of:**

- ◆ A policy to deal with the concerned parties.

### **B. Ensuring the enforcement of applicable policies, systems and the means to ensure the following:**

- ◆ The commitment of the senior management and Board of Directors to governance standards.
- ◆ The application of good practices in the bank, in accordance with the Basel II accord.
- ◆ Staff commitment to the implementation of the banking code of conduct.
- ◆ The efficiency assessment of the bank's governance structure to its potential customers as part of the approval process for granting of credit facilities to them.
- ◆ The adherence of the bank's concerned divisions to the corporate governance rules established by or introduced to the bank.
- ◆ The application of corporate governance rules in case of emergencies and crisis management.

## Investment Committee (V)

Investment Committee (V) conducts assessments and monitors the bank's equity investments, corporate and securitized bond portfolio, and real estate asset disposal program.

### The committee focuses on the following areas:

- ◆ Macroeconomic activities and market conditions pertaining to the bank.
- ◆ The bank's investment strategy, taking into account the impacts of the accounting, standards, tax laws, regulatory prerequisites, and the bank's policies.
- ◆ Overseeing investment exposures across multiple asset classes.
- ◆ Generally assessing the investment risk levels for each asset class.
- ◆ Setting up the required criteria for regular investment reporting.
- ◆ Ensuring the best portfolio management through adequate compliance with investment standards and policies related to each asset class.
- ◆ Monitoring performance in line with the bank's strategy and objectives.

## Remuneration and Compensation Committee (R)

The Remuneration and Compensation Committee (R) governs and leads the decision-making process regarding Banque Misr's entire reward strategy, taking into consideration the following indicators: Egypt's gross domestic product, the most recent inflation rates and market changes in terms of reward structures in the banking sector, ensuring that BM's remuneration structure meets the standard structure adopted by its market competitors.

The committee's role is to establish and maintain a competitive and equitable policy for remuneration/compensation and benefits; as this policy will, in return, enhance the entire reward strategy designed to attract, engage, and retain a professional workforce that essentially contributes to both short and long-term sustainable success.

Moreover, it is responsible for reviewing and approving any updates or adjustments to BM's salary structure, ensuring the competitiveness of the wages and benefit programs offered to the employees, and being a part of the bank's strategy to motivate and maintain the employees' outstanding performance.

### **The committee also monitors and evaluates the overall structure of the employees' financial and non-financial reward systems through:**

- ◆ Reviewing all the relevant proposals designed by the HR Division resulting in fundamental changes related to the philosophy and strategy adopted for the bank's income and benefit programs for the employees.
- ◆ Ensuring the efficiency of the management incentive policies so as to avoid excessive risk-taking as well as exceeding the average values of the market-based incentives for similar positions.
- ◆ Reviewing the country's policies regarding the income programs periodically, taking into consideration Egypt's gross domestic product (GDP), the most recent inflation rates and market changes in terms of reward structures in the banking sector in order to be later submitted to the Board of Directors for approval.
- ◆ Reviewing the long-term policy programs, such as the benefits related to the end of service or healthcare after retirement, ahead of presenting them to the Board of Directors for approval.

## Executive Committee (E)

The Executive Committee (E) oversees all aspects of retail administration, customer service, automation, new products and services, advertising, and employee training.

### The committee reviews and approves:

- ◆ Newly delivered retail asset and liability products and/or financial schemes.
- ◆ Capital expenditures related to new branch acquisition, upgrading IT systems, and procurement activities followed by the relevant committees' evaluation and approval.

### The committee also:

- ◆ Studies and recommends modifications to HR policies, incentive schemes, and appraisal systems.
- ◆ Evaluates the bank's performance, competitiveness, and brand positioning with regards to the local market and in all countries in which Banque Misr operates its branches and/or subsidiaries.
- ◆ Has administrative and financial authorities in accordance with the bank's regulations, upon the Board of Directors' approval. The Board of Directors may delegate additional authorities to the Executive Committee when deemed necessary, to facilitate the bank's operations.

## Informatics Committee (I)

The Informatics Committee (I) monitors the offered services, ensuring that all needs are being catered to, up to the highest standards, so as to maximize the bank's return on investments in the field of informatics.

### **Providing domain expertise, leadership, and guidance to the bank to help it achieve its objectives through:**

- ◆ Constantly reviewing the bank's strategies and activities and following up on the bank's service upgrading, the flow of its operations, and data archiving, as part of its role in bridging between the bank's reporting requirements and data architecture in order to ensure that all data models are aligned with the bank's core strategy.
- ◆ Managing the updating and distribution process of the data and reports provided to the bank's internal and external customers, along with mitigating operational risks as well as avoiding any data security threats.



## Risk Committee (H)

The Risk Committee (H) ensures that all relevant business risks are accurately identified, that their impact has been properly assessed, and that sufficient policies and regulations have been set to effectively manage all risks. The committee assists the Board of Directors in carrying out its roles in relation to the control and supervision of the overall risk management framework at Banque Misr. Risk management represents an integral part of the banking business. BM's strategy should incorporate policies and actions the committee is willing to take for effective risk management and the means by which it will manage and mitigate any risks.

### The committee also follows up on the functions of risk management through:

- ◆ Setting up reports and monitoring the compliance with capital strategies, liquidity management, credit and market risk, operational risk and any other risks the bank may become exposed to.
- ◆ Controlling and supervising the processes of upgrading and assessing the bank's general risk management framework in terms of: credit, investment, market, and liquidity risk, as well as operational risk management. The committee should take into account all required policies, procedures, systems, and tools adopted by the executive management in risk control. This is in addition to determining risk appetite related to the high-level risk exposure within the scope of the surrounding environment, as well as current and prospective economic and financial conditions.
- ◆ Ensuring the effective application of regulatory instructions and governance principles, as well as following up on the related principles and policies in line with them.
- ◆ Reviewing the reports about the key risks faced by the bank, which cover all credit, investment, market, liquidity, and operational risk and setting the boundaries used for follow-up allocations (risk exposures), in addition to the standards of the risk management system in terms of acceptable risk percentages and rates.

- ◆ Examining the procedures and policies followed for setting the maximum limits on risk and risk concentrations (risk/concentration limits), as well as ensuring that reports illustrate the trends in terms of investments and concentrations, versus unauthorized limits.
- ◆ Assessing the bank's liquidity volume and providing recommendations to the bank's board within the comprehensive liquidity risk framework, including the results of the different assumptions of stress tests (liquidity stress).
- ◆ Emphasizing the independence of the Chief Risk Officer through his/her jurisdiction in reporting directly either to the Board of Directors or the High Risk Committee without any obstacles. Additionally, he/she may not be in charge of any financial or administrative responsibilities that contradict with his/her job as Chief Risk Officer.

### Ensuring that all risk management reports are assessed according to:

- ◆ The probability of occurrence of those particular risks.
- ◆ The efficiency of the bank's well-structured internal control systems in managing these risks.
- ◆ The bank's Executive Management periodic reviews of the value of collateral put up against loans and credit facilities.

# Senior Committees



## BM Senior Committees

The committees retain the authority and responsibility for the bank's strategic guidance while ensuring competence and diligence while undertaking their supervisory responsibilities to assess the performance efficiency and ensure accountability.

### Assets and Liabilities Committee (ALCO)

Steers the assets and liability management to efficiently use the bank's resources and gain market share through better pricing of the BM products in light of the market economic conditions and risk factors. Assesses market risk activities as well as business and investment initiatives to better manage the bank's liquidity. Monitors liquidity regulatory ratios, cost of funds, and funding structure of the bank.

### Corporate Restructure Committee (CRC)

Governs and oversees new structures, in which new manpower is requested and job leveling is reviewed for endorsement, ensuring that there is no duplication of functions and the bank's resources are fully utilized. This review can result in the approval, boundary change, reallocation, merger, or rejection of business proposals, based on the bank's strategic direction aligned with modeling the best applied practices in the peer group.

### Internal Capital Adequacy Assessment Process Committee (ICAAP)

Responsible for the bank's Internal Capital Adequacy Assessment Process (ICAAP).

The ICAAP was formed as a result of Pillar 2 of the Basel II accords, which targets a better quality of regulatory capital, along with better risk management and supervision.

The committee is responsible for coordinating and implementing a comprehensive vision for all the bank's divisions, to implement the Internal Capital Adequacy Assessment.

## International Financial Reporting Standards Committee (IFRS 9)

Implements new financial instruments through developing an action plan, follows up on implementation in accordance with the adopted timeline and ensures the bank's compliance with the Central Bank of Egypt's guidelines in this regard. IFRS 9 introduces new requirements on how an entity should classify, measure and reflect impairments to financial instruments.

## Business Risk, Compliance, and Control Committee (BRCC)

The committee aims at developing, reviewing, and overseeing the bank's compliance strategy and its consistency with BM's evolving plans and adopted policies. The committee monitors high risks, concentrations or exposures, and recommends reform procedures. The committee also evaluates mitigation procedures and ensures that inherent risks are controlled effectively within the scheduled timeline.

## Senior Management Committee (a1)

Under its authority and BM's credit policy, the committee control BM's funding operations, capital contributions, and credit facilities, including sovereign, economic, and service bodies.

## Human Resources Senior Committee (a2)

Reviews and approves various HR-related policies, including and not limited to hiring, job transfers, leaves, temporary assignments, promotions, disciplinary actions, post-graduate educational support, etc. This is in addition to reviewing staffing structure and succession planning. It also reviews reports related to confirmed changes in the types of contracts for employees, from limited term contracts to permanent contracts. In addition, the committee further oversees rehiring cases, and unpaid leaves for reasons apart from childcare. It is worth highlighting that the committee does not hold any HR-related financial authority.

### **Procedure Manuals Committee (a3)**

Aims to ensure the bank's compliance with and adoption of the guidelines and other procedures as referred to in all new, updated, and amended instruction manuals across all sectors and divisions.

### **ATMs and Branches Network Development Committee (a4)**

Specifies the requirements of new or alternate branches nationwide, as well as reviewing requests from regions and branch management divisions to expand branches.

### **Real Estate Divestment Committee (a5)**

Facilitates a systematic and suitable disposal of unserviceable properties that have been acquired by the bank in stages, to be sold in steps.

### **Committee for Receiving Assets Owned by Holding Companies' Affiliates (a6)**

Based on the Framework Debt Swap Agreement signed on September 14<sup>th</sup>, 2009 between Banque Misr, the National Bank of Egypt, and holding companies, regarding the assets owned by subsidiaries of the holding companies, the committee is responsible for coordinating a collective settlement through exchanging the debts of lagging public companies for land plots.

### **Committee for Setting Returns on Islamic Transactions (a7)**

Reviews BM's Islamic branches' performance and return rates on a monthly basis, and sets the applicable return rates.



### **Settlement Committee (a8)**

Reviews suggestions for the settlement of client debts, liquidating facilities, and/or debt write-off.

### **Senior Gulf Branches Committee (b)**

Reviews and approves credit cases extended to Gulf Branches' corporate borrowers and participates in syndicated loans.

Reviews suggestions for the settlement of Gulf clients' debts and/or debt write-off.

### **Administrative Affairs Committee (b1)**

Reviews the requirements of the bank's various divisions, whether furniture, equipment, office supplies, publications, and other requirements, as well as anything related to the bank facilities. The committee also evaluates all technological and informatics systems.

### **Crisis and Emergency Management Committee (b2)**

In light of the exceptional circumstances and instability in the country over the past years, which have affected its political and economic climate, the committee was formed to address the potential attendant crises and to handle emergency assistance following natural disasters. The committee creates and maintains an efficient and integrated structure for preventing and managing incidents. It aims to ensure preparations for crisis situations and develop action plans.

### **Medical Services Committee (b3)**

Assesses all offers from medical specialists, hospitals, and laboratories, to select the most suitable and low-cost services to provide comprehensive medical packages for employees and their families. The committee issues decisions regarding handling of chronic illnesses, and the relevant actions in relation to the type of work. It also follows up on the monthly financial status of the bank's medical service system and decides on how to ensure a balance between the system's expenses and resources.

### **Support and Medical Care Committee (b4)**

Responsible for providing financial assistance and granting expedited approvals following social disasters that affect the basic needs of employees and for the treatment of exceptional medical conditions.

### **Banking Services Tariff Committee (b5)**

Responsible for reviewing and amending the tariffs for the provision of the banking services in Banque Misr.

### **Grievances Committee (b6)**

Reviews any complaints/grievances submitted by employees regarding performance evaluations, disciplinary actions imposed on employees, or actions that violate BM's code of conduct, with the aim of achieving conflict resolution and fair treatment in resolving issues.

### **Senior Management Nomination Committee (b7)**

Conducts interviews with candidates seeking senior-level positions at Banque Misr, including General Manager and Senior Deputy General Manager positions.

### **Middle Management Nomination Committee (b8)**

Conducts interviews with candidates seeking positions at specialized divisions at Banque Misr.

### **International Business Risks Committee (b9)**

Approves all limits related to Pre-Settlement Risk (PSR) provided by different business lines and/or the International Business Division (new extension of facilities, renewal, increasing limits). Credit customers are excluded from this.

### **Senior Credit Committee (C)**

Formed of Senior Executives of the bank to approve credit facilities within its delegated authorities, review policies, and set strategies for various business units.

### **Main Credit Committee (c1)**

Approves credit facilities within its delegated authorities.

### **Sub-Credit Committee (c2)**

Approves credit facilities within its delegated authorities.

### **SME Credit Committees (c3): (Four committees)**

Approve facilities (new, renewal, amendments, etc.) within their delegated authorities for companies that fall under the SMEs portfolio.

### **Settlement of Retail and Corporate Banking Customers Committee (c4)**

Considers the debt settlement offered by the Debt Remedial or Retail Banking Divisions, whose indebtedness does not exceed EGP1m or its equivalent in any other major foreign currency, excluding marginal returns.

### **Interviewing Committee for Entry-Level Applicants (c5)**

Responsible for conducting interviews and selecting the successful applications of new recruits, ensuring that their performance is up to the bank's standards, vision and strategic objectives.

### **Re-Interviewing Committee for Entry-Level Applicants (c6)**

Conducts second interviews with applicants who scored less than 70% in their first interviews, and who are compliant with the bank's terms of service, in light of staff shortages in various divisions. The second interview is conducted within six months of announcing the results of the first assessment.

### **Annual Performance Appraisal Committee (c7)**

Responsible for discussing and endorsing the defects in the annual performance appraisal reports.

### **Central and Non-Central Small Enterprises Financing Committees (c8)**

Responsible for small-sized business financing schemes and products, both in the conventional and Islamic branches.



## Anti-Bribery and Corruption (ABC) Policy

**For over a century**, Banque Misr has upheld governance principles of transparency and business integrity, efficiency, and accountability, along with setting up clear and effective bribery and anti-corruption policies to achieve its established goals towards sustainable development and community prosperity. As a part of its corporate compliance, Banque Misr was among the first banks to sign up to the Principles for Responsible Banking ahead of the official global launch on September 22<sup>nd</sup>, 2019.

Considered a fundamental pillar for Egypt's economic growth, Banque Misr decisively enforces a zero-tolerance approach towards any abuse of its entrusted powers for private gain and ensures the highest level of accountability. Banque Misr's compliance framework is inherent in its mission, compliance strategies, and code of ethics.

### Bribery & Anti-Corruption Mechanisms

BM's compliance and governance strategies clearly articulate combating corruption, bribery, fraudulent practices, cybercrimes, tax evasion, money laundering, and terrorism financing. The bank devises effective mechanisms for implementing anti-corruption policies to curb corruption and build a shared anti-corruption culture derived from the collective efforts exerted by involved stakeholders.

Banque Misr strictly adheres to the anti-money laundering (AML) and Counter-Terrorism Financing (CTF) regulations issued by the CBE, and AML Law executive regulations, promulgated by the Prime Minister Decree no. 951 of 2003. Additionally, the compliance frameworks of BM's correspondent banks and global branches are benchmarked with the applicable regulations and laws in the countries where they carry out banking operations. Hence, BM's headquarters in Egypt, the United Arab Emirates

(UAE), and France are in full compliance with the Foreign Account Tax Compliance Act (FATCA). Misr Bank-Europe GmbH Frankfurt is fully compliant with the highest standards of Anti-Money Laundering (AML) and Anti-Financial Crime (AFC), including anti-bribery and corruption (ABC), counter-terrorism financing (CTF), anti-fraud, and other punishable criminal acts.

Banque Misr constantly strives to prevent any suspected or alleged corrupt and fraudulent incidents. The bank implements a tightened third-party due diligence and monitoring framework to ensure effective implementation of its anti-corruption policies and mechanisms among its employees, suppliers, business partners, and clients. BM's compliance framework includes the following bodies and committees:

- ◆ Compliance Division
- ◆ Audit Committee
- ◆ Corporate Governance Committee
- ◆ International Financial Reporting Standards Committee
- ◆ Procedure Manuals Committee
- ◆ Head of Internal Control
- ◆ Chief Compliance Officer and corporate governance
- ◆ AML Division

In carrying out its responsibilities, BM's Compliance Division is responsible for identifying the best tools to effectively mainstream

anti-corruption policies in BM's strategy. They also objectively assess the preventive measures and controls taken to mitigate financial crime risks promptly. Further, the responsible AML manager monitors the implementon of adequate and relevant control measures to ensure that all applicable AML and AFC requirements are adhered to and security measures are functioning effectively. Additionally, the manager discloses information regarding money laundering and terrorist financing offenses and adopted actions. The AML manager also carries out a systematic review on the compliance to the CBE's policies for anti-money laundering/combating terrorist financing, which aligns with the working paper and the compliance function in banks issued by the Basel Committee on Bank Supervision (BCBS) in April 2005.

## Training Programs

BM frequently delivers elaborate anti-corruption training programs to drive efficient performance while motivating the culture of sound compliance. For instance, BM published Anti-Corruption Awareness sessions targeting all Functions Line Managers and Division General Managers. A total of 290 participants enrolled in the training program and will complete their course by the end of this year.

The bank employs about 20,000 employees in various locations, of whom approximately 18,000 are eligible for compliance and Anti-Money Laundering (AML) training. BM succeeded in rising above challenges to meet the requirements imposed by the Central Bank of Egypt. Our Senior Executives succeeded in completing training programs for thousands of geographically dispersed employees. BM moved beyond the classroom training format, as it provides for only a few hundred employees each year. The bank's executives succeeded in reaching every employee effectively in a way that would be meaningful, actionable, and practical.

BM launched a large-scale electronic learning initiative in collaboration with the Thomson Reuters international platform to mitigate the risk of compliance breaches and financial crimes. This e-Learning program targeted all BM employees in line with the CBE regulations with the aim of acquainting our staff with the local and international rules and procedures in combating the identified financial crimes, money laundry, and terrorism financing. The implementation of the program took place through two phases. In the first phase, 16,600 trainees completed the course. BM expects to enroll more than 2,100 employees during the second phase, which will be completed by the end of this year.

BM also provides a comprehensive library through its SAP Success Factors learning platform. The library includes AML and compliance-related online materials. It gives employees access to up-to-date and tailored courses according to their knowledge level, ranging from entry to advanced levels. Additionally, the Compliance Division delivers virtual relevant courses internally by our trainers.

