



# NBE: Sustainable Finance Towards Financing Transition

Sustainability Report 2020-2021

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## About the Report






### Approach

The report has been prepared to provide our stakeholders with a comprehensive picture of National Bank of Egypt's (NBE) ESG performance, as well as insights into its key initiatives and achievements over the past two years in internal efforts toward ESG integration and external action on facilitating broader sustainability transitions.

### Scope and Reporting Period

This is our second sustainability report covering the period from July 1, 2020 to December 31, 2021. Certain information outside reported dates has been included to highlight relevant context and events. The entities covered by the scope of the report include only the National Bank of Egypt's headquarters and its 588 branches located in Egypt, unless otherwise stated. The reported Social Performance Indicators cover the Bank's operations within Egypt, as well as its branches and offices across UK, UAE, Sudan, USA, China, South Africa, and Ethiopia. Other subsidiaries and associates reported in the Bank's consolidated financial statements, are not included in the scope of the report.

### Reporting Frameworks

	<b>GRI</b>	GRI Standards have been used to report NBE's impacts on the environment, economy, and people including human rights.
	<b>UN PRB</b>	NBE applies the six Principles for Responsible Banking (PRB) through impact analysis, target setting, implementation, and annual public reporting.
	<b>SASB</b>	NBE has reported on a subset of ESG issues most relevant to its financial performance based on the SASB Commercial Banks Standard.
	<b>TCFD</b>	TCFD principles were applied to report on NBE governance, strategy, risk management, metrics, and targets regarding climate-related risks and opportunities.
	<b>CBE</b>	NBE implements the six CBE Guiding Principles on Sustainable Finance, and the report has been prepared in accordance with the applicable reporting requirements (principle six).

The report communicates our contribution to the United Nations Sustainable Development Goals (SDGs) and the Egypt Vision 2030 objectives. It has also been prepared with consideration other guidelines, such as those by the Ministry of Environment, Equator Principles, IFC Sustainable Banking Network, Alliance for Financial Inclusion, and World Business Council for Sustainable Development.

### Materiality

The report features NBE's materiality assessment in line with our stakeholder expectations, internal developments and external trends. In line with the updated GRI Universal Standards and GRI 3: Material Topics 2021, an analysis of our positive and negative impacts arising from our operations, as well as our portfolio on the environment, economy, and people -including human rights- was conducted. The UNEP FI Portfolio Impact Tool was considered in the determination of the impact topics and SDGs mapping.

### Structure

The report is structured according to five pillars of our sustainability action, tightly linked to our seven broader strategic pillars.

### Reporting Principles

The report has been prepared using GRI reporting principles: Accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability.

### Assurance

Masader Corporate Sustainability Consulting Firm (S.A.E) has provided a limited assurance statement on the content of the report.

### Contact Point

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## Chairman's Message



**Hisham Okasha**  
Chairman

Dear Stakeholders,

**At the height of global crises and outbreaks, the role of sustainability (EESG) within the global banking landscape got more critical and fundamentally central to lead operational resilience, green recovery, and the push for a new pragmatism.**

**National Bank of Egypt (NBE)'s second GRI Sustainability Report is based on the new GRI universal standards. Successively, we also managed to publish two new specialized reports: Our 1<sup>st</sup> Environmental and 1<sup>st</sup> Social impact reports - within the Egyptian banking sector.**

**This year witnessed a very exceptional and eccentric new reality.** Globally, the transition to an inclusive, digital, and green economy pressured multiple key levers on banks to transform from conventional to sustainable (ESG) banking. Technology has forced new market entrants, and pushed for Fintech and disruptive business models. Greater global E&S compliance and regulatory movements started pressuring higher need for ESG disclosures. The outbreak of pandemic COVID-19 pushed for a new form of operational resilience, while accelerated digital financial inclusion. Furthermore, the outburst of the Russian-Ukraine War hitting the global trade and supply chain; escalating hyper-inflation, and scarcity of resources. Environmentally, the climate change global regulatory scene

is rolling. The movement towards a low-carbon economy, raised a new notion for new risk (business) models and strategies. As we publish this report, Egypt will be hosting COP 27 – The United Nations Climate Change Conference of the Parties, in the country's green city, Sharm El-Sheikh.