## Know Your Customer (KYC)

As per the anti-money laundering Law no. 194 for year 2020, BM adequately applies the customer due diligence relating to combating money laundering and terrorist financing. The Egyptian government launched the Know Your Customer (KYC) initiative in conformity with both the Basel committee on customer due diligence and international money laundering legislation. This initiative provides the required controls to ensure data protection and cybersecurity, in line with AML/CTF systems. Banque Misr adopts the best customer diligence mechanisms to ensure reliable use of the digital banking services through Straight Through Processing (STP), personal data authentication, customer identification/verification, data updating, and constant operations monitoring to maintain the highest level of customer data confidentiality.

# Code of Conduct

**Banque Misr (BM)** adopts a strict code of conduct and implements an extensive framework that sets forth the guiding principles to ensure communicating responsibly to foster and maintain stakeholder trust. The BM code of conduct reinforces impartiality for all parties involved, including the board of directors, employees, suppliers, supervisory entities, regulatory authorities, society, etc.

We understand that fostering a strong compliance culture is a continuous effort. Sustaining our culture requires thoughtful, purposeful action, and we do this by aligning our stakeholders to our purpose of making financial lives better. BM's code of conduct reflects its full compliance with the UN Global Compact Principles for human rights, fair labor, anti-discrimination, and anti-corruption. It also reflects our instilled vision, core values, and overall culture. We embed it in our day-to-day operations, commitments to honest and ethical behavior, integrity, and we diligently and consistently discern and comply with all the applicable enforced laws and regulations.

The code of conduct encourages the employees to act with integrity under the highest professional standards striving to create a positive work environment for all employees. BM's employees hold personally and collectively the ultimate responsibility for positively representing BM's corporate identity through abiding by the highest ethical and professional standards. In this respect, they shall do their utmost to:

- ◆ Comply with applicable laws, regulations, and the internal controls set by the bank
- ◆ Act responsibly, with responsiveness, fairness, competence, and objectivity
- ◆ Ensure abiding by the highest standards of corporate governance and the best ethical business practices consistent with the principles outlined in BM's code of conduct

- ◆ Fulfill the assigned duties and responsibilities
- ◆ Deal fairly and respectfully with colleagues, customers, and suppliers
- ◆ Ensure confidentiality of data acquired in the course of the banking operations, as well as preventing any unauthorized disclosure of these data
- ◆ Avoid conflicts of interest and disclose any potential or actual conflict of interest or misconduct to the competent officials in the bank in a good faith
- ◆ Uphold their commitment to professionalism with no compromise, as under no circumstances should employees accept gifts, bribes, or illicit gains (BM's employees must refrain from being involved in any illegitimate actions)
- ◆ Prevent all forms of exploitation and abuse

BM encourages candid discussions about ethics issues with no fear of reprisal. The bank expects employees, new hires, and partners to apply the Code of Conduct in their activities, exercise independent professional judgment, and deter wrongdoing during the conduct of all duties and responsibilities.

Additionally, any voluntary breach of this code of conduct by any official, regardless of his/her role or status, may be subject to the appropriate disciplinary action; whoever is held accountable for any misconduct is obligated and encouraged to rectify the incident.



BM old  
building hall, first floor.



# Risk Management

**Banque Misr (BM)** is committed to contributing to the socio-economic development of our nation and opening more doors to successful opportunities for its people and ecological equity. With our robust growth, BM also takes preventive measures to mitigate adverse risks and handle contingencies effectively.

BM sets a systematic and structured risk management strategy, which entails ongoing risk identification, mitigation/prevention, monitoring, preparedness, emergency response, and effective recovery. We believe in being one step ahead of the game, equipping customers with an ecosystem of responsive banking services to help BM and its customers reach their goals effectively and stably.

BM's risk management strategy ensures adequate performing levels for all the bank's portfolios and operations. Derived from the Bank's strategy and Board of Director's directions, various committees are in place to manage risks; key of which among others are Board Committees, Top Management Committee, and Senior Credit Committee.

Under the authorities delegated, BM adopts a proactive and robust approach to risk management framework that fulfills the CBE's regulatory requirements and international best practices to leverage overarching risk accountability to sustain the success of the Bank's business and operations.

Sustainable growth represents a cornerstone for BM's commitment to adopt the best ESG practices. BM implements a comprehensive ESG risk management framework conforming to its corporate code of conduct, CBE's regulations, as well as best international standards,

including the UN's SDGs, United Nations Environment Programme Finance Initiative (UNEP FI), and responsible banking principles.

BM ensures implementing prudent and rigorous risk management governance and raising the understanding of all stakeholders of the fundamental principles of risk management and regulations set forth by the respective authorities. BM analyzes and mitigates any potential risks or adverse impacts caused by its operations, including governance risks, operational risks, cyber risks, and supply chain risks.

BM ensures that the risk appetite is managed carefully and prudently through assessing risk limits for better performance levels. Furthermore, BM carries out rigorous quantitative and qualitative risk analyses and assessments. In line with BM's business continuity and contingency plans, independent screening and risk diversification have resulted in prudent mechanisms to mitigate risks related to allocating investments across various portfolios, industries, and other categories including, the finances of controversial profiles regarding ESG. Moreover, BM established disaster recovery centers while adopting risk response strategies to act promptly and eliminate adverse impacts that could affect the bank's stakeholders.



# Whistleblowing

**BM's** whistleblowing policy is considered a significant correlate of its zero-tolerance approach in addressing any misconduct or conflict of interest. Further, it effectively demonstrates integrity and transparency in the rules established by BM's code of conduct.

In line with corporate governance, BM's employees must promptly report any suspected or actual misconduct or violation with no fear of retaliation or reprisal. All concerns raised in good faith about any alleged misconduct are handled with the utmost confidentiality, including the reviews and investigations process. These incidents are checked instantly to take adequate remedial action, mitigate any associated risks and prevent their recurrence.

BM adopts rigorous measures to examine the situational factors behind whistleblowing intentions. The bank reserves the right to take appropriate actions against misleading grievances and false accusations.

A direct channel to the Group Head of Compliance is always available for any whistleblowing reporting. Any whistleblowing incident is addressed seriously, shared with the bank's Senior Management, and raised to the Board's Corporate Governance Committee.



Essam Al Ahmady  
and Mrs. Hoda Talaat Harb  
during Banque Misr 75<sup>th</sup>  
anniversary celebration

## Operational Performance

BM has sought to bring about a remarkable development in many business zones at the strategic, investment, and transactional levels. In its 100 years of hard work, economic prosperity, and community enhancement, Banque Misr's norms and principles always accord with good management and standards that direct the operations to a fruitful future. We apply top-notch criteria and actions to our different strategies, norms, and daily operations.

Banque Misr's plan centers on the idea of long-term profit that relies on solidity, economic development, mutual growth, and an enhanced ecosystem. The bank is a pioneer because of its products, services, and connections that help support and speed up the necessary strides to benefit current and future generations.

As a founding signatory of the Principles for Responsible Banking with 230 banks from around the globe under the United Nations Environment Programme Finance Initiative (UNEP FI), Banque Misr is committed to aligning its strategy with the ten principles of the UN Global Compact Principles, Sustainable Development Goals. Such principles are of great importance as we believe that global alliance and common frameworks are the optimal responses that will facilitate a long-term sustainable future and achieve remarkable results. With strong determination, the COVID-19 pandemic and economic crises push us to go an extra mile.

About This Report

A Century-Old Institution

Business and Strategy

Sustainability Approach

Corporate Governance

Operational Performance

Financial Performance



# Information Technology

**The Information Technology Division** is the backbone of Banque Misr (BM) retail, commercial, and corporate banking operations. The Division maintains the effectiveness and efficiency of BM's overall technology infrastructure and information security, as it supervises and supports the information systems used by BM employees and implements IT development projects. The Division also maintains constant IT system security, analyzes IT security incidents, and carries out IT system security checks.

## Outlook

IT is the backbone of the transformation journey currently underway at Banque Misr. This requires the division to maintain a scalable and flexible infrastructure, efficient service-based application architecture, robust middleware capable of addressing the needs of internal as well as external stakeholders, and an efficient workflow engine with internal capabilities to address the automation of the bank's processes.

## Operational Highlights

During FY 2019-2020, BM implemented various solutions as a decisive step to lay the foundations for its digital journey. At the time of the COVID-19 crisis, BM strived to provide digitized financial solutions, services, and products to reduce the load on the branches and thus ensure the safety of its customers and employees. First, BM enabled the purchase of its high-yield certificates only through digital channels to protect customers and branch employees (such as online banking, ATMs, IVR, WhatsApp, e-Forms, and swift transactions). BM is the first in Egypt to offer the purchase of certificates via ATMs and

"We are committed to capitalize on and invest in sophisticated information and communication technologies to better serve our customers."

**Mr. Ibrahim El Sherbini, Chief Information Officer and Head of Digital Innovation, Banque Misr.**

*Ibrahim El Sherbini*

WhatsApp channels. Also, BM provided multiple virtual channels for customers to register in online banking and Mobile Wallet services instead of visiting the branch. Further, BM enabled donations to charity institutions through its mobile banking, internet banking, and ATMs.

To provide the latest services while maintaining a pioneering market position, BM was the first bank in Egypt to launch its Chatbot and WhatsApp for Business services to serve customers around the clock. Customers are now able to conduct an interactive dialogue at all times without queuing. This technology contributes to diversifying the means of communication with customers, which helps to achieve further success and advancement by improving operations and reinventing business models.

The service is based on an Advanced AI Engine model that can understand various customer conversational text models and is associated with a survey to test customer satisfaction. The model already supports English and Arabic language response to customer queries and assists them around the clock.

BM expanded its digital offering to include corporate and retail online banking, retail mobile app, QR code, in addition to the WhatsApp for Business and Chatbot solutions.

In an effort to offer eco-friendly business practices, Banque Misr adopted Building Management Systems (BMS). The system efficiently controls and monitors mechanical and electrical equipment such as ventilation, lighting, power systems, fire systems, and security systems across the BM premises.

The bank also expanded its robust middleware by offering seamlessly integrated enterprise systems with its digital products. BM adopts a 3D Secure System that adds a security level for BM cardholders when conducting electronic transactions. The 3D Secure System involves an authentication process using a one-time password sent via a message (SMS) to cardholder mobile phone numbers. BM completed its upgrade of the core banking system in the United Arab Emirates subsidiaries and launched its online and mobile banking services for retail in UAE.



## Retail Banking

**BM's Retail Banking Division** plays a significant national role, contributing to the broader themes of financial inclusion and economic security. The Division offers a wide range of deposit and savings products, in addition to several retail loan products that meet a wide range of customer needs and requirements. BM retail figures continue to grow alongside the consistent enhancements on its platform and the introduction of new features that facilitate customers' lives.

## Outlook

Banque Misr (BM) continues to introduce industry-leading digital tools, redesign the client experience, and embed our services in the most popular social and electronic commerce platforms, enabling customers to bank anytime, anywhere, on their channel of choice. BM's retail strategy focuses on FinTech to provide customers with a convenient payment experience. BM launches an array of new products and digital mechanisms, forges new and expanded partnerships, and introduces new value propositions to grow and retain clients. BM is also constantly working on expanding access and usage of financial services safely for all market segments, including the underserved and minorities.

## Operational Highlights

BM continued working in collaboration with various business partners to employ digital payment tools. The bank introduced QR code payments and embedded payments in partner merchant services for a seamless payment experience online and offline. BM offers merchants attractive benefits, including no setup fees or monthly fees and exclusive rates for both wallet and card payments.

"BM retail figures continue to grow consistently along with its enhanced platform and newly launched features to facilitate customers' lives."

**Mr. Ihab Dorra, Chief Consumer and Retail Payments Officer, Banque Misr**

*Ihab Dorra*

During FY 2019-2020, the Division established several partnerships with Telecom Egypt, Exxon Mobil, Visa, Fixed Solutions, Paynas, and Fawry. These efforts have begun to bear their fruits. The bank achieved the highest growth rate in electronic commerce and QR code transactions in Egypt during 2020.

Physical payments gave way to peer-to-peer payments (P2P) and account-based payments, both online and via mobile wallets, during COVID-19 lockdowns. Opportunities emerged as consumers applied more scrutiny on their spending through the Buy-Now-Pay-Later or other Pay-By-Installment models. BM offered Mobile Wallet customers a QR code feature for electronic payment at points of sale and websites.

BM converted its credit and prepaid cards to accept contactless payments, in line with the CBE's digitization strategy. BM card transactions reached around EGP 32.66bn, and BM Wallet transactions increased to record EGP 607m during April and May 2020. BM Wallet subscribers reached more than 1.04m, recording an increase of 94 thousand subscribers in December 2020. The volume of internet banking transactions recorded nearly EGP 8bn since the spread of the COVID-19 pandemic during April and May 2020, respectively.

## Awards

Banque Misr was recognized for the year 2020 as the Best Retail Banking Brand in Egypt and Best Customer Centric Banking Brand in Egypt from Global Brands magazine.

## Financial Highlights

BM's retail deposits portfolio for conventional and Islamic businesses increased to EGP 750bn on June 30<sup>th</sup>, 2020, compared with EGP 592bn on June 30<sup>th</sup>, 2019. The portfolio continued its surge to reach EGP 826bn on December 31<sup>st</sup>, 2020.

Customer deposits increased by EGP 182bn to hit EGP 928bn on June 30<sup>th</sup>, 2020 against EGP 746bn on June 30<sup>th</sup>, 2019, recording a growth of 24%, owing to a 47% increase in savings certificates and 33% increase in term deposits. On December 31<sup>st</sup>, 2020, customer deposits increased to EGP 1038bn.

The number of issued payment cards recorded 9.43m by the end of June 2020 and increased to more than 10.77m cards in December 2020, placing BM second in terms of the number of cards issued in the Egyptian banking industry. Banque Misr has been operating the second largest network of POS terminals, reaching 19,964 terminals with a trade in value of EGP 21.88bn in June 2020. The POS terminals increased exponentially to reach more than 167,000, which increased by EGP 12.66bn, during the period from July 1<sup>st</sup>, 2019, to December 31<sup>st</sup>, 2020.

## Key Product Lines

### Personal Loans

Banque Misr offers a variety of tailored loans and financing schemes. At competitive interest rates, BM offers financing schemes with a maximum loan cap of up to EGP1.5m for unsecured personal loans and loan tenure up to 120 months. BM additionally offers facilitated lending terms and conditions for personal loans to attend to customer requirements.

BM also provides auto and mortgage loans, house finishing/refurbishment loans, and loans tailored for durable goods and tourism. BM additionally offers educational loans to support students in colleges, universities, and institutes, as well as certificate programs. BM offers personal loans without salary transfer for customers working for public entities, public and private banks, oil and petrochemical industries, telecommunications, business owners, and professionals (doctors, pharmacists, engineers, etc.).

### Instant Personal Loan

Embracing banking digitization in the Egyptian market, Banque Misr launched the first innovative banking product, the Instant Personal Loan. This service offers a seamless loan service without any paperwork for eligible customers with disbursal in just two hours.

### Salary In Advance

BM launched Salary in Advance, a recent digital banking service designed for customers with payroll accounts. BM avails this new overdraft product to enable customers to withdraw a percentage of their monthly salary in advance.

## BM Payment cards

### Credit Card

BM also provides customers with many types of credit cards as per customer segmentation with competitive rates ranging from Classic to World Elite and with sizeable credit limits that could reach EGP 800 thousand for prime customers (Secured/Unsecured). BM also enabled governmental payment to credit cards. The total credit card limits of the insurance coverage portfolio reached about EGP 7.8bn for 418,616 clients as of December 2020. BM customers can now apply for credit cards through online banking.

### Prepaid cards

BM offers many types of prepaid cards to attend to different customer segments. BM launched the Teens prepaid cards product directed towards the youth to gain the new generation's loyalty and expand the bank's customer base.

In support of the national financial inclusion strategy, BM was the first bank in Egypt to issue Meeza prepaid cards as part of the National Payment Scheme to integrate the unbanked segments of society into the formal banking sector. As of December 2020, the bank issued 2.28m Meeza prepaid cards and plans to migrate payroll cards to Meeza Payroll cards, enabling customers to use the Salary In Advance service and enjoy the contactless features of the Meeza platform.

### Debit Card

The bank provides customers with different types of debit cards, from classic to World Elite. The bank also issued new card types for minor and youth segments.

In support of the national financial inclusion strategy, BM is the first bank in Egypt to issue Meeza debit cards under the National Payment Scheme to integrate the unbanked segments of society into the formal banking sector. BM issued 222,133 Meeza debit cards as of December 2020. Now, BM customers can apply for debit cards through online banking.

## Islamic Retail Services

To ensure full-fledged Islamic banking services, Banque Misr for Islamic Transactions offers a diverse range of products, among which are: Auto Murabaha, Durable Murabaha, Haj and Omra Murabaha, Education Murabaha, Wakala Murabaha, Islamic Credit Card, Kenana, and Islamic Qard Hassan. The value of the Islamic banking portfolio (direct performing loans) totaled EGP 1616m on June 30<sup>th</sup>, 2020, compared to EGP 925m a year earlier, recording an increase of EGP 691m and a growth of 74.7%.

## Bank Deposits

BM offers different deposit products designed to meet customers' evolving needs, reduce the market gap, and expand the existing product range. Multi-currency deposit products are available on both short and long-term bases. Recently, the bank issued a new certificate of deposit:

### Ibn Misr Certificate of Deposit

Individuals can benefit from the Ibn Misr certificate with a competitive interest rate of 15% paid monthly at a minimum purchasing amount of EGP 1000 and its multiples with a tenure of

12 months. Ibn Misr certificates are issued to customers through several electronic channels, including website, BM online (internet banking/ mobile banking), call center, ATM Machines, electronic email, or Whatsapp.

### Current Account with Daily Interest

BM added new tiers to the current account with daily interest for individuals starting from EGP 50 thousand and with no maximum limit.

### Saving Account in USD

Adding more flexibility in interest calculation, BM offers new tiers of saving accounts in USD to offer our clients both different interest frequency options and higher interest with larger savings.

## BMVIP

Retaining customers' loyalty is an essential factor to enrich BM's legacy of success. To improve the value provided to premier customers and maintain their loyalty, the bank offers various bundles of exclusive products and services with competitive pricing to the VIP customers in collaboration with MasterCard under the bank's BMVIP brand. Further, BMVIP empowers customers to enjoy a world of unique benefits and unforgettable experiences. The service includes a dedicated Customer Relationship Management (CRM) team in addition to multi-customer support channels, including a dedicated call center, SMS service, and e-mail support service. Moreover, BMVIP customers also receive special interest rates on their accounts. BMVIP customers gain additional luxuries through

their day-to-day banking transactions. Customers have access to custom BMVIP lounges situated in unique locations to enjoy their privacy. BMVIP customers receive special return rates based on their account balances, including an ascending daily interest posting. In addition, BM exempts customers from the payment of checkbook fees and some other banking tariffs. Customers also obtain free access to Lounge Key VIP lounges situated in unique locations at airports to ensure the customers' privacy, in addition to free accommodation at Starwood Hotels and Resorts.

Customers are given free access to local and international concierge services through a convenient mobile application to ease the booking process. The concierge service supports BMVIP customers in their travel arrangements (hotel reservations, online tickets, airport reception, and hotel transportation), theater reservations, cinemas, cultural events, restaurants, health and beauty centers, as well as shopping and gift selection (available in Cairo and Alexandria), with many discounts and benefits in several restaurants, hotels, and services. To offer the best to our BMVIP clients, the bank enhanced the debit cards delivery and activation process to facilitate prompt cards delivery to their residence, as well as offering card activation through the call center. Further, BMVIP customers obtain special interest rates on their accounts. BM also added a road assistance service to the BMVIP bundle in cooperation with Allianz Company. Finally, BM revamped the design of the account statement to display a summary of customer accounts on the first page, followed by transaction details for each account, printed in color.