**The geopolitical, economic, environmental and social systems transition and challenges, have reshaped the ESG landscape scene beyond compliance. It led the acceleration of financial systems transformation towards sustainable finance.** In 2019, NBE's Strategy embraced the "Roadmap to Sustainable Banking and Finance" as the second strategic pillar among seven key ones. This coincided with the CBE's sustainable finance guidelines and principles published on July 2021. The strategy was in alignment with SDGs 2030, Africa 2063, and Egypt Vision 2030 across bank-wide business strategies, operations and internal cultural transformation.

**Our inclusive business growth strategy is based on diversity, inclusion, and equality, while ensuring just transition.**

While the pandemic accelerated digital growth and acceleration, this digital evolution also fast-tracked outreach to lower market segments, such as youth, women, micro credit and SME. NBE's

portfolio of youth represents 36% of the Bank's customer base, and 8% of our social responsibility efforts. In 2019, NBE partnered with renowned multilateral development partners to launch the first-of-its-kind "Youth in Business" (YiB) and "Skills in Business" 5-year program, to enable and open new markets for young business leaders'. Moreover, on supporting the country's economic prosperity, we invested in gender equity through empowering women access to finance, representing 40% of our customer base. Aligned with our Bank's affordable housing access to finance, NBE's beneficiaries increased by 32%; 96% of which are low-income household groups.

In Egypt, MSMEs represent 91% of the total private sector workforce. This is where NBE introduced a new business- model stimulating the recovery of MSMEs by 32% growth rate in our portfolio. We launched "Al-Ahly Business Banking" program, and "Al Ahly Tamkeen" to develop digital and innovative financial solutions and products tailored to serve small and microenterprises. The programs aim at supporting financial inclusion, resource efficiency, green financing, food abundance, and supply chain resilience. Equally relevant; internally, our human capital constitutes of 40% youth (below the age of 30), and 30% women.

**Enabling private sector growth and partnerships to contribute to country-wide economic prosperity.**

The private sector remains to be the engine of growth in the country's economic prosperity. It directly reflects on enhancing productivity, ensuring the transfer of innovative industrial technologies, enhancing competitive markets, and improving the welfare through employability. We managed to reach out to over 197,000 beneficiaries, with 80% growth within reporting period. In supporting tourism, we financed over 122 customers ranging between hotels, travel agencies, food and beverage in tourism sector.

**Operational Resilience and Business Continuity**

The pandemic helped us examine our resilience across a complete bank-wide spectrum – operational, liquidity, capital, market, and credit risks – to model for the next unpredicted event. Our effective business continuity plan set holistically integrated recovery strategies by a very well designated COVID-19 Response team. This set NBE to pioneer receiving the ISO 22301-2019 certification in business continuity management for the fourth time. Our ambitious Digitalization strategy operationally contributed to process

automation, and web-based services. It enabled delivering banking products and providing diverse business transactions. Yet, COVID-19 supported speedy acceleration for this transformation to happen. The rapid evolution of fintech, digital, and mobile banking helped in raising efficiency, lowering transaction costs, and expanding outreach to new clients and markets. In 2021, NBE's Fintech sector grew by 7% to represent 50% of our investment sector portfolio; and furthermore, trade finance grew by 28%. Also, we embraced innovation in launching the 1st bus branch within the Egyptian banking sector, to promote geographical accessibility.

**NBE's Climate Strategy is triple-arched. Accelerating transition to Green & Low Carbon economy, through green and climate finance with innovation and just transition**

Our green pledge and practice started twenty years earlier through Egypt's Pollution Abatement Program to reduce pollution from heavily pollution transport and solid waste management sectors. Yet, we have a higher ambition and commitment to finance climate and activate our role in the transition to low carbon and green economy. Our current international

funds amounting to USD 1.66 bn, tackles environmental thematic areas such as pollution abatement, energy efficiency, and transition to green industries.

NBE's climate actions are inspired globally by the European Green Deal progressions; as well as strategically aligned with internationally signed country-level agreements, and updated Egypt's national determined contributions (NDCs). We believe that climate change opens for banks various opportunities in mobilizing different capital sources, and developing new energy efficiency markets reflected in the bank's portfolio. Which will require developing new innovative products with new regulatory risk frameworks.

NBE already developed strategic partnerships to establish climate governance, strategy and risk across bank portfolio and operations. We seek further partnerships to bring in innovative carbon solutions and technologies, to catch-up with transitions towards a greener sustainable economic recovery and growth.

Moreover, this year NBE took a leapfrog milestone in environmental disclosure, by measuring the biggest physical and operational boundary, and publishing our 1st Environmental footprint report based on top-ranked international environmental compliance standards and frameworks.