## Aman El Masreen Certificate

As part of its social initiatives, BM launched the Aman El Masreen Certificate of Deposit, a three-year local currency certificate, in partnership with Misr Life Insurance Company, the National Bank of

Egypt, Agricultural Bank of Egypt, and Banque Du Caire. The Aman El Masreen certificate mainly targets temporary and seasonal workers, farmers, and low-income social segments. The certificate includes a life insurance policy. BM disburses the certificate's return via prepaid cards or the Mobile Wallet payment card. The certificate also offers customers a quarterly EGP 10,000 prize draw after tax exemption. On December 31<sup>st</sup>, 2020, the Aman El Masreen Certificate's value amounted to EGP 480m.

## CBE Mortgage Initiative

Since real estate mortgage is a crucial catalyst for promoting the national economy, Banque Misr plays a vital role in the government's initiatives to promote adequate housing. Under the CBE's initiative, BM provided long-term loans to purchase affordable residential housing units. Further, Banque Misr seeks to attract local and foreign investments for the real estate sector. It offers a variety of mortgage programs for housing and furnishings for all segments of Egyptian society and Egyptian expatriates living in the UAE. On June 30<sup>th</sup>, 2020, the value of BM's portfolio allocated for CBE's initiative reached EGP 6.47bn, surging by EGP 1.85bn compared to June 30<sup>th</sup>, 2019, recording a 40% rise. During the period from July 1<sup>st</sup>, 2019, to December 31<sup>st</sup>, 2020, the value of BM's portfolio allocated for CBE's initiative continued to rise, reaching EGP 7.36bn, surging by EGP 2.73bn, recording a 59% rise.

## Dynamic Currency Conversion System

The bank adopts the Dynamic Currency Conversion System (DCC) to facilitate money transfers for overseas purchases by credit cardholders into local currency at the point of sale.



## Automating Payroll Transfers

To turn Egypt into a cashless society, Banque Misr possesses 48% of the total market share in automating the wages of employees working for governmental entities. For the past 15 consecutive years, the bank has maintained its top position in this regard. On June 30<sup>th</sup>, 2020, Banque Misr carried out annual automated payroll transfers amounted to more than EGP 98.55bn, covering 62,700 payroll accounts for workers in both the public and private sectors via 3.61m cards. On December 31<sup>st</sup>, 2020, Banque Misr carried out annual automated payroll transfers covering 88,403 payroll accounts for workers in both the public and private sectors via 3.71m cards. In addition, Banque Misr has always been the first to add new services, such as adding salary through a wallet by using a new web application BM Payment, with two-factor authentication to guarantee the highest degree of security.

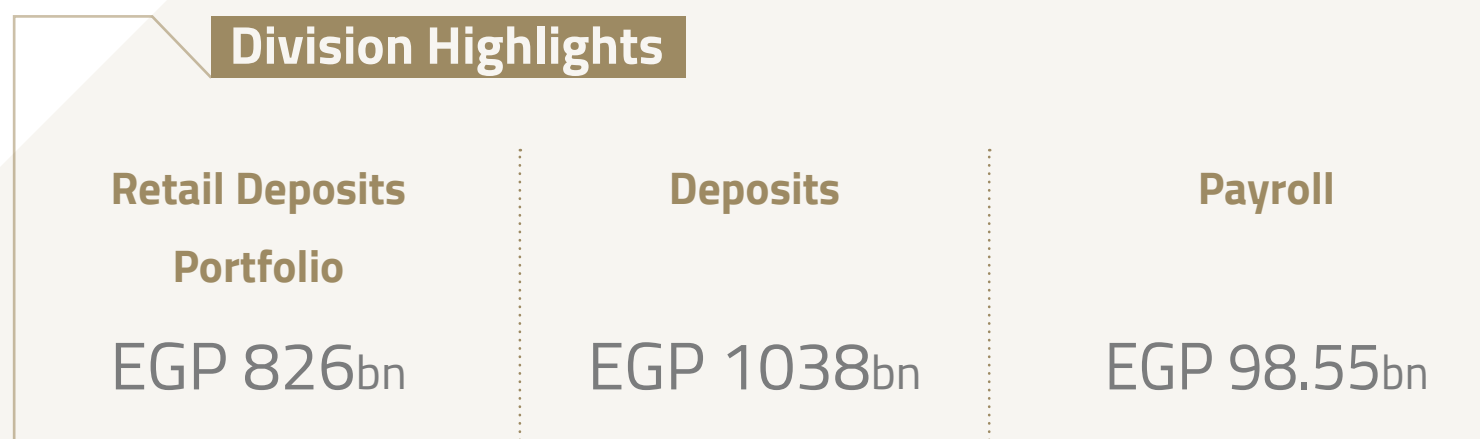
## Bancassurance

Banque Misr has been one of Egypt's leading banks that offer bancassurance services. In partnership with Allianz Egypt, BM has issued more than 742,947 policies from December 2018 until December 2020. Moreover, BM is working on launching a non-life insurance product line in the coming period.

## Credit Insurance

BM inked agreements with several insurance companies to mitigate associated risks. BM offers its customers a variety of insurance coverage programs: life, total permanent disability, and default coverage for 27 banking products, including retail loans, Islamic retail Murabaha, and SMEs financing schemes according to the relevant terms and conditions of each banking product to collect claims when it is valid to BM as a primary beneficiary. The total value of BM's insurance coverage portfolio reached about EGP 25.98bn for 415,669 clients.

\* For more information about BM Retail Banking, please visit <https://www.banquemisr.com>.



\* Figures listed above are recorded on December 31<sup>st</sup>, 2020.

## Micro, Small, and Medium Enterprises

**Banque Misr** (BM) led micro, small, and medium enterprises (MSMEs) banking in Egypt by conceptualizing a wide range of specialized banking solutions. BM targets the unbanked/underbanked business entities of the country. BM's SME Division offers a wide range of financial services that suit prevalent market needs. The Division also provides customized financial solutions based on the SMEs profile and cash flow characteristics to build swift decision-making capabilities that facilitate loan disbursement and enhance customer experience.

### Outlook

BM adopts an agile strategy to serve the biggest financially underserved market across Egypt. The MSMEs Division strategy aims to develop microeconomies through supporting SMEs in their ambitions. The Division also strives to attain the national aspiration of including MSMEs into the folds of the formal market and indirectly contributing to local employment creation.

### Sustainable Strategy

BM prioritizes the financing of green projects to foster a more inclusive, resilient, and sustainable response to the growing climate risks to economic development while focusing on financing projects operating in the fields of solar energy, water management, and waste reduction. BM requires customers to obtain an official license, which requires under Law no. 4 in 1994 an Environmental Impact Assessment (EIA), approved by the Egyptian Environmental Affairs Agency (EEAA). Also, the bank requires small enterprises to provide insurance for their workforce. During FY 2019-2020, BM focused on meeting the liquidity needs of SMEs that are experiencing a slowdown, payment delays, or increased capacity needs following a massive fluctuation in demand caused by COVID-19.

"The SMEs Division engages in new initiatives that support youths, decrease unemployment rates, stimulate economic growth, and achieve sustainable development."

**Dr. Mohamed El-Antably, Head of SMEs and Micro Finance, Banque Misr**

*Mohamed El-Antably*

## Operational Highlights

BM SME financing increased to reach 24.59% of its credit portfolio before the due date set by the Central Bank of Egypt initiative, which was in December 2020. This achievement was accomplished by including operational development, complete restructuring, and decentralization of credit granting while setting clear standards to guarantee a good credit score and avoid default.

The total number of small and medium enterprises clients reached 184,346 in June 2020 and surged to 188,865 in December 2020 compared to 121,026 in June 2019, recording an increase of 67,839 customers and a growth of 56%. BM financed around 48,922 female-led SMEs, representing 26% of the total SME client base. The BDS centers were able to provide 7,395 non-financial services to nearly 3,000 customers. The BDS center financed 202 clients to access financial solutions with a value of EGP 156m, of which 153 clients received the funds.

## Sustainable Efforts

BM financed 14 different medium-sized businesses working in pollution prevention and control, wastewater management, and renewable energy projects. BM funded eight midcap projects operating in the solar power sector. Moreover, the bank financed a project in the field of prevention and control of pollution. The bank further facilitated funds to small enterprises to promote the switch to natural gas as a sustainable option.

## Employee Development

BM increased the number of employees to serve its growing SMEs customer base. Likewise, BM increased its MSMEs foothold to 758 lending hubs for microenterprises, small enterprises, and midcaps. Banque Misr also provided 20,431 training hours to its employees. The training aims to develop their skills and competencies to improve the quality of the service provided.

## Key Agreements

During FY 2019-2020, BM made contractual agreements with the Credit Guarantee Company (CGC) for credit risk to cover default risks associated with financing micro, small, and medium enterprises (MSMEs). Besides, BM signed a protocol with an e-commerce platform; Business Boomers, to extend digital platform solutions to BM customers at a discounted price to encourage customers to market their products online and expand their outreach before the COVID-19 outbreak. Further, BM signed an agreement with the Micro, Small, and Medium Enterprises Development Authority (MSMEDA) to mitigate the detrimental impact of COVID-19 by extending microfinance funding of EGP 500m, whereby 30% of the funds goes to women. It is worth noting that the total value of contracts signed between Banque Misr and MSMEDA since 2011 to date amounts to approximately EGP 1.3bn, benefiting 205 thousand microprojects valued at EGP 2.5bn.

## Product Launches

BM has launched the new Instant Loan service for microenterprises enabling customers to be granted loans the following working day after applying. The loan officer typically visits the customer to inquire about their activities and simultaneously uploads the required documents to the system via tablet. This process saves both the customer and loan officer substantial time and effort. BM also launched the Express loan for small enterprises, which is considered the first integrated digital product. Since its launch, the product has served 2,000 customers with funding totalling at EGP 2.028bn. As for the "Mashrouak" program, Banque Misr issued total loans at a value of EGP 12.3bn to 113,017 clients.

## Awards

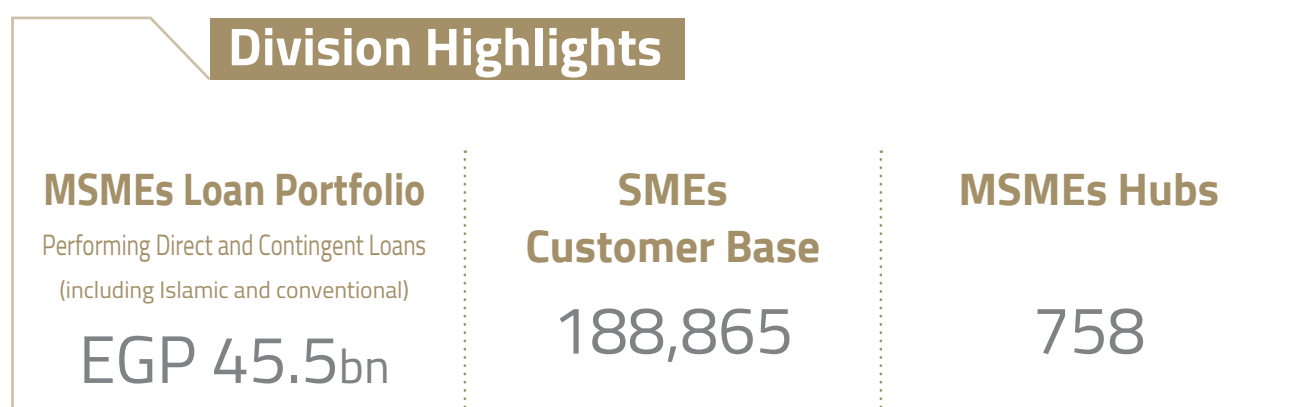
In the field of micro, small and medium enterprises, the Bank was named "Best SME Financing Bank – Egypt 2020" by Global Business Outlook, "Most Innovative SME Bank – Egypt 2020" by International Finance Magazine, and "Best SME Partner Bank-

Egypt 2020" by The European magazine. BM also received "SME Bank of the Year" by the Digital Banker Global Retail Banking Innovation Awards 2020, "Best Islamic Banking Services - Egypt 2020" by The Global Economics Awards 2020, and "Best Bank for SMEs in Egypt 2020" by Asiamoney Middle East's Best Bank Awards.

## Financial Highlights

Banque Misr's SME portfolio (Performing Direct and Contingent Loans - including Islamic and conventional) surpassed the Central Bank of Egypt (CBE) mark for SME portfolios. The SME portfolio entailing Islamic financing schemes recorded around EGP 37.7bn in June 2020 compared to EGP 23.8bn in June 2019, marking an increase of EGP 13.9bn, with a growth of 58%. On December 31<sup>st</sup>, 2020, the portfolio surged to EGP 45.5bn, marking an increase of about EGP 21.7bn, with a growth of 91.2%. By June 30<sup>th</sup>, 2020, BM allocated around 15% of the SME portfolio towards female-led SMEs with total funds of EGP 4.8bn.

\*For more information about BM SME products and services, please visit <https://www.banquemisr.com>.



\* Figures listed above are recorded on December 31<sup>st</sup>, 2020.

## Investments and Capital Markets

**Banque Misr** (BM) plays an active role in fostering the debt capital market in Egypt through promoting and underwriting securitization and corporate bond issuances. The Investments and Capital Markets Division (ICMD) bridges the financing needs for investment opportunities that are currently growing in the Egyptian market, as it complements the bank's traditional financing and therefore supports the growth of the Egyptian economy.

The ICMD focuses on supporting the Egyptian economy and constantly strives to contribute directly to companies operating in vital economic sectors, serving as the largest and one of the most active private equity investors across Egypt. The ICMD has a diversified portfolio of direct investments covering various economic sectors, including financial institutions, tourism and services, building and housing, agriculture and food, IT and communications, and industrial companies.

BM offers a wide array of comprehensive and creative financial services to businesses, institutions, and government entities, allowing them to meet their financial objectives and implement short-term and long-term strategies. In this regard, the Division utilizes several tools, including mergers and acquisitions, bond issuance (both corporate and securitized), private placement, initial public offerings (IPOs), divestments, and restructuring to optimize its portfolio and maximize returns. BM plays an active role in Debt Capital Markets (DCM) with a clear focus on initiation and structuring, pricing, execution, underwriting, and fundraising.

"BM prides itself on building relationships with investors and partners based on shared beliefs for a sustainable future. The ICMD brings unparalleled expertise in socially responsible investments with an unwavering focus on developing the national economy and community while preserving the environment."

**Mr. Ahmed Sobhy, Chief Investment Officer,  
Banque Misr**

*Ahmed Sobhy*



## Outlook

### Sustainable Strategy

Sustainability is a key part of BM's investment criteria when making investment decisions. BM analyzes the economic, environmental, social, and governance (ESG) aspects of each investment decision and its impact on the bank's performance and its market value. BM constantly diversifies its investment portfolio with a focus on green energy projects in Egypt. BM eyes investments in projects that support renewable energy (solar, wind, hydro), waste recycling, water conservation, and rationalizing inefficient fossil fuels.

BM requires greenfield projects in which it intends to finance through either equity or debt, to be accredited by the Egyptian Environmental Affairs Agency (EEAA). The EEAA conducts a comprehensive Environmental and Social Impact Assessment (ESIA) and screens projects to rule out possible negative impacts on both people and the environment. Projects that pass ESIA may be eligible for preferential rates. The bank also facilitates funds to existing plants across Egypt to complete upgrades for emissions reduction and digitization.

### Extending Customer Service

Capitalizing on BM's position as a leading full-service financial institution, the ICMD along with Misr Capital Investments S.A.E - the bank's fully-owned subsidiary - offer clients the best investment services while maximizing returns on the bank's portfolio of public and private market investment portfolios.

## Operational Highlights

### Key Transactions

BM's Investments and Capital Markets Division executed several landmark transactions in FY 2019-2020. BM completed the acquisition of a 25% stake in CI Capital Holding. CI Capital Holding is a leading diversified financial services group that offers a suite of nonbanking financial solutions, catering to a large spectrum of clients, including investment banking, securities, brokerage, research, asset management, custody, leasing, consumer finance, and microfinance. Further, the BM Division acquired a 40% stake in IBAG, an agent of Western Union International in the Arab Republic of Egypt. BM also completed a securitization bond issue for the New Urban Communities Authority (NUCA). The issue size is EGP 4bn and received a rating of AA- by Middle East Ratings and Investors Service (MERIS). Tapping into the debt capital market as an alternative source of funding in the Egyptian market by NUCA represents a key milestone for the fixed income market by introducing new instruments for domestic and foreign institutions.

### Awards

Banque Misr was recognized for the 2020 landmark NUCA securitization bond issue and the Deal of the Year 2020 award in Africa from The Banker magazine, an international publication owned by the Financial Times, for the second year in a row. The award attests to outstanding performance in light of assessing a cluster of experts in various domains. BM's first mutual fund was established in 1994 and became one of the most prominent funds across the Middle East. The ICMD currently offers eight mutual funds catering to various clients and corporate requirements such as money market, balanced, equity, capital guaranteed, and Islamic funds.

## Financial Highlights

In June 2020, ICMD Assets Under Management (AUM) recorded EGP 65.5bn, up from EGP 58bn in the previous year. ICMD Assets Under Management (AUM) further increased as of December 31<sup>st</sup>, 2020 to reach EGP 72.3bn. Furthermore, the total revenues generated from ICMD activities stood at EGP 1.5bn, at a remarkable 33% compounded average growth rate over the past five years.

By the end of December 2020, Banque Misr’s proprietary trading securities reached EGP 4bn with an additional EGP 1.2bn invested through BM mutual funds. Further, the ICMD also manages and

oversees approximately EGP 7.1bn of the bank’s fixed income instruments by the end of December 2020. As of December 2020, the ICMD held stakes in 158 companies with a total book value of EGP 32.1bn. To strengthen the companies’ capital structure, the ICMD injected EGP 4.1bn in fifteen companies within its direct equity portfolio.

Banque Misr has been active in handling fourteen securitization bond issuances worth EGP 22.9bn issued in Egypt from mid-2019 till the end of 2020. ICMD’s activities also include investment and management of real estate assets, with a portfolio of approximately EGP 6.4bn as of December 2020..

**\* For more information about BM Investments and Capital Markets products and services, please visit <https://www.banquemisr.com>.**

Division Highlights			
Total Revenues	Assets Under Management	Principal Investment	14 Securitized Bond Issuances
EGP 2.4bn	EGP 72.3bn	EGP 32.1bn	EGP 22.9bn

**\* Figures listed above are recorded on December 31<sup>st</sup>, 2020.**

# Islamic Banking

**Banque Misr** has been a forerunner of Islamic banking, being the first public sector bank to establish branches for conducting Islamic banking transactions (Kenana), numbering some 47 branches throughout the Arab Republic of Egypt. BM's Kenana branches comply with Islamic banking principles of accountability under the supervision of the Shariah Committee, composed of qualified professors from respectable organizations, including Al Azhar, Dar Al-Ifta, and the Islamic Research Council. BM's Islamic branch offers a host of diligently developed, Shariah-compliant products and services, as well as trading activities with a proactive approach to hedge against any potential risks.