It lands as our baseline year that comes as a step towards activating our Climate Finance strategy, and Decarbonisation plan.

The challenge still remains in enabling the private sector ecosystem, as well as tracing expertise and building capacities with a new mindset in assessing projects and setting eligibility criteria beyond mainstream financial business modelling. Having a bank-wide harmonically synergized culture not merely internally - but also across our clients - is the main investment we foresee, to pave the way for a speedy transition in place.

**Hisham Okasha**



## 2020-2021 EESG Highlights

Core Metrics<sup>1</sup>

### Governance Highlights

Strong corporate governance



### Economic Highlights





Supporting  
CBE  
initiatives

EGP 11.5 bn

Mortgage Initiative  
- 105,067 customers of which  
5-7% are low-income

EGP 73.9 bn

SMEs Initiative  
87,155 customers

EGP 3 bn

Tourism Initiative  
122 customers

EGP 18 bn

Industrial Initiative  
1,353 customers

EGP 1 bn

Car Replacement Initiative  
4,243 customers



Investment  
in Fintech

49.7% with +7%YOY

Investments in NBE  
Investments portfolio

6.2 mn customers

Al Ahly Net Retail Customers

32

Digital branches

74,828 customers

Al Ahly Net Corporate  
Customers

1st

First bus branch

1.78 mn customers

PhoneCash Wallet Customers



Attracting  
Foreign  
Funds

USD 1.66 bn

NBE Sustainability foreign  
loans

USD 30 mn

Youth in Business (European  
Bank) Loan (2019-2024)

USD 100 mn

Solidarity Package COVID-19  
(European Bank) Loan  
(2020-2022)



Attracting  
Foreign  
Funds

EUR 800 mn

SMEs & MIDCAPS COVID-19  
(European Investment Bank) Loan  
(2020-2028)

EUR 140 mn

Egyptian Pollution Abatement  
Program III (EPAP III) Loan  
(2014-2022)

USD 200 mn

Sustainable Infrastructure (AIIB)  
Loan (2020-2032)

EGP 120 mn

Environmental Compliance Office  
and Sustainable Development  
(ECO) (2005-2033)

EUR 100 mn

Climate Change Strategy &  
Risk Management (AFD) Loan  
(2014-2022)

USD 10 mn

Green For Growth Fund  
(2019-2029)

Social Highlights



Treating  
pathways for  
inclusion and  
diversity  
Serving  
17.8mn  
Customers

9.43mn Liabilities

customers

41%

women customers

36%

Youth customers  
( )

37%

Customers in rural areas

50%

customers of low-income  
(EGP 0-5k)



Empowering  
communities

EGP 2.8 bn

Total Donations

EGP 227 mn

Education sector

EGP 1,018 mn

Healthcare and COVID-19  
Support

EGP 559 mn

Slums Development

EGP 1,040 mn

Other Community Support  
Investments



Enabling our  
people to be  
their best

24,218

employees driving our success  
as of December 2021

9%

Increase in workforce from  
2020 to 2021

30 %

Of our workforce are Female

EGP 63.91 mn

Training cost as of  
December 2021

22%

Females representing the  
Board of Directors

Environmental Highlights



Environmental  
Footprint

29,660 Gha

Land Footprint

112,341 mtCO<sub>2</sub>e

Carbon Footprint

4,238,393 m<sup>3</sup>

Water Footprint



Environmental  
Footprint

1,425 tons

Plastic Footprint



GHG Emissions  
and Reduction  
Targets

20,379 mtCO<sub>2</sub>e

Scope 1 emissions

37,194 mtCO<sub>2</sub>e

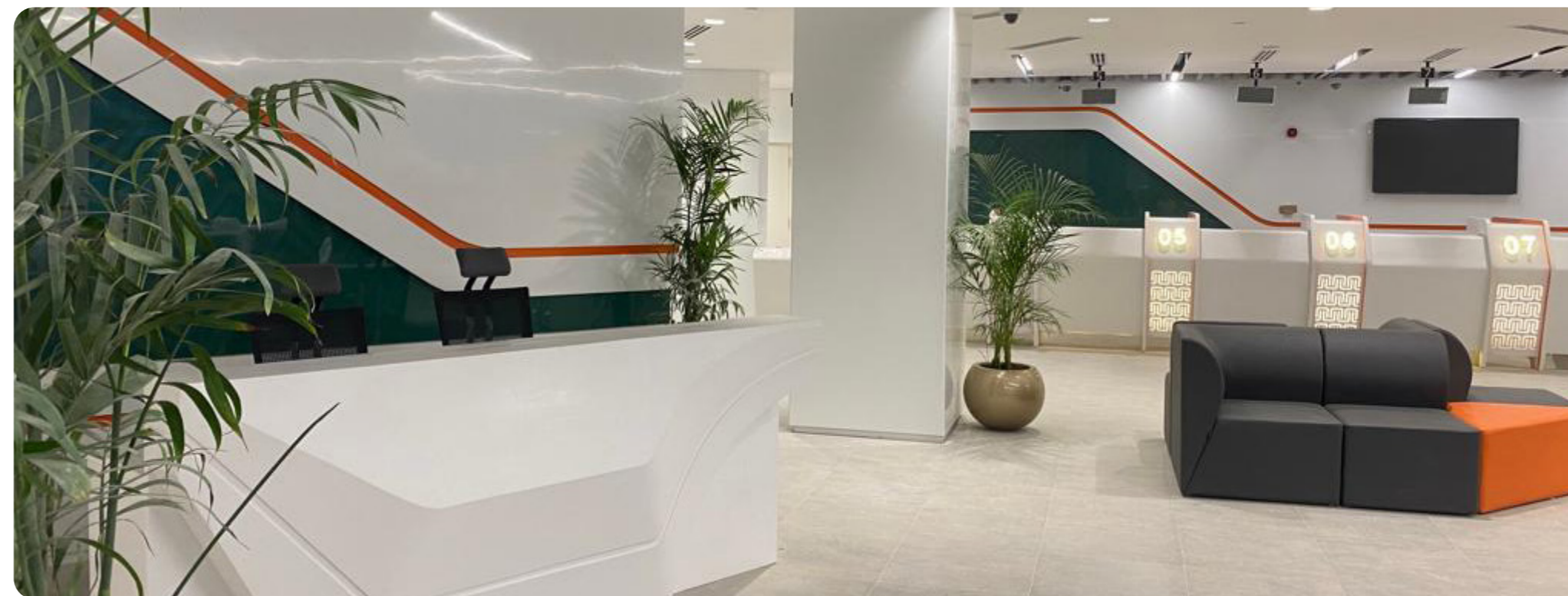
Scope 3 emissions

54,769 mtCO<sub>2</sub>e

Scope 2 emissions

30.0%

GHG target reduction from 2021, in  
absolute scopes 1+2 emissions by 2028



## NBE's Strategy (2021-2023)

In 2021, NBE has updated its Strategic Pillars to better align with the bank's business strategy and CBE's recent initiatives and guidelines on sustainable finance, financial inclusion, SMEs support and business banking, and facilitating operations for people with disabilities. The update to the pillars aims to support our current development of a practical action plan to achieve our EESG targets.

The strategy is built upon 7 pillars to sustain our own model of value creation. Our approach contributed to surfacing hidden sustainability thematic areas where we believe we would have the biggest impact in and what we want to be known for over the next three years as the nation's largest bank.

Our seven strategic pillars have been the driver of NBE development over the past two years, and they shall aid the Bank in the coming period. Those pillars exemplify that vast and deep impact we aim to make on society and our capacity to build a positive synergy of profit, planet and purpose.