## Outlook

BM's Islamic Banking Division aims to achieve the Sustainable Development Goals (SDGs) through Islamic finance instruments, including zakat, Sukuk, and Islamic Microfinancing. Islamic finance offers a stable financial system based on inclusive social and economic activities enabling mutual gains through ethical operations and risk-sharing. Its promise towards social justice coincides with many global development objectives.

## Operational Highlights

The Division participated in Shariah-compliant financing facilities worth EGP 6.2bn covering several sectors, including contracting, oil, and gas, with a share of approximately EGP 1.6bn in June 2020, compared to EGP 0.9bn in June 2019, at an increase of EGP 0.7bn and a growth rate of almost 80%. The Division participated in Shariah-compliant financing facilities worth EGP 17bn covering

several sectors, including contracting, oil, and gas, with a share of approximately EGP 7.5bn in December 2020, compared to EGP 1.9bn in June 2019, at an increase of EGP 5.6bn and a growth of almost 295%. The Division is working to conclude several Islamic financing facilities in several sectors, including real estate investment, oil & gas, petrochemicals, contracting, textile, steel, insurance, and more. It is worth noting that the total Islamic financing facilities amounted to EGP 17bn. The bank holds extensive plans to attract new clients, financing operations, and support the national economy in various fields.

## Awards

The Division succeeded in attaining several awards, including "Deal of the Year (Islamic Finance) Africa - 2020" from The Banker Financial Times magazine; "Best Bank for Islamic Banking– Egypt" for 2019 and 2020 from International Business magazine; "Best Islamic Banking Services" for 2020 from Global Economics Magazine; and

the "Best Bank for Islamic Transactions – Egypt" for the years 2019 and 2020 from Global Banking and Finance Review magazine.

## Financial Highlights

BM's Islamic banking credit portfolio (Performing Direct and Contingent Loans) witnessed an increase to record EGP 16.4bn on June 30<sup>th</sup>, 2020 compared to EGP 8bn on June 30<sup>th</sup>, 2019. BM's Islamic banking credit portfolio witnessed an increase to record EGP 17.7bn on December 31<sup>st</sup>, 2020.

The Islamic SMEs portfolio increased to EGP 4bn in June 2020, compared to EGP 1.6bn in June 2019, recording an increase of EGP 2.4bn and a growth of 150%. The Islamic SMEs portfolio increased to EGP 4.4bn in December 2020.

BM Islamic corporate and syndicated loans jumped to EGP 10.8bn in June 2020, compared to around EGP 5.5bn in June 2019, with an increase of EGP 5.3bn, a growth of 96.4%. BM Islamic corporate and syndicated loans increased to EGP 11.4bn in December 2020.

BM Takaful Insurance portfolio amounted to about EGP 1.6bn in June 2020 compared to EGP 0.9bn in June 2019, with an increase of EGP 0.7bn. BM Takaful Insurance portfolio reached around EGP 183m in December 2020.

## Key Product Lines

### Murabaha – Kenana

BM Islamic branches offer an array of modern-day retail banking services. BM's Islamic Division issues various cards with a Murabaha tenure of up to 24-36 months. BM also offers an array of financing schemes, including Murabaha of Hajj and Umrah, Murabaha of durable goods, Murabaha of tourism trips, car purchase Murabaha, and education Murabaha to finance the payment of tuition expenses and fees. Additionally, the bank provides an Islamic retail product (Wakala Murabaha) to accommodate all the customers' demands.

### Takaful Bancassurance

BM offers Banking Insurance services in cooperation with Egyptian Life Takaful Company – GIG. BM Islamic banking branches have a wide variety of insurance and investment products integrated with BM savings and investment schemes. Further, BM offers an Islamic Treasury Product under the provisions of the Islamic Shariah to meet the increasing demands of customers.

## MSMEs Bundles

BM offers an array of financing schemes for micro, small, and medium enterprises (MSMEs) as part of BM’s national role in boosting the Egyptian economy, among which are:

- ◆ Microfinancing Murabaha up to EGP 250,000
- ◆ Small financing Murabaha up to EGP 6m
- ◆ Financing Murabaha for working capital for companies and factories up to EGP 15m
- ◆ Financing Murabaha up to EGP 5m for medical equipment and machinery, factory machinery and equipment, private schools, and universities, besides transportation for business activity

**\*For more information about BM Islamic Banking services and products, please visit <https://www.banquemisr.com>.**



**\* Figures listed above are recorded on December 31<sup>st</sup>, 2020.**



# Corporate Banking

**Since its** inception in 1920, Banque Misr (BM) has been a robust pillar of Egypt's economy with its leading role in economic and social development. The bank's concrete history, which stretches for over a century, has witnessed several milestones. Banque Misr has been the driving engine in supporting and strengthening the Egyptian economy. BM played a significant role in the macroeconomic and structural reforms, enabling Egypt to become one of the attractive, strategic, and resilient economies in the African continent and MENA Region.

## Outlook

The Corporate Banking and Syndicated Loans Division offers conventional and Islamic short-term, medium-term, and long-term facilities, structured trade finance solutions, and bilateral as well as syndicated financing facilities. The services provided encompass a comprehensive range of tailor-made corporate banking products, specialized services, and financial solutions, fulfilling the business requirements of our diversified client base, which includes leading Egyptian public sector, private sector, as well as regional and multinational clients. Through our team of highly skilled banking professionals, the Corporate Banking Division strives to provide state-of-art financing packages and solutions that meet our clients' expectations and requirements.

## Sustainable Strategy

The Division aims to significantly advance in the provision of sustainable financing solutions for its large customer base. We intend to help our clients to integrate sustainability considerations such as economic, environmental, social, and governance (ESG) factors into their operations. We believe that sustainable financing offers promising opportunities for a broader horizon for economic expansion and community development.

The Division incorporates sustainable requirements into its credit-granting process. BM's sustainability strategy entails mobilizing green finance as BM's commitment to climate action is of utmost importance. From renewable energy to energy efficiency projects, BM

"While digitization is now imperative, we constantly enhance our corporate banking and syndicated loans product offerings and rendered services to add value to our diversified customer base and improve efficiency in their day-to-day banking requirements."

**Mr. Mohamed Khairat**  
Head of Corporate Banking and Syndicated  
Loans, Banque Misr

*Mohamed Khairat*

directs funds to address the challenges of climate change and the service to society. BM runs comprehensive environmental compliance checks to ensure that financed projects adhere to the Ministry of Environment's regulations. Moreover, BM funds projects that address resource scarcity to attain economically inclusive, resilient, and sustainable development. BM always integrates an effective environmental footprint in its financial performance, along with sustainable investing.

The Corporate Banking and Syndicated Loans Division also focuses on providing innovative solutions that help customers engage in their respective business practices safely and conveniently, especially after the impact of the COVID-19 pandemic. The Division focuses on providing the latest digital banking solutions, allowing corporate customers to complete their banking transactions seamlessly and securely. Driven by a strategy that capitalizes on youth, BM also offers a best-in-class credit certification program delivered at the highest academic standard for new credit analysts. The bank has previously provided seven credit courses since 2009. BM also continued to provide executive training courses to the Division's team members throughout their career progression.

## Financing for A Better Future

Banque Misr offers a wide range of integrated Corporate Banking services and products of exceptional quality to support an array of client requirements, including financing working capital, and expansion needs, as well as megaprojects. BM retains solid expertise to ensure the delivery of end-to-end services for structuring, arranging, and syndicating large-scale strategic projects within strict timelines. BM also plays a vital role in promoting digital

transformation in a fast-paced digitized financial world. Corporate Banking clients enjoy a vast array of state-of-the-art digital banking products and services that supports their operational requirements and ensures maximum security while facilitating daily operations and minimizing in-branch banking.

## Operational Highlights

During FY 2019-2020, BM's Corporate Banking Division demonstrated its core capabilities to rise above the broader macroeconomic challenges and the effects of the COVID-19 pandemic, ensuring impressive credit portfolio growth coupled with strong credit risk parameters.

## Awards

Banque Misr also obtained several national, regional, and international awards for its remarkable achievements in corporate banking. In this respect, Banque Misr ranked second as Mandated Lead Arranger and Bookrunner according to Bloomberg's League Tables for syndicated loans in Egypt for 2020. Banque Misr also ranked second as Mandated Lead Arranger and Bookrunner among the top 20 financial institutions across the MENA region and in Africa, according to the Bloomberg League Tables in 2020.

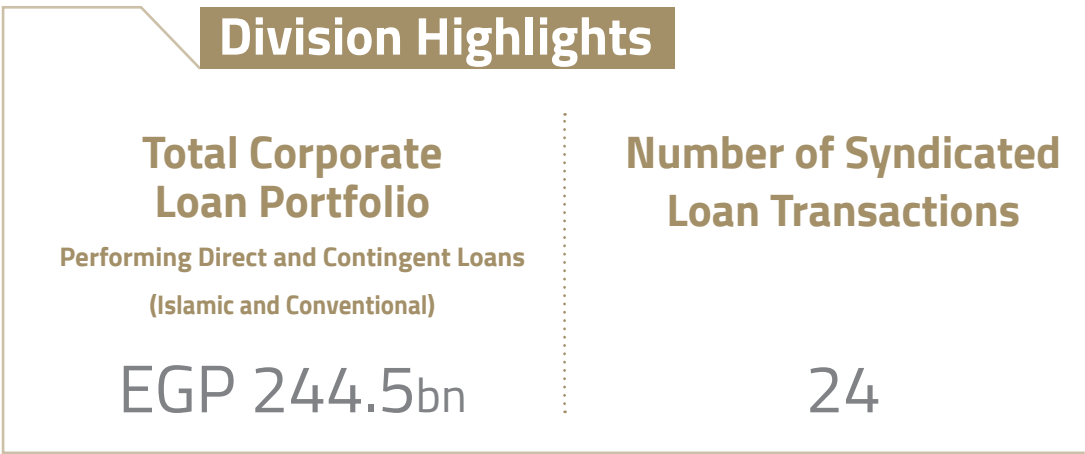
## Financial Highlights

The Corporate Banking and Syndicated Loans portfolio (Performing Direct and Contingent Including Islamic and Conventional) increased to reach EGP 183.8bn in terms of direct and contingent exposure as of FY 2019-2020, compared to EGP 155.2bn in the previous year, recording an annual increase of EGP 28.6bn.

As of December 31<sup>st</sup>, 2020, the portfolio further increased to reach EGP 244.5bn in terms of direct and contingent exposure.

BM participated in nine syndicated loans from July 2019 to June 2020 with a total value of EGP 81bn. As of December 31<sup>st</sup>, 2020, the number of syndicated loans arranged by Banque Misr increased to 24 with a total value of EGP286.3bn, where BM's share stood at EGP 122.5bn. These syndicated transactions covered numerous sectors, including maritime and land transport, contracting, real estate, information technology, telecommunication, oil and gas, building materials, tourism, and financial services.

**\*For more information about BM Corporate Banking products and services, please visit <https://www.banquemisr.com>.**



**\* Figures listed above are recorded on December 31<sup>st</sup>, 2020.**

## Treasury and Correspondent Banking

**Banque Misr (BM)** reinforces its presence through its local branch network, international subsidiaries and representative offices, and correspondent banks. BM capitalizes on its extensive correspondent network to provide funding sources for foreign currency through short-term loans, medium-term loans, and business operation funding schemes.

The Treasury and Correspondent Banking Division plays a crucial role in managing liquidity through various tools to meet the retail and corporate financing needs, investing surplus to maximize returns, and managing risk levels. Moreover, the Division utilizes financial and engineering tools to develop an array of customized solutions, not restricted to products and services. The Division also plays an instrumental role in covering issuances of public debt auctions and maintaining a high rank in the secondary market.

In the complex humanitarian and macroeconomic environment arising from COVID-19, the year's activity was strongly conditioned by the effort to protect the privileges of our clients, internal stakeholders, and international counterparts and ensure their continuity.

The strong relationship with our global clients (corporates, governments, corporations, institutions, etc.) enabled us to act quickly and decisively. We provided them with strategic advice, tailored financing solutions, and helped them access the market to cover their foreign currency needs, trade necessities, and maintain high levels of liquidity during the worst months of the pandemic.

"With our outstanding personnel and an impressive global outreach, we grew to be a leading provider of Treasury service instruments to individuals and institutional investors."

**Mr. Moustafa Gamal, Chief Treasurer and Financial Institutions Officer, Banque Misr**

*Moustafa Gamal*

## Outlook

The Division adopts an agile strategy to keep ahead of the competition and meet industry-evolving needs. With its network of correspondent banks, BM strives to deliver smooth cash flows between its clients and their international counterparts. BM is keen on expanding its extensive network of correspondents with a focus on Africa. The Division strategy focuses on liquidity management, payments, Foreign Exchange (FX), and management of receivables and trade.

BM works continuously to support the Egyptian economy through liquidity management solutions. The Division continues to play its leading role in funding public debt on both the primary and secondary markets while alleviating significant economic repercussions, such as COVID-19.

The decision of the Central Bank of Egypt to terminate its parallel foreign exchange repatriation mechanism positioned BM as a foremost partner for international investors in Egypt. During market disruption caused by COVID-19 and amid outflows of hot money, BM secured foreign currency liquidity for the market, totaling up to USD 3.8bn.

BM adopts a comprehensive asset and liability management (ALM) policy framework that focuses on profitability and long-term viability by targeting the Net Interest Margin (NIM) ratio and Net Economic Value (NEV), subject to balance sheet constraints. Significant among these constraints are maintaining credit quality,

meeting liquidity needs, and obtaining sufficient capital. ALM combines portfolio management techniques (that is, asset, liability, and spread management).

## Operational Highlights

The pandemic has accelerated the shift to digital platforms and has transformed how we and our counterparts work. Last year showed us how quickly we can adapt; for the first time, many of the most prominent banking deals were conducted virtually or by phone – unthinkable before 2020.

BM is upholding the excellence offered to our partners nationally and internationally to assure a seamless corporate cash flow for business between customers and their counterparts with a network of around 362 correspondent banks serving 56 countries.

BM has been resilient in facing the pandemic not affected by its economic repercussions, recording a growth on trade finance business-related in mega infrastructure projects and closing deals at a value amounted to USD 1.45bn.

BM expanded its extensive network of correspondents, products, and services while focusing on Africa, which continued to be a priority for correspondent banking. Our coverage extended to 35 countries through a network of 28 local and pan-African banks, in addition to several African multilateral financial institutions and insurance entities.



We are planning to expand our presence in Africa through branches in Somalia (Mogadishu), Djibouti, and Kenya (Nairobi). The geographical expansion echoes our long-standing growth as the gateway to Africa and our support to our clients and African counterparts venturing into new markets.

## Financial Highlights

BM correspondent banking managed to increase trade finance market share for confirmed export letters of credit from 2.5% in FY 2018-2019 to 4.60% in FY 2019-2020 and 6.60% in December 2020. Moreover, BM recorded an increase of counter-guarantees from 7.5% in FY 2018-2019 to 10.26% in FY 2019-2020 and 11.20% in December 2020, through a new client-centric structure. The Division facilitated imports, especially of strategic goods and services, and successfully managed to cover a share of 24.07% during FY 2019-2020.

BM's Correspondent Banking Division managed to utilize its relationships and maintain more than 100 Vostro accounts for international banks. BM provided them with investment products to enhance our FCY position and increase profitability while enabling them to access their accounts through the online banking service to transform BM into a part of the solution to the sequel of the pandemic.

The economic disruption revealed the importance of institutional funding functions in contributing to recovery. The Correspondents team has continued to provide financing to the economy while ensuring that such institutions continue to act prudently, despite possible negative impacts on the economic situation.

BM offered various funding schemes in partnership with multinational institutions with foreign currency funding worth USD 4.18bn for FY 2019-2020 (FY 2018-2019: USD 3.97bn). We also demonstrate our commitment to inclusive and sustainable growth. We promote the transition to a low-carbon economy.

We align our goals with global initiatives and incorporate Economic, Environmental, Social, and Corporate Governance (ESG) into financial instruments for sustainable projects in terms of traditional bank loans and revolving credit facilities.

BM has a remarkable centennial history of spearheading economic growth and development in the Egyptian economy, combined with an innovative and futuristic strategy going forward. BM and its Treasury department have taken center stage in the fast-moving global financial markets.

With our steady focus, innovative approach, exceptional service, and seamless execution, we help our clients navigate the many risks and opportunities that can arise in a rapidly shifting landscape. We deliver innovative solutions based on deep knowledge and

experience in various financial markets, including foreign exchange, money market, fixed income, and derivatives.

BM's Fixed Income Treasury Portfolio seeks the preservation of capital, daily liquidity, and maximum returns. With prime positioning within the Egyptian fixed income market, our treasury team held 21% of the government securities auctions announced by the Egyptian Ministry of Finance by the end of 2020.

The Local Currency Fixed Income Portfolio average surged to about EGP 556bn during FY 2019-2020 with an increase of 59% YoY, followed by a minimal increase to EGP 571.9bn by the end of 2020. Nonetheless, the EGP portfolio revenues increased by 47% on December 31<sup>st</sup>, 2020, registering EGP 122.4bn.

Combining our core values with the strategic vision of the Egyptian banking sector, the BM Treasury successfully managed to increase the foreign currency Fixed Income and Structured business. BM increased the Eurobonds portfolio by 82% YoY to reach USD 1.16bn at the end of FY 2019-2020, while undergoing a small liquidation phase, recording USD 1.15bn on December 31<sup>st</sup>, 2020.

The structured products increased by 167% from USD 0.69bn to USD 1.84bn during FY 2019-2020. BM managed to sustain this improvement until December 31<sup>st</sup>, 2020.

Our foreign currency T-bills portfolio saw an elongated phase of profit-taking by shrinking its volume by 20% YoY to reach USD 1.68bn FY 2019-2020 and USD 1.70bn on December 31<sup>st</sup>, 2020.

Venturing through the untapped market of the offshoring business on securities, BM saw a staggering portfolio growth of 574% through FY 2019-2020, adding a further 55% improvement to reach EGP 80.19bn on December 31<sup>st</sup>, 2020.

BM's foreign trade finance portfolio increased to USD 10.90 bn on June 30<sup>th</sup>, 2020, compared to USD 8.243bn on June 30<sup>th</sup>, 2019. The foreign trade finance portfolio surged to USD 16.90bn on December 31<sup>st</sup>, 2020. Moreover, foreign exchange services through FY 2019-2020 increased by 31% YoY, reaching a total of USD 47.54bn while sustaining a healthy growth to reach USD 54.36bn on December 31<sup>st</sup>, 2020.

Pioneering in the cash banknote exporting services and an improving market share, we achieved a volume of USD 2.81bn FY 2019-2020, growing by 46% YoY and going beyond to reach USD 3.87bn on December 31<sup>st</sup>, 2020.

Striving to enhance foreign currency liquidity management and being a market maker in the USD interbank mechanism, we extended our market share in FY 2018-2019, FY 2019-2020, and December 2020 to reach 21%, 30%, and 36%, respectively.

Awards

The European Magazine awarded BM the following: The Treasury Management Bank, Liquidity Management Provider, Fixed Income Banking Provider, Foreign Exchange Banking Provider, and Foreign Exchange Liquidity Provider in the MENA region for 2021.