## NBE's Strategic Pillars (2021-2023)

Lead The Market Into Financial Inclusion	Integrate Sustainability Into NBE's Core Activities	Enhance A Seamless Digital Customer Experience Through AI Integration	Focus On Profitability, High Performance And Cost Optimization	Create a Customer-Centric Organization	Continue To Play A National Role And Contribute To Major Government/CBE Initiatives	Develop Superior Talent To Deliver Superior Results
<ul style="list-style-type: none"> <li>Attract more of the population into the banking sector to sustain growth</li> <li>Raise financial literacy in the market</li> <li>Provide access points specifically in the most remote areas</li> <li>Improve customer experience through service level &amp; customer protection</li> <li>Increase Financial activity on existing accounts</li> </ul>	<ul style="list-style-type: none"> <li>Integrate ESG into core business activities</li> <li>Map ESG Portfolio into NBE (Capital, Growth, Risk) structures</li> <li>Introduce sustainable finance (Products and services, Climate &amp; green investment reporting, Measurement, Incentive )</li> </ul>	<ul style="list-style-type: none"> <li>Master cross-selling by providing relevant products and services based on personalization</li> <li>Predict future outcomes and analyze trends using real-time data</li> <li>Use predictive &amp; Analytical tools to analyze behavior</li> <li>Improve customer experience with ChatBots and AI-powered virtual assistants</li> <li>Expand on machine learning</li> </ul>	<ul style="list-style-type: none"> <li>Define sub business units, profit / cost centers</li> <li>Increase penetration rate into Assets &amp; Liabilities products</li> <li>Attract cheap funding</li> <li>Maximize non-interest income generation</li> <li>Focus on cost optimization</li> </ul>	<ul style="list-style-type: none"> <li>Offer tailored-made products and solutions for each segment including digital solutions</li> <li>Design a more refined customer experience</li> <li>Create relevant and coherent promotional campaigns</li> <li>Analyze customers' perceptions</li> <li>Track, manage, and solve customers' concerns and complaints</li> </ul>	<ul style="list-style-type: none"> <li>Participate into major lending initiative</li> <li>Bring stability into the market</li> <li>Contribute to Sustainable CSR</li> </ul>	<ul style="list-style-type: none"> <li>Emphasis on developing talents through learning programs</li> <li>Engage employees through engagement programs and initiatives</li> <li>Empower employees to deliver their best by providing bespoke solutions, as well as policies, processes and infrastructure</li> <li>Encourage employees to be agile, high-performance oriented and positioned for exponential growth</li> </ul>
Aligning to the SDGs and Egypt Vision 2030 priorities where we have the biggest Impact						



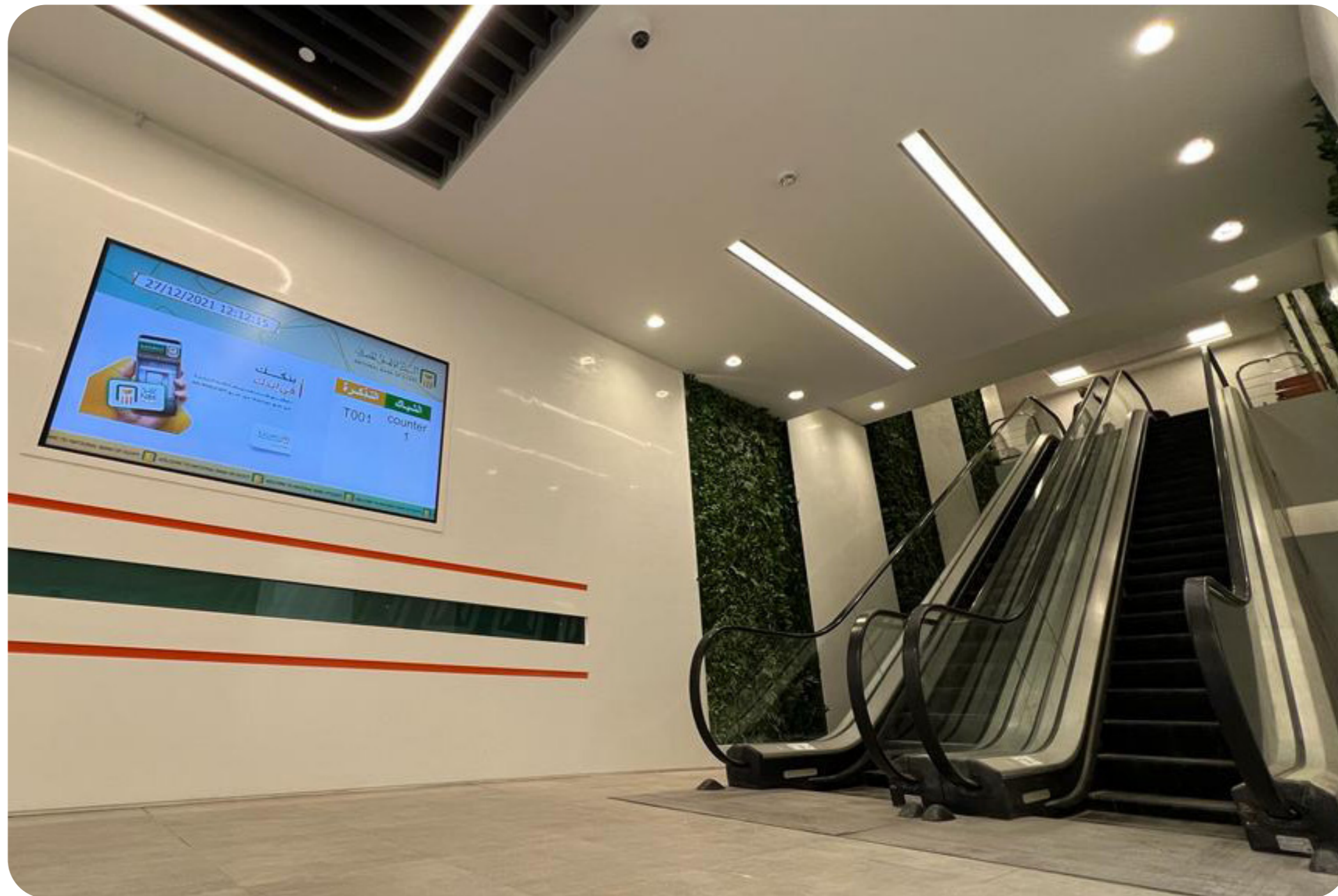
### Note from Head of Strategy, Sustainability and Financial Inclusion