\* For more information about BM Treasury and Correspondent Banking, please visit <https://www.banquemisr.com>.

Division Highlight			
Counter Guarantees Received For Mega and Infrastructure Projects	Foreign Currency Funding	Fixed Income Portfolio to Total Assets Percentage	Capital Gains On Fixed Income Portfolio
USD 1.45bn	USD 4.18bn	47.02%	EGP 1,199.7m

\* Figures listed above are recorded on December 31<sup>st</sup>, 2020.

# Global Transaction Banking

**BM Global** Transaction Banking (GTB) provides a full range of solutions to meet the needs of corporate customers. The Division offers cash cycles such as receivables, payables, liquidity management, and information reporting. Further, the Division provides a series of superior-quality products and solutions that efficiently manage banking transactions.

The BM GTB Division's Custody and Securities support the diverse investment and transaction strategies of local and global investors operating in the Egyptian market. BM Custody strives to surmount the challenges in today's complex, evolving, and competitive marketplace.

The Division also strives to realize the corporate financial requirements of international trade, including documentary collections, letters of credit, and letters of guarantees in addition to working capital and structural trade tailor-made solutions. The Division operates Corporate Customer Services units in 284 branches besides allocating two GTB Hubs in Egypt's remote areas.

## Outlook

BM GTB Division adopts a forward-looking and comprehensive strategy to enhance its competitiveness in offering banking and financial services to governmental entities and the public sector and create new opportunities. The Division participates in identifying and studying the potential investment opportunities for better liquidity management for governmental entities.

The GTB strategy also focuses on digitizing all transactions using state-of-the-art technology to meet customers' evolving requirements, business plans, and strategies. The strategy aims to increase the Egyptian market share in Africa by supporting local exporters.

"The Division exerts ongoing efforts to empower both public and private institutions to generate synergies through greater efficiency and digitization"

**Mr. Shehab Zidan, Head of Global Transaction Banking and Chief Transformation Officer, Banque Misr**

*Shehab Zidan*

## Employee Development

The bank overhauls the scope of employee development by developing a specially-designed training strategy for the GTB team, entailing the establishment of GTB Academy. BM's employee advancement strategy focuses on both technical and soft abilities. BM contracts local vendors and internationally accredited organizations to ensure maximum benefits.

## Operational Highlights

### Liquidity Management and Digitization

The GTB Division launched an e-banking version for corporate customers and introduced a fully-integrated host for private and governmental institutions. The Division also provides digital connection with an ERP system directly linked to the BM system and fully supported by automated feedback. To promote financial inclusion, the Division introduced different digital payment solutions for farmers. The Division also integrated API-driven transactions directly into accounts payable and receivable software. Further, the Division developed an automated Escrow Management Solution and settlement account for various business sectors.

The above efforts increased the digital channels for local transfers, which surged by 96% compared to 4% in branches. Furthermore, digital payment rose by 43% and governmental transactions by 126% in FY 2019-2020, compared with FY 2018-2019. On December 31st, 2020, digital payments increased by 90% and government payments by 204% compared to the same period in December 2019.

## TWC

In terms of Trade Finance and Working Capital (TWC), the Division increased BM's market share of imports by 39% on December 31<sup>st</sup>, 2020. The exports market share increased by 145% on December 31<sup>st</sup>, 2020, compared with the same period in 2019 .

## Awards

BM is classified as the best service provider for non-financial institutions in Egypt and Africa for 2020, in a survey on cash management solutions and trade financing transactions by Euromoney magazine for the second consecutive year. Additionally, Euromoney Magazine recognized BM for offering the Best Service for Trade Finance in Egypt and Africa for 2020 and named BM as Market Leader for Trade Finance in Egypt for 2020. These endeavors had also earned the bank recognition as the "Fastest Growing Bank in Cash Management" in 2018 and 2019; the "Fastest Growing Bank in Trade Financing – Egypt" for 2018, 2019, and 2020 from the Global Banking and Finance Review, as well as "Best Bank in Cash Management – Egypt 2020" and "Best Bank in Trade Financing – Egypt 2020" from Asian Banking and Finance 2020, and "Fastest Growing Banking Transactions" from The Global Economics Magazine.



## Key Product Lines

**Core Custody services include, but are not limited to:**

- ◆ Safekeeping
- ◆ Clearing and Settlements
- ◆ EGX unified code application
- ◆ Withholding Tax Agent
- ◆ Securitization

**Asset services include, but are not limited to:**

- ◆ Income collection and payments
- ◆ Position blockage certificate for General Meetings
- ◆ Corporate Actions
- ◆ Value-added Services:
- ◆ Vault Services
- ◆ Physical Safekeeping
- ◆ Tailored Reports

**\* For more information about BM Global Transaction Banking, please visit <https://www.banquemisr.com>.**



Talaat Harb Pasha's  
visit to "El Nil Ship," the first  
ship sailing to Europe from  
Egypt.



## Financial Performance

Banque Misr's ongoing pursuit of sustainability has been an empowering driver towards better financial performance. Given its proactive adoption of voluntary reporting on sustainability, BM successfully steers transparent assessment of its Key Performance Indicators (KPIs) annually to keep track of sustainability progress. The bank's strategy delivers on its strategic objectives to boost profitability and significantly revitalize a prominent Economic, Environmental, Social, and Corporate Governance (ESG) footprint in parallel.

Accordingly, BM's sustainability approach considerably strengthens BM's eminence in maintaining high-quality performance levels and maximizing responsible profitability ratios. Even before the COVID-19 outbreak, the bank's long-term target primarily correlated with mainstreaming the globally recognized sustainability standards in its performance management strategy. These strategically integrated standards in the bank's operations have optimized the bank's effectiveness and timely emergency response even during the worst COVID-19 surge. As a result, BM's credibility as a sustainable bank has been further reinforced through better KPI ratios and profitability achieved during the previous period, as indicated in the financial results disclosed in this report.

About This  
Report

A Century-Old  
Institution

Business and  
Strategy

Sustainability  
Approach

Corporate  
Governance

Operational  
Performance

Financial  
Performance

# Financial Remarks

**Following** a century-long success, Banque Misr (BM) ushers in a new century while hastening digital transformation and instilling a reporting ecosystem with transparency and reliability, aiming to create cross-sectional growth despite the impacts attributed to COVID-19.

BM discloses its financial results following IFRS9 standards for FY 2019-2020. As per the Central Bank of Egypt's guidelines, BM changed its financial reporting period to end in December every calendar year. Exceptionally, this report covers the financial results starting from July 1<sup>st</sup>, 2019, until June 30<sup>th</sup>, 2020, and the financial results, starting from July 1<sup>st</sup>, 2020, until December 31<sup>st</sup>, 2020.

Total assets recorded EGP 1227.8bn on June 30<sup>th</sup>, 2020, compared with EGP 967.3bn in the same period during FY 2018-2019, marking a 27% growth rate. On December 31<sup>st</sup>, 2020, the total assets increased to EGP 1342bn. The net profit before tax surged by 40% to reach EGP 24bn on June 30<sup>th</sup>, compared to EGP 17bn compared to the same period in FY 2018-2019. The net profit for the period grew by 28.5%, reaching EGP 11bn after paying income tax at a value of EGP 13bn, compared to EGP 8.6bn in the same period during FY 2018-2019. On December 31<sup>st</sup>, 2020, the net profit reached EGP 4.4bn after paying income tax at a value of EGP 7.3bn.

The customer deposit portfolio increased to EGP 928bn from EGP 746bn by the end of June 2020, which resumed its rise by EGP 110bn, recording EGP 1038bn on December 31<sup>st</sup>, 2020.

BM's corporate deposit portfolio increased to EGP 178bn on June 30<sup>th</sup>, 2020, compared to EGP 154bn in the same period during FY 2018-2019. The corporate portfolio surged to EGP 212bn on December 31<sup>st</sup>, 2020. BM's retail portfolio recorded EGP 750bn on June 30<sup>th</sup>, 2020, compared with EGP 592bn on June 30<sup>th</sup>, 2019, and grew to EGP 826bn on December 31<sup>st</sup>, 2020.

Meanwhile, the total loans and advances provided to BM's customers increased to EGP 346.2bn by the end of June 2020,

compared to EGP 277.7bn in the same period during FY 2018-2019. Net loans and advances reported a 23% increase from EGP 271.7bn to EGP 335.39bn, driven by a hike in Microfinance and SME portfolios by 59% and 11%, respectively. BM's net loans continued to surge, recording EGP 445bn with an increase of EGP 110bn on December 31<sup>st</sup>, 2020, supported by a surge in large and medium corporates lending by 32%, as well as an increase in small enterprise and individual lending by 31.6%.

The bank's non-performing loans recorded about EGP 7.9bn with coverage of 134.2% after reaching settlements worth EGP 2.4bn on June 30<sup>th</sup>, 2020. As a result of the pandemic's repercussions, BM's profits on financial investments slightly dropped from EGP 1.7bn to EGP 1.2bn by the end of June 2020 and reached EGP 1.7bn on December 31<sup>st</sup>, 2020. Yet, the net interest income increased to EGP 28.6bn, compared to EGP 17.6bn in the prior year, and reached EGP 16bn on December 31<sup>st</sup>, 2020. On the other hand, the investment portfolio increased by EGP 36bn to reach about EGP 592bn on December 31<sup>st</sup>, 2020, from EGP 556bn by the end of June 2020.

The shareholder's equity totaled at EGP 89.9bn by the end of June 2020, compared to a total value of EGP 65.6bn during the same period last year. On December 31<sup>st</sup>, 2020, the shareholder's equity recorded EGP 97bn.

Meanwhile, the bank's capital adequacy ratio witnessed an increase to 18.94% as of June 2020, against 14.56% in a comparative year. It is worth noting that BM's adequacy ratio reached 16.56% on December 31<sup>st</sup>, 2020. BM has maintained a solid financial position, delivering robust performance despite the global lockdown that adversely affected global economies.



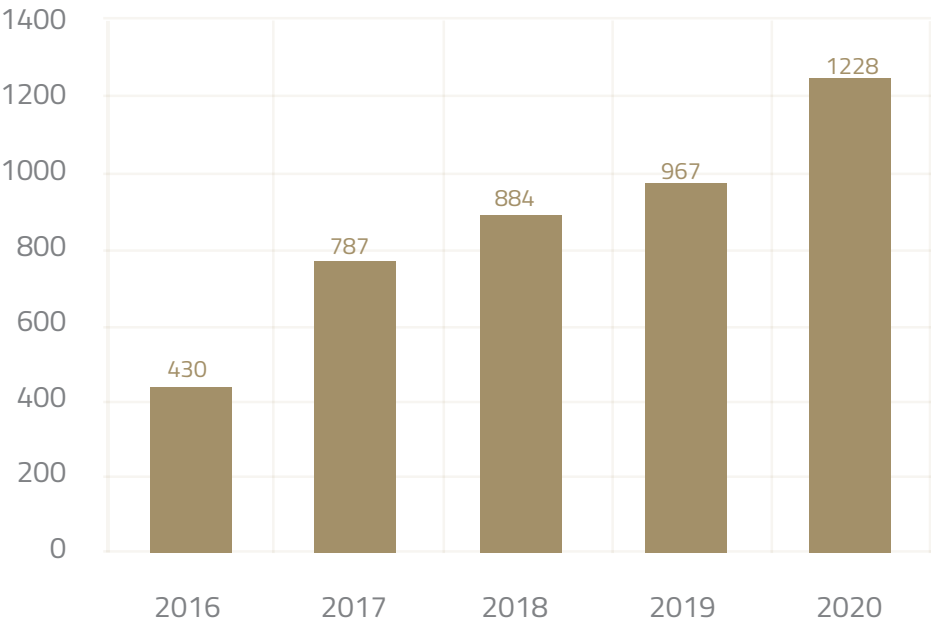




# A Five Year Financial Performance Review

## Financial Position

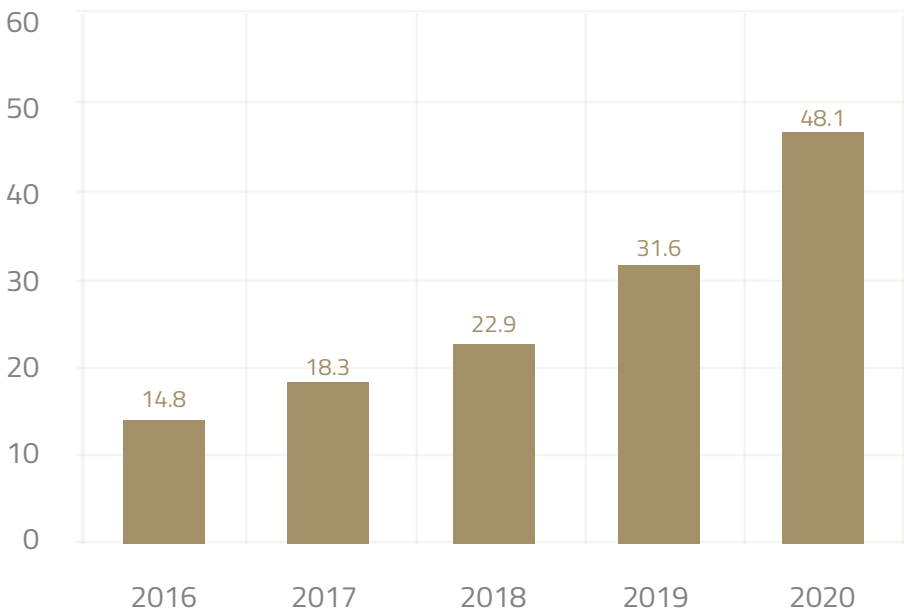
Amounts in EGP billion



## Retail Loans Portfolio

Performing Direct and Contingent Loans (including Islamic and conventional)

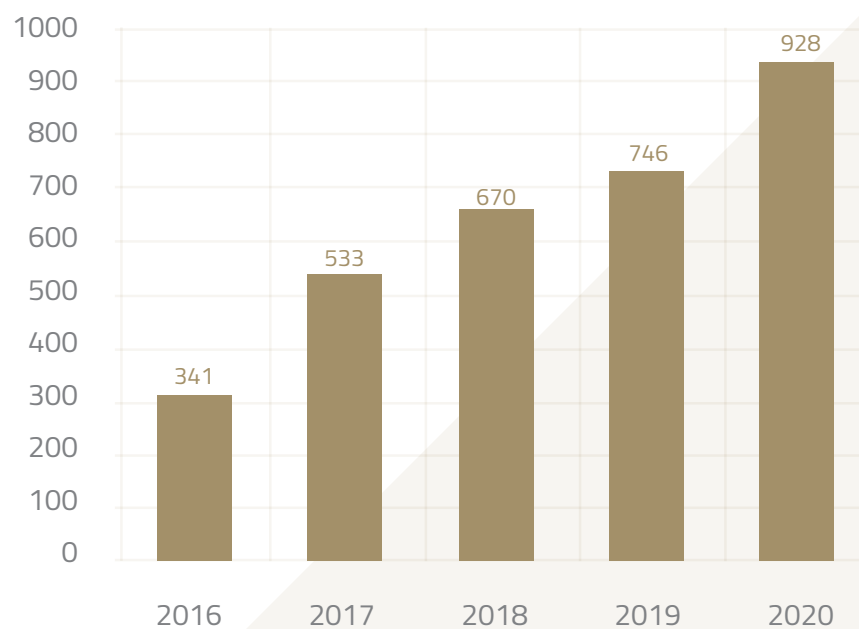
Amounts in EGP billion



\*Showcased figures are recorded annually based on a fiscal year ending on June 30<sup>th</sup>.

## Customer Deposits

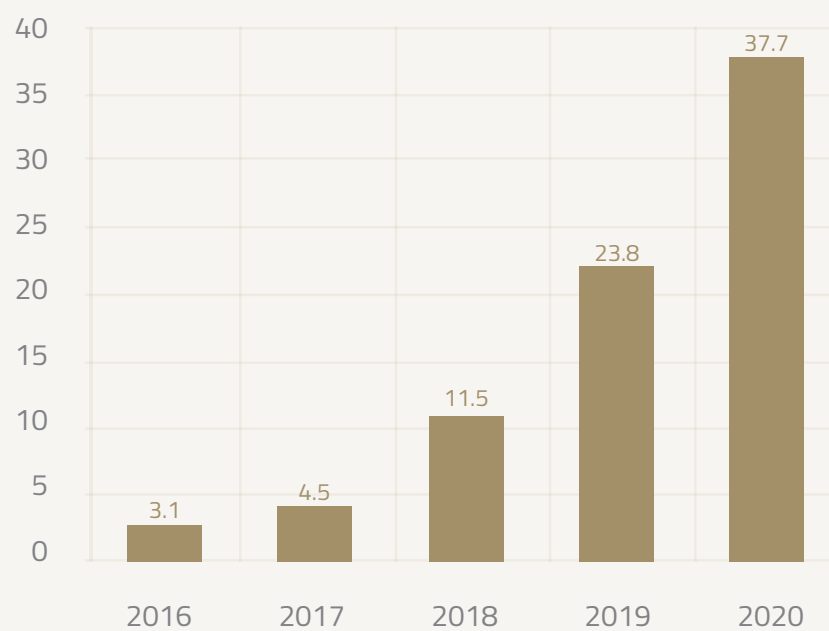
Amounts in EGP billion



## MSMEs Loans Portfolio

Performing Direct and Contingent Loans (including Islamic and conventional)

Amounts in EGP billion



MAZARS - Mostafa Shawki

Chartered Accountants &amp; Consultants

Mohamed Hany Fouad Ismaiel

Accountability State Authority (ASA)

## Auditors' Report

### On The Summarized Separate Financial Statements of Banque Misr for The Year Ended on June 30<sup>th</sup>, 2020

#### To: The Shareholders of Banque Misr (S.A.E.)

We have audited the separate financial statements of Banque Misr (S.A.E) on June 30<sup>th</sup>, 2020 from which the financial information set forth in the accompanying separate summarized financial statements have been derived. We conducted our audit according to the Egyptian Standards on Auditing and the requirements of applicable Egyptian laws and regulations. In our report dated February 24<sup>th</sup>, 2021, we expressed an unqualified opinion on the complete separate financial statements as of June 30<sup>th</sup>, 2020 from which the financial information presented in the accompanying summarized financial statements has been derived.

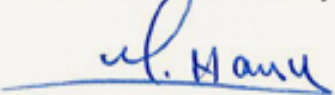
In our opinion, the information in the accompanying separate summarized financial statements is fairly stated, in all material respects, in relation to the separate complete financial statements of the bank on June 30<sup>th</sup>, 2020. For a complete understanding of the financial position of the bank as of June 30<sup>th</sup>, 2020 and its performance and cash flows of the year then ended, in addition to the scope of our audit, the summarized separate financial statements should be read in conjunction with the bank's separate complete financial statements of the bank as of June 30<sup>th</sup>, 2020 and our audit report thereon.

**Cairo: April 12<sup>th</sup>, 2021**



#### AUDITORS

Acc. Mohamed Hany Fouad Ismaiel

  
Accountability State Authority (ASA)

## Summary of Banque Misr separate financial statements

Extracted from Banque Misr Financial Statements for The Year Ended on June 30<sup>th</sup>,2020

Separate Statement of Financial Position as of June 30<sup>th</sup>,2020

Amounts in EGP Thousand

Assets	Note no	June 30 <sup>th</sup> ,2020	June 30 <sup>th</sup> ,2019
Cash and balances with central banks		38,839,793	33,518,815
Due from banks		255,588,546	233,361,747
Loans and advances to banks	(5)	2,832,964	5,712,186
Loans and advances to customers	(6)	335,392,117	271,724,106
Financial derivatives		-	4,540,696
<b>Financial investments</b>			
Financial investments at fair value through P&L	(7)	3,971,520	4,394,159
Financial investments at fair value through OCI	(8)	471,434,322	187,318,117
Financial investments at amortized cost	(9)	60,251,793	175,104,660
Investments in subsidiaries and associates		20,624,440	18,041,479
Intangible assets		246,518	314,182
Other assets		33,594,331	29,540,170
Property, Plant, and Equipment		4,995,976	3,725,141
<b>Total Assets</b>		<b>1,227,772,320</b>	<b>967,295,458</b>
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Due to banks		91,247,368	61,392,000
Customers' deposits	(10)	927,813,051	745,774,837
Financial derivatives		38,080	-
Other loans	(11)	92,404,377	70,476,669
Other liabilities		18,941,621	18,332,941
Other provisions	(12)	2,133,889	1,102,289
Deferred tax liabilities		636,102	882,727
Post-retirement benefits liabilities	(13)	4,615,403	3,729,848
<b>Total Liabilities</b>		<b>1,137,829,891</b>	<b>901,691,311</b>
<b>Shareholders' equity</b>			
Paid in capital	(14)	15,000,000	15,000,000
Reserves	(15)	63,058,493	42,002,631
Retained earnings		11,883,936	8,601,516
<b>Total shareholders' equity</b>		<b>89,942,429</b>	<b>65,604,147</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,227,772,320</b>	<b>967,295,458</b>
<b>Contingent liabilities and commitments</b>			
Liabilities for letters of guarantee, letters of credit and other commitments.		<b>71,113,403</b>	<b>64,400,541</b>

Chief Financial Officer: Mohamed Mohamed Sherif Ismael  
 Vice Chairman: Hosam El Din Abdel Wahab  
 Vice Chairman: Akel Abdel Latif El Maghraby  
 Chairman: Mohamed Mahmoud Eltrechy  
 Auditors: Dr. Ahmed Mostafa Shawki (MAZARS Mostafa Shawki) and Accountant / Mohamed Hany Fouad Ismael (Accountability State Authority (ASA))



**Separate Income Statement**  
For The Financial Year Ended on June 30<sup>th</sup> ,2020

Amounts in EGP Thousand

	Note no	June 30 <sup>th</sup> , 2020	June 30 <sup>th</sup> , 2019
Interest on loans and similar income		112,166,101	98,765,326
Interest on deposits and similar expense		(83,542,446)	(81,133,768)
<b>Net interest income</b>		<b>28,623,655</b>	<b>17,631,558</b>
Fee and commission income		5,379,810	4,892,420
Fee and commission expense		(284,620)	(319,656)
<b>Net fee and commission income</b>		<b>5,095,190</b>	<b>4,572,764</b>
Dividend income		2,058,917	1,771,181
Net trading income		587,539	968,076
Profits on financial investments		1,242,536	1,743,299
Impairment charge for credit losses		(1,436,770)	(809,303)
Administrative expenses		(12,088,499)	(9,720,459)
Other operating revenue		148,404	1,130,291
<b>Profit before income tax</b>		<b>24,230,972</b>	<b>17,287,407</b>
Income tax expense		(13,177,068)	(8,685,891)
<b>Net profit for the year</b>		<b>11,053,904</b>	<b>8,601,516</b>
<b>Earnings per share (EGP/Share)</b>	<b>16</b>	<b>3.31</b>	<b>2.59</b>



## Banque Misr

### **Separate Statement of Comprehensive Income**

For The Financial Year Ended on June 30<sup>th</sup>, 2020

Amounts in EGP Thousand

	June 30 <sup>th</sup> , 2020	June 30 <sup>th</sup> , 2019
Net profit for the year	<b>11,053,904</b>	<b>8,601,516</b>
<b>Other comprehensive income items</b>		
<b>Items that are not classified in profit and loss</b>		
Net change in the fair value for equity instruments held at fair value through other comprehensive income	(1,317,624)	-
<b>Total items that are not classified in profit and loss</b>	<b>(1,317,624)</b>	<b>-</b>
<b>Items that are classified in profit and loss</b>		
Net change in the fair value for debt instruments measured at fair value through comprehensive income	5,582,262	-
Net change in impairment losses for debt instruments measured at fair value through comprehensive income	615,007	-
Net change in foreign currency translation differences	(238,530)	-
Coverage of cash flow - which was settled in profit or loss	2,695	-
<b>Total items that are classified in profit and loss</b>	<b>5,961,434</b>	<b>-</b>
<b>Total</b>	<b>15,697,714</b>	<b>8,601,516</b>

**Separate Statement of Changes in Shareholders' Equity**

For The Financial Year Ended on June 30<sup>th</sup>, 2020

	Note no	Paid in capital	Legal reserve	General reserve	Capital reserve	Fair value reserve	
<b><u>Balance as of July 1<sup>st</sup>, 2018</u></b>		<b>15,000,000</b>	<b>1,745,583</b>	<b>1,337,717</b>	<b>840,664</b>	<b>6,623,692</b>	
Dividends paid		-	-	-	-	-	
Transferred to reserves		-	<b>397,422</b>	<b>277,772</b>	<b>88,350</b>	-	
Transferred		-	-	-	-	-	
Net change in financial investments through other comprehensive income (net of tax)		-	-	-	-	<b>(3,517,157)</b>	
Foreign currency translation differences		-	-	-	-	-	
Change between nominal value and present value of subordinated deposit		-	-	-	-	-	
Change in cash flow		-	-	-	-	-	
Net profit for the year		-	-	-	-	-	
<b>Balance as of June 30<sup>th</sup>, 2019</b>	<b>(14,15)</b>	<b>15,000,000</b>	<b>2,143,005</b>	<b>1,615,489</b>	<b>929,014</b>	<b>3,106,535</b>	
<b><u>Balance as of July 1<sup>st</sup>, 2019</u></b>		<b>15,000,000</b>	<b>2,143,005</b>	<b>1,615,489</b>	<b>929,014</b>	<b>3,106,535</b>	
Transferred to general risk reserve		-	-	-	-	-	
IFRS 9 implementation differences		-	-	-	-	<b>(323,829)</b>	
<b><u>Balance as of July 1<sup>st</sup>, 2019 (After modification)</u></b>		<b>15,000,000</b>	<b>2,143,005</b>	<b>1,615,489</b>	<b>929,014</b>	<b>2,782,706</b>	
Dividends paid		-	-	-	-	-	
Transferred to reserves		-	<b>851,352</b>	<b>614,420</b>	<b>88,000</b>	-	
Change in Impairment of debt instruments through OCI		-	-	-	-	-	
Net change in financial investments through comprehensive income (net of tax)		-	-	-	-	<b>4,588,467</b>	
Profit (loss) on disposal of equity instruments through OCI		-	-	-	-	-	
Foreign currency translation differences		-	-	-	-	-	
Change between nominal value and present value of subordinated deposit		-	-	-	-	-	
Change in cash flow		-	-	-	-	-	
Net profit for the year		-	-	-	-	-	
<b>Balance as of June 30<sup>th</sup>, 2020</b>	<b>(14,15)</b>	<b>15,000,000</b>	<b>2,994,357</b>	<b>2,229,909</b>	<b>1,017,014</b>	<b>7,371,173</b>	

Amounts in EGP Thousand

	Special reserve	Banking risks reserve	Supportive reserve	Differences of nominal value and present value of subordinated deposit	F.C translation differences reserve	Cash flow risk reserve	ECL reserve for debt instruments through OCI	IFRS 9 risk reserve	General risk reserve	Retained Earnings	Total
	6,927	2,535,783	7,579,076	23,863,177	1,476,602	(37,781)	-	-	-	4,062,574	65,034,014
	-	-	-	-	-	-	-	-	-	(2,499,943)	(2,499,943)
	-	799,087	-	-	-	-	-	-	-	(1,562,631)	-
	-	-	(2,905,650)	-	-	-	-	2,905,650	-	-	-
	-	-	-	-	-	-	-	-	-	-	(3,517,157)
	-	-	-	-	(421,555)	-	-	-	-	-	(421,555)
	-	-	-	(1,627,814)	-	-	-	-	-	-	(1,627,814)
	-	-	-	-	-	35,086	-	-	-	-	35,086
	-	-	-	-	-	-	-	-	-	8,601,516	8,601,516
	6,927	3,334,870	4,673,426	22,235,363	1,055,047	(2,695)	-	2,905,650	-	8,601,516	65,604,147
	6,927	3,334,870	4,673,426	22,235,363	1,055,047	(2,695)	-	2,905,650	-	8,601,516	65,604,147
	(6,927)	(3,074,220)	-	-	-	-	-	(2,905,650)	5,986,797	-	-
	-	-	-	-	-	-	902,538	-	(5,889,411)	323,829	(4,986,873)
	-	260,650	4,673,426	22,235,363	1,055,047	(2,695)	902,538	-	97,386	8,925,345	60,617,274
	-	-	-	-	-	-	-	-	-	(3,369,497)	(3,369,497)
	-	1,517,963	2,160,284	-	-	-	-	-	-	(5,232,019)	-
	-	-	-	-	-	-	(287,531)	-	-	-	(287,531)
	-	-	-	-	-	-	-	-	-	-	4,588,467
	-	-	-	-	-	-	-	-	-	506,203	506,203
	-	-	-	-	(238,530)	-	-	-	-	-	(238,530)
	-	-	-	17,069,444	-	-	-	-	-	-	17,069,444
	-	-	-	-	-	2,695	-	-	-	-	2,695
	-	-	-	-	-	-	-	-	-	11,053,904	11,053,904
	-	1,778,613	6,833,710	39,304,807	816,517	-	615,007	-	97,386	11,883,936	89,942,429

**Summarized Separate Statement of Cash Flows**For The Financial Year Ended on June 30<sup>th</sup> ,2020

Amounts in EGP Thousand

	June 30 <sup>th</sup> , 2020	June 30 <sup>th</sup> , 2019
Net cash flows provided from operating activities (1)	221,728,017	30,109,226
Net cash flows (used in) investing activities (2)	(148,949,816)	(114,696,646)
Net cash flows provided from financing activities (3)	35,627,655	19,644,846
<b>Net increase (decrease) in cash and cash equivalents during the year (1+2+3)</b>	<b>108,405,856</b>	<b>(64,942,574)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>183,656,698</b>	<b>248,599,272</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>292,062,554</b>	<b>183,656,698</b>
<b><u>Cash and cash equivalents are represented in:</u></b>		
Cash and balances with central banks	38,839,793	33,518,815
Due from banks	256,682,511	233,361,747
Treasury bills	142,258,260	122,358,445
Obligatory reserve balance with CBE	(30,680,281)	(22,797,613)
Due from banks (more than three months maturity)	(28,164,256)	(63,366,671)
Treasury bills (more than three months maturity)	(86,873,473)	(119,418,025)
<b>Cash and cash equivalents</b>	<b>292,062,554</b>	<b>183,656,698</b>

## Banque Misr

### Statement of Separate Proposed Profit Appropriation

For The Financial Year Ended on June 30<sup>th</sup> ,2020

Amounts in EGP Thousand

	June 30 <sup>th</sup> ,2020	June 30 <sup>th</sup> ,2019
<b>Net Profit for the year</b>	<b>11,053,904</b>	<b>8,601,516</b>
<b>Deduct:</b>		
Gain on sale of fixed asstes transferred to capital reserve	(93,230)	(88,000)
General banking risk reserve	(404,006)	(1,517,963)
<b>Add:</b>		
Retained earnings	830,032	-
<b>Net Distributable Profit for the year</b>	<b>11,386,700</b>	<b>6,995,553</b>
<b>Distributed as follows:</b>		
Legal reserve	1,096,067	851,352
General reserve	1,138,670	614,420
Employees' profit share	1,138,670	845,788
State's profit share	2,333,450	2,523,709
Banking System Support and Development Fund	113,867	-
Supportive reserve	5,565,976	2,160,284
<b>Total Distributed Profit</b>	<b>11,386,700</b>	<b>6,995,553</b>



# BANQUE MISR - S.A.E

## **Summarized Notes to The Separate Financial Statements**

For The Financial Year Ended on June 30<sup>th</sup> ,2020

### **1. General Information**

Banque Misr (S.A.E.) was established on April 3<sup>rd</sup>, 1920 as a commercial bank in Egypt. The head office is located at 151, Mohamed Farid Street, Cairo. The Bank carries out corporate, retail and investment banking in addition to Islamic banking through 687 branches in Arab Republic of Egypt, five branches in UAE, and one branch in France and representative offices in Russia, China, South Korea, and Italy. The number of employees at the balances sheet date is 19,723 employees. These financial statements were approved by the general assembly meeting on 12/4/2021.

### **2. Basis of Preparation of Financial Statements and Summary of Significant Accounting Policies**

These separate financial statements have been prepared in accordance with the Central Bank of Egypt's regulations approved by the CBE's board of directors on December 16<sup>th</sup>, 2008, and in accordance with the instructions issued by the CBE on February 26<sup>th</sup>, 2019. They have also been prepared in accordance with Egyptian Financial Accounting standards.

According to the bank's statute, the financial year begins on the first of July and ends on June 30<sup>th</sup> and the financial statements are presented close to the nearest thousand of pounds.

Notes 2 and 4 show details of the bank's accounting policies, including changes in those policies made to the financial statements.

#### **2.1 Classification of Financial Assets and Liabilities**

2.1.1 Financial assets were classified into three main categories as follows:

- ◆ Financial assets at fair value through profit or loss.
- ◆ Financial assets at fair value through other comprehensive income statements.
- ◆ Financial assets measured at amortized cost.

The classification of IFRS 9 is generally based on the business models of the bank in which financial assets and their contractual cash flows are managed.

#### **2.1.2 The change in financial liabilities at fair value through profit and loss is presented as follows:**

- ◆ The change in the fair value related to the change in the credit rating is presented in the statement of other comprehensive income.
- ◆ The remaining amount of the change in the fair value is presented in the item

(Net Income from other financial instruments at fair value through profit and loss) in the statement of profit and loss.

#### **2.2 Impairment of Financial Assets**

The "expected credit losses" model was used instead of the "realized credit losses" model according to Egyptian Accounting Standard No. (26) when measuring the impairment in the value of all financial assets that are measured at amortized cost and debt instruments at fair value through other comprehensive income statements, in addition to some loan commitments and financial guarantee contracts.

The following is a summary of the most important accounting policies used:

## A- Foreign Currency Translation

### A/1 Functional and presentation currency

The separate financial statements for each branch of the bank are measured using the currency of the basic economic environment in which the branch conducts its activity, or "The functional currency".

The separate financial statements are presented in Egyptian pounds, which is also the functional currency of the branches inside Arab Republic of Egypt.

### A/2 Transactions and Balances in Foreign Currencies

Each branch maintains its accounting records in its functional currency and transactions in other currencies are recorded during the financial year using the prevailing exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-evaluated at the end of each financial period on the basis of the prevailing exchange rates. The profits and losses resulting from the settlement of those transactions and differences resulting from re-evaluation are recognized in the income statement under the following items:

- ◆ Net Trading Income of financial asset. (Case of held-for-trading financial assets or classified at fair value through profit or loss).
- ◆ Other operating income (expenses) for the remaining items.
- ◆ Changes in the fair value of monetary financial instruments in foreign currency; which is classified as other comprehensive income (debt instruments) are analyzed into valuation differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the prevailing exchange rates and differences resulting from changes in the

fair value of the instrument. Valuation differences resulting from changes in the amortized cost are recognized and reported in the income statement in 'interest income', differences resulting from changes in foreign exchange rates are recognized and reported in 'other operating income (expenses)'. Whereas differences from changes in fair value are recognized in equity in the 'fair value reserve/financial investments at fair value through other comprehensive income'. Valuation differences resulting from changes in exchange rates of non-monetary items in foreign currencies (equity instruments) are recognized in the profit and loss resulting from the change in the fair value of financial assets at fair value through profit or loss. Whereas valuation differences resulting from exchange rates of equity instruments classified as financial investments at fair value through comprehensive income are recognized directly in equity in the 'fair value reserve'.

### A/3 Foreign Branches

The income statement items and balance sheet of foreign branches whose functional currency differs from the presentation currency of the separate financial statement are translated into Egyptian pounds as follows:

- ◆ Assets and liabilities of foreign branches are translated using the closing rate at the balance sheet date.
- ◆ Revenues and expenses in the income statement are translated using average exchange rates unless the average does not represent an acceptable approximation of the cumulative effect for the prevailing exchange rates on that date, then revenue and expense are translated using exchange rates on the dates of transactions.

Resulting valuation differences are recognized as (foreign currency translation differences reserve) included in other comprehensive income in the equity caption.

## B- Revenue Recognition

### B/1 Interest Income and Expense

Revenues and expenses are recorded in the income statement as interest on loans and similar income, interest on deposits and similar expense using the effective rate method for all financial instruments that are calculated except for those classified for trading purposes or those classified at fair value through profit and loss.

The calculation includes all fees and points paid or received between parties to the contract that represents an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

### B/2 Fee and Commission Income

- ◆ Fees charged for servicing a loan or facility are recognized as revenue when the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income, and are rather recorded in marginal records outside the financial statements; these are recognized as revenue, on a cash basis, only when interest income on those loans is recognized, for fees and commissions that represent an integral part of the effective interest rate of a financial asset are treated as an adjustment to the effective interest rate of that financial asset.
- ◆ Fees on the debt instruments that are measured at fair value are recognized in revenues on initial recognition and syndicated loan fees received by the bank are recognized when the syndication has been completed and the bank does not hold any portion of it, or holds a part at the same effective interest rate used for the other participant's portions.

- ◆ Fees and Commissions resulting from negotiating, or participating in the negotiation of a transaction for a third party – such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses – are recognized on completion of the underlying transaction in the income statement. Administrative and other services fees are recognized as income on a time proportionate basis over the lifetime of the service. Fees charged for custodian services provided over long periods are recognized as income over the period during which the service is rendered.

### B/3 Dividends Income

Dividends are recognized in the income statement when the right to collect it is declared.

## C- Purchase and Resale Agreements, and Sale and Repurchase Agreements

Securities that may be lent or sold subject to a commitment to repurchase (repos) are reclassified in the financial statements and added to the treasury bills balance. Securities borrowed or purchased subject to a commitment to resell them (reverse repos) are reclassified in the financial statements and deducted from the treasury bills balance. The difference between purchase and resale price is treated as interest and accrued over the life of the agreements using the effective interest method.

## D- Impairment of Financial Assets

### Policy Implemented as of July 1<sup>st</sup>, 2019

Impairment losses are recognized for the expected credit losses of the following financial instruments, which are not measured at fair value through profit and loss, namely:

- ◆ Financial assets that are debt instruments.
- ◆ Accrued debts.
- ◆ Financial guarantee contracts.
- ◆ Loan commitments and similar debt instruments.
- ◆ Impairment losses on investments in equity instruments are not recognized.

### **Measuring Expected Credit Losses**

- ◆ The bank evaluates the debt instrument portfolios on a quarterly basis at the portfolio level for all financial assets for individuals, Small, Medium, and Micro Enterprises and on a periodic basis in relation to the financial assets of institutions classified under the follow-up list in order to monitor the credit risk related to them, as this evaluation is done at the counterparty level on a periodic basis. The criteria used to determine the significant increase in credit risk are reviewed and monitored periodically by the Credit Risk Department.
- ◆ On the date of the financial statements, the Bank estimates the provision for impairment losses for the financial instrument at an amount equal to the expected credit losses over the life of the financial instrument, except for the following cases in which the provision for the impairment losses is estimated at an amount equal to the expected credit losses over a period of twelve months:
  - 1) A debt instrument that has been identified as having a low credit risk at the date of the financial statements (debt instruments for stage one).
  - 2) Other financial instruments for which the credit risks at the reporting date has not increased significantly since the initial recognition (debt instruments for stage one).
- ◆ The Bank considers the expected credit losses to be a probabilistic estimate of the expected credit losses, which are measured as follows:
  - ◆ The expected credit losses of financial assets are measured in stage one on the basis of the present value of the total monetary deficit calculated on the basis of adjusted historical failure probabilities rates with forecasts of average scenarios for macroeconomic indicators for a future twelve months multiplied by the value at failure, taking into account the weighting of expected recovery rates when calculating the loss rate for each group of debt instruments with similar credit risk. Given that the expected credit losses take into account the amount and timing of the payments, the credit losses arise even if the facility expects to be paid in full but at a later time after the debt becomes payable under the contractual terms. The expected credit losses over a period of twelve months are part of the expected credit losses over the life of the asset that result from defaulting events in the payment of a financial instrument and potential defaulting events within twelve months after the date of the financial statements.
  - ◆ The expected credit losses for the financial assets in the second stage are measured on the basis of the present value of the total cash deficit calculated on the basis of historical probability of default rates modified by the expectations of the average scenarios of macroeconomic indicators for the life of the financial asset multiplied by the value upon failure, taking into account the weighting of the expected recovery rates when calculating the loss rate for each group of debt instruments with similar credit risk.
  - ◆ Financial assets that are credit-impaired at the date of the financial statements are measured as the difference between the total carrying amount of the asset and the present value of expected future cash flows.
- ◆ When calculating the loss rates, the bank takes into account the expected recovery rates from the present value of the expected cash flows, whether from cash and in-kind guarantees or expected future or historical repayment rates, as follows:

- ◆ For debt instruments classified within stage one, only the value of the cash collateral and cash equivalents represented in cash and other financial instruments that can be converted into cash easily in a short period of time (3 months or less) and without a change (loss) in their value as a result of credit risk.
- ◆ For debt instruments classified under both stage two and three, only the types of guarantees are considered in accordance with the rules issued by the Central Bank of Egypt on 24/5/2005 regarding determining the creditworthiness of clients and creating provisions, while the value of those guarantees is calculated according to what is mentioned in the rules for presentation and preparation of financial statements for banks and the foundations of recognition and measurement issued by the Central Bank of Egypt on December 16<sup>th</sup>, 2008.
- ◆ For debt instruments held by banks that operate outside Egypt, the probability of default rates are determined on the basis of the credit rating of the head office of the bank operating outside Egypt, not exceeding the credit rating of the head office country and taking into account the instructions issued by the central bank regarding country risks, and the rate is calculated The loss is at least 45%.
- ◆ For debt instruments held by banks operating inside Egypt, the probability of failure rates are calculated on the basis of the bank's classification by foreign international rating agencies and Egyptian banks' branches abroad are treated as the head office, and branches of foreign banks that operate inside Egypt are treated as their head office, and if the loss rate is calculated at the rate of at least 45%.
- ◆ The provision for impairment for financial assets recognized in the financial position is deducted from the value of the financial assets when presenting the statement of financial position, while the provision for impairment relating to loan commitments, financial guarantee contracts and contingent

liabilities is recognized under the provision for financial position liabilities.

- ◆ For financial guarantees contracts, the bank estimates the expected credit loss based on the difference between the payments expected to be paid to the guarantee holder, minus any other amounts that the bank expects to recover.

## **E- Financial Assets at Fair Value Through Profit and Loss**

Equity instruments, debt instruments and mutual funds are measured at fair value, and changes in fair value are recognized in the statement of profit and loss.

## **F- Financial Assets at Fair Value Through Other Comprehensive Income**

Equity instruments, debt instruments and mutual funds are measured at fair value, and changes in fair value are recognized in the statement of comprehensive income.

## **G- Financial Assets at Amortized Cost**

It is recorded under this item at amortized cost and it is not subject to the requirements of fair value measurement, but subject to the requirements for measuring expected credit losses.

## **H- Investments in Subsidiaries and Associates**

Investments in subsidiaries and associated companies in these separate financial statements of the bank are carried out according to the cost method and according to this method, investments are



recognized at the cost of acquisition, and in the event of impairment in fair value from the book value, the book value will be reduced for each investment separately, and charged to the income statement with the item impairment losses on other financial investments. In the event of a subsequent rise in the fair value, it is added to the same item within the limits of what was previously charged to the income statements for previous financial periods, and dividends are recognized in the income statement when the distribution of these profits is approved and the bank's right to collect them is proven.

## I- Derivative Financial Instruments and Hedge Accounting

Derivatives are recognized initially and subsequently at fair value. Fair values of exchange-traded derivatives are obtained from quoted market price. Fair value of over-the-counter derivatives are obtained using valuation techniques including discounted cash flow models and option pricing models. Derivatives are classified as assets when their fair value is positive and as liabilities when their fair value is negative.

## J- Intangible Assets

Intangible assets represent the cost of acquiring computer programs and the licenses to use them. Intangible assets appear with historical cost after deducting accumulated amortization and provision of impairment losses. Intangible assets are amortized by straight-line method and using amortization rates from 20% to 100% or the duration of licenses for programs, whichever is less.

## K- Property, Plant, and Equipment

All property, plant and equipment are recorded at historical cost minus depreciation and impairment losses. Depreciation of fixed assets is calculated using the straight-line method to allocate their

residual values over estimated useful lives, as follows:

Assets	June 30 <sup>th</sup> , 2020
Building & construction	2.5%
Equipment	From 10% to 20%
Furniture	From 6.5% to 25%
Vehicles	From 20% to 25%
IT equipment	From 14.5% to 25%
Fixtures	From 6.5% to 33.5%
Lease hold improvement	12.5% or lease period whichever is less

## L- Cash and Cash Equivalents

For purposes of presenting cash flow statement, cash and cash equivalents including (cash, obligatory reserve balances with CBE, due from banks as well as treasury bills) maturing within three months from the acquisition date.

## M- Post-Retirement Benefits Liabilities

Banque Misr granted its employees some benefits after they retired. These benefits are considered one of other benefits that have been charged to expenses through employees' years of service and recognized in the liability according to Egyptian Accounting Standards and central bank rules passed in December 2008.

Liabilities resulting from specified system benefits which employees have obtained at the end of the financial year are calculated on the basis of the present value of expected future cash flows using the actuarial "projected unit credit method" which contains assumptions related to population sciences, employees turn over, interest rate, and inflation rate.

Banque Misr granted its employees in foreign branches postretirement benefits according to the United Arab Emirates (UAE) labor law and according to the article on employees in banks assigned by Banque De France.

## N- Other Provisions

Other provisions are recognized when the bank has present legal or constructive obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

In case of similar obligations, the related cash outflow should be determined in order to settle these obligations as a group.

When a provision is wholly or partially no longer required, it is reversed through profit or loss under other operating income (expenses).

Provisions are measured at the present value of the expected required expenditures to settle obligations after one year from financial statement date using the appropriate rate in accordance with the terms of settlement, which reflects the time value of money. If the settlement term is less than one year, the estimated value of obligations is calculated.

## O- Income Tax

Income tax on the profit or loss for the year and deferred tax are recognized in the income statement except for income tax relating to unearned gain which was recognized directly in equity.

Income tax is recognized based on net taxable profit using the tax rates applicable at the date of the financial statement in addition to tax adjustments for previous years.

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundations of the tax. This is to determine the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities using tax rates applicable at the date of the financial statement.

Deferred tax assets of the bank recognized when there is a probable possibility of achieving taxable profits in the future through which asset can be used, the value of the deferred tax assets is reduced by the value of the part from which the expected tax benefit will not be realized during the following years. In the case of a higher benefit expected tax, deferred tax assets will increase within the limits of the above reduced.

## 3. Financial Risk Management

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial performance. The most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. Market risk includes exchange rate risk, rate of return risk and other prices risks.

The Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by a Risk Division under policies approved by the Board of Directors. The Risk Division identifies, evaluates and hedges against financial risks in close co-operation with the Bank's operating units. In addition, the Risk Division is responsible for the independent review of risk management and the control environment.

## A- Capital Management

Capital adequacy and the use of regulatory capital are monitored periodically by the Bank's management through employing techniques based on the guidelines developed by the Basel Committee for Banking supervision. The required data is submitted to the Central Bank of Egypt on a quarterly basis.

### Central Bank of Egypt Requires the Following:

- ◆ Maintain the sum of EGP 500m as a minimum limit for issued and paid-up capital.
- ◆ Maintaining a ratio between elements of capital and between elements of assets and contingent liabilities weighted by risk weights equal to or greater than 13.25%.

- ◆ The bank branches operating outside the Arab Republic of Egypt are subject to the rules of supervision regulating banking business in the countries in which they operate.
- ◆ The bank has complied with all capital requirements and in the countries in which its foreign branches operate during the past two years.
- ◆ The Board of Directors of the Central Bank of Egypt decided, in its session held on December 18<sup>th</sup>, 2012, to approve the instructions for the minimum capital adequacy standard within the framework of implementing the Basel II decisions.

The following table summarizes the components of tier one capital, tier two capital and capital adequacy ratio for the financial statements of the banking group as of the end of current year that ended on June 30<sup>th</sup>, 2020 and comparative year according to CBE regulations issued on Basel II applications:

Amounts in EGP Thousand

	June 30 <sup>th</sup> , 2020	June 30 <sup>th</sup> , 2019
<b>Capital</b>		
Tier 1 Capital	87,906,121	49,396,908
Tier 2 Capital	18,482,983	24,815,318
<b>Total Capital</b>	<b>106,398,104</b>	<b>74,212,226</b>
Total risk weighted assets and contingent liabilities	561,862,956	509,767,734
<b>Capital Adequacy Ratio</b>	<b>18.94%</b>	<b>14.56%</b>

**The financial leverage ratio according to the financial statements of banking group as of June 30<sup>th</sup>, 2020 was 5.79% against 4.03% in the comparative year.**

## 4. The Impact of The Initial Recognition of IFRS 9 In Accordance with The Instructions Issued by Central Bank of Egypt on February 26<sup>th</sup>, 2019

### A. The Impact of Initial Recognition on Expected Credit Losses:

Amounts in EGP Thousand

Differences in recognition of IFRS 9	
Provision for impairments losses on loans to customers	3,124,716
Provision for impairments losses on loans for banks	1,338
Provision for impairments on other provisions	1,200,841
Provision for impairments losses for investments	2,893
Provision for impairments losses for due from banks	567,085
ECL reserves debt instruments through comprehensive income	902,538
<b>Total differences on initial recognition of IFRS 9</b>	<b>5,889,411</b>

Amounts in EGP Thousand

	June 30 <sup>th</sup> , 2020	June 30 <sup>th</sup> , 2019
<b>(5) Loans and advances to banks</b>		
Term loans	2,878,206	5,732,077
Deduct: impairment provision for loan losses	(45,242)	(19,891)
	<b>2,832,964</b>	<b>5,712,186</b>
<b>(6) Loans and advances to customers</b>		
<b>Retail</b>		
Overdraft	7,453,202	5,231,238
Credit cards	1,119,048	592,175
Personal loans	43,606,325	30,237,462
Direct loans	15,875,136	6,480,342
Mortgages loans	7,374,728	4,999,440
Other loans	64,925	41,401
<b>Total (1)</b>	<b>75,493,364</b>	<b>47,582,058</b>
<b>Corporate</b>		
Over draft	45,483,697	30,991,199
Direct loans	168,833,729	152,587,205
Syndicated loans	55,855,044	45,926,831
Other loans	581,096	698,281
<b>Total (2)</b>	<b>270,753,566</b>	<b>230,203,516</b>
<b>Total loans and advances to customers (1+2)</b>	<b>346,246,930</b>	<b>277,785,574</b>
Deduct: impairment provision for customer loans	(10,134,664)	(5,587,937)
Deduct: unearned doubtful interest	(365,062)	(331,497)
Deduct: unearned discount	(355,087)	(142,034)
<b>Net loans and advances to customers and discounted commercial papers</b>	<b>335,392,117</b>	<b>271,724,106</b>

### **Provision for Loans to Customers**

- ◆ Movement analysis of the Impairment provision of loans and advances for customers during the year:

Amounts in EGP Thousand

Item	June 30 <sup>th</sup> ,2020			June 30 <sup>th</sup> ,2019		
	Non-performing loans	Performing loans	Total	Non-performing loans	Performing loans	Total
Provision at beginning of the year	2,872,206	2,715,731	5,587,937	4,856,608	3,247,439	8,104,047
IFRS 9 implementation Difference as of 01-07-2019	1,187,867	2,026,849	3,214,716	-	-	-
Transfers	-	-	-	(9,009)	-	(9,009)
Impairment charge (release) during the year	1,481,204	(20,606)	1,460,598	1,099,596	(407,612)	691,984
Recoveries during the year	693,987	-	693,987	1,113,307	-	1,113,307
Revaluation differences of provision in foreign currency	(81,608)	(81,697)	(163,305)	(314,988)	(121,735)	(436,723)
Write off during the year	(659,269)	-	(659,269)	(3,873,308)	(2,361)	(3,875,669)
<b>Provision at the end of the year</b>	<b>5,494,387</b>	<b>4,640,277</b>	<b>10,134,664</b>	<b>2,872,206</b>	<b>2,715,731</b>	<b>5,587,937</b>

- ◆ Analysis of the impairment provision of loans and advances for retail: -

Amounts in EGP Thousand

Item	Retail						
	Overdrafts	Credit cards	Personal loans	Direct loans	Mortgages	Other loans	Total
June 30 <sup>th</sup> ,2020	155,438	22,665	455,951	383,300	401,015	63,009	1,481,378
June 30 <sup>th</sup> ,2019	106,833	7,664	451,947	165,730	115,544	7,123	854,841

- ◆ Analysis of the impairment provision of loans and advances for corporate: -

Amounts in EGP Thousand

Item	Corporate				
	Overdrafts	Direct loans	Syndicated loans	Others loans	Total
June 30 <sup>th</sup> , 2020	3,314,757	1,349,775	3,894,402	94,352	8,653,286
June 30 <sup>th</sup> , 2019	2,481,998	517,744	1,730,194	3,160	4,733,096



Amounts in EGP Thousand

		June 30 <sup>th</sup> ,2020	June 30 <sup>th</sup> ,2019
<b>(7)</b>	<b><u>Financial investments held at fair value through profit and loss</u></b>		
	Equity instruments		
	Corporate shares	124,563	327,890
	<b>Total equity instruments</b>	<b>124,563</b>	<b>327,890</b>
	Financial investments managed by others	3,846,957	4,066,269
	<b>Total financial investments at fair value through profit and loss</b>	<b>3,971,520</b>	<b>4,394,159</b>

Amounts in EGP Thousand

		June 30 <sup>th</sup> ,2020	June 30 <sup>th</sup> ,2019
	<b><u>Financial investments</u></b>		
<b>(8)</b>	<b><u>Financial investments at fair value through OCI</u></b>		
	Debt instruments listed in market	331,795,453	55,504,394
	Equity instruments listed in market	3,209,819	2,330,690
	Debt instruments unlisted in market	131,352,251	123,297,753
	Equity instruments unlisted in market	5,076,799	6,185,280
	<b>Total</b>	<b>471,434,322</b>	<b>187,318,117</b>

Amounts in EGP Thousand

		June 30 <sup>th</sup> ,2020	June 30 <sup>th</sup> ,2019
<b>(9)</b>	<b><u>Financial investments held at amortized cost</u></b>		
	Debt instruments listed in market	34,821,231	161,008,839
	Debt instruments unlisted in market	25,430,562	14,095,821
	<b>Total</b>	<b>60,251,793</b>	<b>175,104,660</b>

Amounts in EGP Thousand

		June 30 <sup>th</sup> ,2020	June 30 <sup>th</sup> ,2019
<b>(10)</b>	<b><u>Customers' Deposits</u></b>		
	Demand deposits	75,529,517	90,854,778
	Call and time deposits	116,615,938	87,734,518
	Certificates of deposit	532,284,989	362,545,660
	Saving deposits	188,303,220	196,554,597
	Other deposits	15,079,387	8,085,284
	<b>Total</b>	<b>927,813,051</b>	<b>745,774,837</b>
	Corporate deposits	178,264,096	153,368,769
	Retail deposits	749,548,955	592,406,068
	<b>Total</b>	<b>927,813,051</b>	<b>745,774,837</b>

Amounts in EGP Thousand

	Items	Interest Rate	Accrued during the year	Balance as of June 30 <sup>th</sup> ,2020	Balance as of June 30 <sup>th</sup> ,2019
<b>(11)</b>	<b><u>Other Loans</u></b>				
	Subordinated deposit	with interest	-	13,695,193	12,764,637
	Long term loans - Egyptian Company for Refinancing	10.25%	1,333	10 778	12,111
	Social fund loans- Agriculture Projects Support	8.5%	-	-	11,000
	Social fund loans - Financing programs	10%	3,080	7,690	-
	Social fund loans- bedaia	8.5%	-	-	3,750
	Social fund loans- bedaity 1	7.75%	80,000	100,000	200,000
	Social fund loans- bedaity 2	9.50%	106,800	293,200	400,000
	Social fund loans- bedaity 3	10.50%	62,500	250,000	-
	Long-term loans from foreign banks	with interest	115,625	53,532,147	29,627,643
	Short-term loans from foreign banks	with interest	1,459,071	23,547,065	27,457,528
	Short-term loans from local banks	with interest	60 000	968,304	-
	<b>Total Other Loans</b>			<b>92,404,377</b>	<b>70,476,669</b>
	Current			1,888,409	27,774,250
	Non-current balances			90,515,968	42,702,419
	<b>Total Other Loans</b>			<b>92,404,377</b>	<b>70,476,669</b>

Amounts in EGP Thousand

		June 30 <sup>th</sup> ,2020	June 30 <sup>th</sup> ,2019
<b>(12)</b>	<b><u>Other Provisions</u></b>		
	Provision for tax and legal claims	592,370	352,382
	Provision for contingent liability and commitments	1,537,702	738,613
	Others	3,817	11,294
	<b>Total</b>	<b>2,133,889</b>	<b>1,102,289</b>

Amounts in EGP Thousand

		June 30 <sup>th</sup> ,2020	June 30 <sup>th</sup> ,2019
<b>(13)</b>	<b><u>Post-retirement benefits liabilities</u></b>		
	Post-retirement medical benefits	3,672,406	3,078,832
	End of service benefits	942,997	651,016
	<b>Total</b>	<b>4,615,403</b>	<b>3,729,848</b>
	<b><u>Amounts recognized in the income statement</u></b>		
	Liabilities for post-retirement medical benefits	815,036	786,000
	Liabilities for end of service benefits	405,017	108,579
	<b>Total</b>	<b>1,220,053</b>	<b>894,579</b>

## (14) Paid In Capital and Reserves

### A. Authorized Capital

Based on the extraordinary general assembly held on March 22<sup>nd</sup>, 2015 The authorized capital has been increased from EGP 15,000 million to EGP 30,000 million.

### B. Issued and Paid-in Capital

The issued and paid-in capital reached EGP 15,000 million divided into 3,000 million shares of EGP 5 per share wholly owned by the Ministry of Finance of Egypt.

## (15) Reserves

Amounts in EGP Thousand

	June 30 <sup>th</sup> ,2020	June 30 <sup>th</sup> ,2019
Legal reserve	2,994,357	2,143,005
General reserve	2,229,909	1,615,489
Capital reserve	1,017,014	929,014
Supportive reserve	6,833,710	4,673,426
Fair value reserve	7,371,173	3,106,535
Special reserve	-	6,927
General banking risk reserve	1,778,613	3,334,870
Cash flow risk reserve	-	(2,695)
Foreign currency translation differences reserve	816,517	1,055,047
Difference of nominal value and present value of subordinated deposit	39,304,807	22,235,363
Banking risk reserve IFRS 9	-	2,905,650
General risk reserve	97,386	-
ECL reserve for debt instruments through OCI	615,007	-
<b>Total reserves</b>	<b>63,058,493</b>	<b>42,002,631</b>

- ◆ According to the bank status 10% of net profit is allocated to increase legal reserve until it reaches 100% of paid-in capital
- ◆ The deferred income tax has been calculated on the increase of the fair value of available for sale investments from their cost recognized in the fair value reserve in equity on June 30<sup>th</sup>,2020 by 641,127 thousand EGP, while on June 30<sup>th</sup>, 2019 it was 882,727 thousand EGP.

(16) Earnings per Share

Earnings per share are calculated by dividing net profit attributable to shareholders of the bank by the weighted average of shares outstanding during the year.

Shareholders' share from net profit of the year (1)	9,915,234	7,755,728
Divided by weighted average number of shares (2)	3,000,000	3,000,000
Earnings per share (1:2)	3.31	2.59

(17) Comparative figures

Comparative figures were reclassified for the year ended on June 30<sup>th</sup>, 2019 to be consistent with current period presentation.

MAZARS - Mostafa Shawki

Chartered Accountants &amp; Consultants

Mohamed Hany Fouad Ismaiel

Accountability State Authority (ASA)

## Limited Review Report On The Summarized Separate Financial Statements of Banque Misr for The Period Ended on December 31<sup>st</sup>, 2020

### To the Board of Directors of Banque Misr (S.A.E.)

We have performed a limited review for the separate financial statements of Banque Misr (S.A.E) for the period ended on December 31<sup>st</sup>, 2020 from which the accompanying separate summarized financial statements have been derived in a according to the Egyptian Standards on Auditing and the requirements of applicable Egyptian law and regulations, as presented in our report dated June 29<sup>th</sup>, 2021, where we expressed an unqualified opinion on the complete set of the separate financial statements for the period ended on December 31<sup>st</sup>, 2020 from which the accompanying summarized financial statements have been derived.

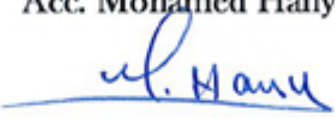
In our opinion, the accompanying set of the separate summarized financial statements is fairly stated – in its all material aspects - in relation to the bank separate complete financial statements for the period ended on December 31<sup>st</sup>, 2020.

In order to get a complete understanding of the bank's financial position along with its performance, cash flow for the period ended on December 31<sup>st</sup>, 2020 and our audit scope, we should refer to the bank's separate complete financial statements along with our audit report.

**Cairo: June 29<sup>th</sup>, 2021**



### AUDITORS

Acc. Mohamed Hany Fouad Ismaiel  
  
Accountability State Authority (ASA)



## Summary of Banque Misr separate financial statements

Extracted from Banque Misr financial statements for the period ended on December 31<sup>st</sup>,2020

Separate statement of financial position as of December 31<sup>st</sup>,2020

Amounts in EGP Thousand

Assets	Note no	December 31 <sup>st</sup> ,2020	June 30 <sup>th</sup> ,2020
Cash and balances with central banks		44,182,182	38,839,793
Due from banks		209,179,831	255,588,546
Loans and advances to banks	(4)	3,224,231	2,832,964
Loans and advances to customers	(5)	445,357,747	335,392,117
<b>Financial investments</b>			
Financial investments at fair value through P&L	(6)	4,199,457	3,971,520
Financial investments at fair value through OCI	(7)	514,853,545	471,434,322
Financial investments at amortized cost		52,017,857	60,251,793
Investments in subsidiaries and associates		21,215,431	20,624,440
Intangible assets		203,972	246,518
Other assets		42,361,509	33,594,331
Property, Plant, and Equipment		5,293,298	4,995,976
<b>Total Assets</b>		<b>1,342,089,060</b>	<b>1,227,772,320</b>
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Due to banks		94,612,881	91,247,368
Customers' deposits	(8)	1,038,497,785	927,813,051
Financial derivatives		54,659	38,080
Other loans	(9)	79,193,136	92,404,377
Other liabilities		24,669,146	18,941,621
Other provisions	(10)	2,365,109	2,133,889
Deferred tax liabilities		632,079	636,102
Postretirement benefits liabilities	(11)	5,020,750	4,615,403
<b>Total Liabilities</b>		<b>1,245,045,545</b>	<b>1,137,829,891</b>
<b>Shareholders' equity</b>			
Paid in capital	(12)	15,000,000	15,000,000
Reserves	(13)	65,693,218	63,058,493
Retained earnings		16,350,297	11,883,936
<b>Total shareholders' equity</b>		<b>97,043,515</b>	<b>89,942,429</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,342,089,060</b>	<b>1,227,772,320</b>
<b>Contingent liabilities and commitments</b>			
.Liabilities for letters of guarantee, letters of credit and other commitments		<b>122,018,890</b>	<b>71,113,403</b>

Chief Financial Officer: Mohamed Mohamed Sherif Ismael  
 Vice Chairman: Hossam El Din Abdel Wahab  
 Vice Chairman: Akel Abdel Latif El Maghraby  
 Chairman: Mohamed Mahmoud Eltreby  
 Auditors: Dr. Ahmed Mostafa Shawki  
 Accountant / Mohamed Hany Fouad Ismael  
 Accountability State Authority (ASA)  
 MAZARS Mostafa Shawki  
 Mazars  
 MOSTAFA SHAWKI

# BANQUE MISR

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Ashrafieh	Ras Beirut
Jounieh	Furn El Chebak
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Cornich El Mazraa	Chiyah
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For more information on the summarized separate financial statements for the financial period ending December 31<sup>st</sup>, 2020, please scan or click on the QR code.



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**Chief Corporate Communication Officer**

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## Stakeholder Engagement Channels

Stakeholder Category	Engagement Channels And Frequency	Engagement in Sustainability reporting
Employees	<ul style="list-style-type: none"> <li>◆ Staff Surveys</li> <li>◆ Speak-up Meetings</li> <li>◆ Multi-branch communication channels</li> <li>◆ (Staff intranet, emails)</li> <li>◆ Annual Sustainability Report</li> <li>◆ Quarterly Newsletter</li> </ul>	Yes
Existing and Potential Clients	<ul style="list-style-type: none"> <li>◆ Interactive communication channels (call center, hotlines, follow-up calls)</li> <li>◆ Ongoing monitoring of customers' feedbacks</li> <li>◆ Quick response on clients' inquiries and complaints</li> <li>◆ Conferences, events and roadshows</li> <li>◆ Effective mystery shopping</li> <li>◆ Effective media presence</li> <li>◆ (Press releases and PR activities)</li> </ul>	Yes
Business Partners	<ul style="list-style-type: none"> <li>◆ Event-based relations</li> </ul>	Yes
Suppliers and Service Providers	<ul style="list-style-type: none"> <li>◆ Responsible procurement practices</li> </ul>	Yes
Government	<ul style="list-style-type: none"> <li>◆ Proactive community investments</li> <li>◆ Cause-based Initiatives</li> </ul>	Yes
Local Community	<ul style="list-style-type: none"> <li>◆ Active engagement with NGOs on ESG issues</li> <li>◆ Responsible business conduct</li> <li>◆ Philanthropic efforts in cooperation with NGOs</li> <li>◆ Customized community investments programs and</li> <li>◆ philanthropy for vulnerable groups</li> <li>◆ Holistic due diligence approach and precautionary practices to mitigate actual and negative impacts in the relevant materiality topics</li> </ul>	Yes

**Table 1 Example template for 1330 presenting information for ACT-2-a-i**  
**1331 Total number of employees by employment contract, by gender**

Female	Year	Red Sea		Sinai		West Cairo	
Permanent	[5876]	Permanent	[226]	Permanent	[165]	Permanent	[270]
Temporary	[2209]	Temporary	[88]	Temporary	[103]	Temporary	[107]
Total	[8085]	Total	[314]	Total	[268]	Total	[377]
Male		Canal		East Alexandria		Nasr City	
Permanent	[11001]	Permanent	[489]	Permanent	[456]	Permanent	[253]
Temporary	[2566]	Temporary	[110]	Temporary	[73]	Temporary	[131]
Total	[13567]	Total	[599]	Total	[529]	Total	[384]
Other gender category (to be determined by the organization as needed)		New Cities		East Delta		Middle Of Delta	
Permanent	[None]	Permanent	[186]	Permanent	[483]	Permanent	[417]
Temporary	[None]	Temporary	[94]	Temporary	[82]	Temporary	[94]
Total	[0]	Total	[280]	Total	[565]	Total	[511]
Grand total	[21652]	South Giza		East Cairo		Middle Of Cairo	
Table 2 Example template for 1332 presenting information for ACT-2-a-ii 1333 Total number of employees by employment contract, by region		Permanent	[331]	Permanent	[331]	Permanent	[313]
		Temporary	[152]	Temporary	[135]	Temporary	[141]
		Total	[483]	Total	[466]	Total	[454]
		South Delta		North Giza		Dakahlia	
		Permanent	[415]	Permanent	[359]	Permanent	[443]
Head Office	Year	Temporary	[97]	Temporary	[148]	Temporary	[138]
Permanent	[6361]	Total	[512]	Total	[507]	Total	[581]
Temporary	[1332]	South Upper Egypt		North Upper Egypt		Aswan	
Total	[7693]	Permanent	[407]	Permanent	[319]	Permanent	[209]
Main Branches		Temporary	[149]	Temporary	[101]	Temporary	[72]
Permanent	[363]	Total	[556]	Total	[420]	Total	[281]
Temporary	[91]	South Cairo		North Cairo		Menia	
Total	[454]	Permanent	[444]	Permanent	[398]	Permanent	[364]
New Cairo		Temporary	[187]	Temporary	[143]	Temporary	[76]
Permanent	[173]	Total	[631]	Total	[541]	Total	[440]
Temporary	[90]	Damietta		West Alexandria		Kafr Alshiekh	
Total	[263]	Permanent	[299]	Permanent	[362]	Permanent	[319]
6 <sup>th</sup> October		Temporary	[63]	Temporary	[79]	Temporary	[79]
Permanent	[265]	Total	[362]	Total	[441]	Total	[398]
Temporary	[110]	Sohag		West Delta		Misr El gdeda	
Total	[375]	Permanent	[441]	Permanent	[387]	Permanent	[284]
Assuit		Temporary	[159]	Temporary	[97]	Temporary	[110]
Permanent	[345]	Total	[600]	Total	[484]	Total	[394]
Temporary	[144]	Grand total				[21652]	
Total	[489]						



## GRI Content Index

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

This report has been prepared in accordance with the GRI Standards: Core option.

GRI Standard	Disclosures	Page	Comment	Omission
<b>GRI 101: Foundation 2016</b>				
<b>General Disclosures</b>				
<b>This report has been prepared in accordance with the GRI Standards: Core option.</b>				
<b>GRI 102: General Disclosures 2016</b>				
102-1	Name of the organization		Banque Misr (S.A.E)	
102-2	Activities, brands, products, and services	14-15, 45, 52-63, 88-89, 94-123, 190-217, 117		
102-3	Location of headquarters	248		
102-4	Location of operations	10, 56-63, 248-251		
102-5	Ownership and legal form	44, 232		
102-6	Markets served	10, 14, 56-63, 99-101, 189-217, 248-251		
102-7	Scale of the organization	10-11, 14-16, 24-25, 58, 201, 222-225		
102-8	Information on employees and other workers	10, 80, 82, 255		
102-9	Supply chain	84-85		
102-10	Significant changes to the organization and its supply chain	52, 122-123, 127		
102-11	Precautionary Principle or approach	65-69, 84-86, 90-95, 118-123, 165-167, 172, 175 182-187		
102-12	External initiatives	52, 65-69, 72-73, 92-116, 120, 123, 196		
102-13	Membership of associations	61, 72		
102-14	Statement from senior decision-maker	12-17, 220		
102-15	Key impacts, risks, and opportunities	9, 12-16, 65-69, 71-86, 89-117, 125-127, 165-184, 189-217, 219-220, 222-247, 252		
102-16	Values, principles, standards, and norms of behavior	49-51, 53, 74-77, 84-86, 89, 100-101, 104-105, 107-108, 115-116, 120, 122, 125-126, 170, 179, 182-184, 199, 208, 216		
102-17	Mechanisms for advice and concerns about ethics	65-69, 84-86, 89, 91, 182-184, 186-187		
102-18	Governance structure	125-126, 165-181		
102-40	List of stakeholder groups	73, 254		
102-41	Collective bargaining agreements	68, 79-80		
102-42	Identifying and selecting stakeholders	73, 254		
102-43	Approach to stakeholder engagement	9, 68, 72-94, 123, 254		
102-44	Key topics and concerns raised	9, 73		
102-45	Entities included in the consolidated financial statements	165-166, 224, 246		
102-46	Defining report content and topic Boundaries	72-73		
102-47	List of material topics	73		
102-48	Restatements of information		The reporting duration has been extended for an extra half year to cover the period starting from July 1 <sup>st</sup> , 2019 until June 30 <sup>th</sup> , 2020, and the period starting from July 1 <sup>st</sup> , 2020 until December 31 <sup>st</sup> , 2020. According to the CBE's directives, the financial statements for banks will begin on January 1 <sup>st</sup> and end on December 31 <sup>st</sup> .	
102-49	Changes in reporting	9, 73	The reporting duration has been extended for an extra half year to cover the period starting from July 1 <sup>st</sup> , 2019 until June 30 <sup>th</sup> , 2020, and the period starting from July 1 <sup>st</sup> , 2020 until December 31 <sup>st</sup> , 2020.	
102-50	Reporting period	9		
102-51	Date of most recent report		The year ending on June 30 <sup>th</sup> , 2019	
102-52	Reporting cycle	73		
102-53	Contact point for questions regarding the report	253		
102-54	Claims of reporting in accordance with the GRI Standards	9, 256		
102-55	GRI content index	256-258		
102-56	External assurance	125-126, 224, 246	External assurance on the financial performance, as the bank's performance is externally assured by the concerned entities at the CBE, the Financial Regulatory Authority, and The Accountability State Authority.	



## Topic-Specific Disclosures

GRI Standard		Disclosures	Page	Comment	Omission
<b>Economic Performance</b>					
<b>GRI 201: Economic Performance 2016</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	73		
	103-2	The management approach and its components	12-16,189		
	103-3	Evaluation of the management approach	16, 46-47, 189, 220		
201-1		Direct economic value generated and distributed	10, 16, 78-83, 192-217, 220, 226, 243		
<b>GRI 205: Anti-Corruption 2016</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	73		
	103-2	The management approach and its components	182-184		
	103-3	Evaluation of the management approach	183-184		
205-2		Communication and training about anti-corruption policies and procedures	183-184,187		
205-3		Confirmed incidents of corruption and actions taken		No incidents of corruption were reported during the year	
<b>Environmental</b>					
<b>GRI 302: Energy 2016</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	73		
	103-2	The management approach and its components	67, 84, 86, 118-120, 199, 202		
	103-3	Evaluation of the management approach	119-120, 202		
302-1		Energy consumption within the organization	67, 120		
302-2		Energy consumption outside of the organization	86, 120, 199, 202		
302-3		Energy intensity	120		
302-4		Reduction of energy consumption	67, 86, 120, 199, 202		
302-5		Reduction in energy requirements of products and services	67, 120, 199, 202		
<b>GRI 305: Emissions 2016</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	73		
	103-2	The management approach and its components	67-69, 86, 118, 199, 202, 207		
	103-3	Evaluation of the management approach	119-120, 202		
305-1		Direct (Scope 1) GHG emissions	58, 69, 119-120		
305-2		Energy indirect (Scope 2) GHG emissions	119, 198, 202		
305-3		Other indirect (Scope 3) GHG emissions	119, 202		
<b>SOCIAL</b>					
<b>GRI 401: Employment 2016</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	73		
	103-2	The management approach and its components	74-75, 175, 179		
	103-3	Evaluation of the management approach	78, 80		
401-1		New employee hires and employee turnover	78, 80		
401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	78-80, 122		
401-3		Parental leave	75, 122		

GRI Standard		Disclosures	Page	Comment	Omission
<b>GRI 403: Occupational Health And Safety 2018</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	13, 66, 78-80		
	103-2	The management approach and its components	61, 66, 80,84-85,121-123		
	103-3	Evaluation of the management approach	121-123, 177 -178		
403-1		Occupational health and safety management system	13, 58, 78-79, 85-86,121-123, 178		
403-2		Hazard identification, risk assessment, and incident investigation	13, 79, 85-86, 121-123	No incident related to occupational health and safety has been reported this year	
403-3		Occupational health services	75-78, 121-123, 178		
403-4		Worker participation, consultation, and communication on occupational	13, 75-80, 121-123, 178		
403-5		Worker training on occupational health and safety	79		
403-6		Promotion of worker health	75, 79, 123		
403-7		Prevention and mitigation of occupational health and safety	78, 121-123		
403-8		impacts directly linked by business relationships	13, 78		
<b>GRI 404: Training And Education 2016</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	73		
	103-2	The management approach and its components	13, 74-77		
	103-3	Evaluation of the management approach	74-77,89, 183		
404-1		Average hours of training per year per employee	76, 199, 208, 216		
404-2		Programs for upgrading employee skills and transition assistance programs	76-79,122,183, 199,216		
<b>GRI 405: Diversity And Equal Opportunity 2016</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	73		
	103-2	The management approach and its components	68, 74-77		
	103-3	Evaluation of the management approach	74-75		
405-2		Ratio of basic salary and remuneration of women to men	81-83, 169		
<b>GRI 408: Child Labor 2016</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	69, 86, 184		
	103-2	The management approach and its components	69, 79		
	103-3	Evaluation of the management approach	85-86		
408-1		Operations and suppliers at significant risk for incidents of child labor	85-86		
<b>GRI 413: Local Communities 2016</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	73		
	103-2	The management approach and its components	12-15, 51, 65-69, 71-73, 80, 118, 126		
	103-3	Evaluation of the management approach	46-47, 72, 94, 119-120,186		
413-1		Operations with local community engagement, impact assessments, and development programs	66-69, 80, 91- 116, 118-123		





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