With its history, vast physical network and strong global community of partners, NBE is uniquely positioned to support the sustainability ambitions of its stakeholders. The Bank's efforts in financial inclusion and sustainability can unlock Egypt's true capabilities by bringing in a new economic mindset and valuing a culture of care and respect for nature. This era is crucial in reshaping how financial systems create value beyond financial performance and what impact they are bringing on the economy, society, and the environment. By uniting its business model with its sustainable long-term value creation, NBE is leading by example in demonstrating how a financial institution could sustainably operate, while achieving outstanding performance.



**Mr. Michael Makkar**  
Head of Strategy,  
Sustainability and Financial  
Inclusion



## NBE Advancing Beyond Covid-19: From Holistic Resilience to Transformative Change

The COVID-19 pandemic impacted both those already vulnerable and those who believed themselves stable. NBE considered the global, local and individual ramifications of the crisis across social, environmental, and economic spheres. Many of the Bank's previous efforts proved valuable and have been complemented based on new insights and guidance.

As society began rebounding from the pandemic, NBE has continued internal changes to enhance preparedness and response, paired with ambitious investments in enabling transformative recovery. NBE has persisted in improving its operational resilience framework to navigate the ever more complex, dynamic, and uncertain world.

Best Bank in Crisis Finance Response in 2020

One of 50 Safest Banks by Global Finance in 2021

### Operational Resilience Framework

Egypt's banking system is the largest in Africa and has remained one of the most stable in the region, despite perpetual challenges. The prudent financial regulation has supported the development of a strength and liquidity banking that helped to effectively manage every phase of the pandemic.

Recent macroeconomic reforms allowed the government to enter the COVID-19 crisis with improved fiscal accounts and significant foreign reserves, while the energy market continued developing.

Nevertheless, COVID-19 has impacted Egypt's economy. Tourism, which accounted for about 12% of GDP, 10% of employment, and 4% of GDP in foreign currency revenues at the start of the crisis, came to a halt almost immediately as a result of the pandemic. Precautionary steps to stop the virus' spread resulted in a temporary drop in domestic activity, while tax revenues fell due to the slowing economy.

During March-April 2020, Egypt saw substantial capital outflows of more than USD 15 bn as investors fled emerging markets in search of safety. Despite this, Egypt was one of the few emerging market countries to have witnessed real growth, recorded at 5.65% in FY 2018/2019, 3.6% in FY 2019/2020 and an estimated 3.3% in FY 2020/2021 (July 1, 2020 – June 30, 2021).

With almost every area of human life impacted by the pandemic, NBE invested in developing frameworks and initiatives to facilitate greater resilience and agility. We further

built upon international experiences and unique local conditions to make sustainability a core attribute of recovery.

NBE met the new reality via its integrated Operational Resilience Framework (ORF), based on withstanding, response, and recovery, and is now undergoing further transformative change in light of a post pandemic world. NBE adopts the Basel definition of operational resilience, as the ability "to identify and protect itself from threats and potential failures, respond and adapt to, as well as recover and learn from disruptive events in order to minimize their impact on the delivery of critical operations through disruption".

The Bank's ORF has been continuously informed and updated by emerging guidance and requirements, integrating lessons learned and adjusting them to the national context and NBE's established frameworks and processes.

### NBE's Vision of Resilience Across Scales



#### SOCIAL-ECOLOGICAL RESILIENCE

NBE's part in protecting the planet and humanity amid the crisis



#### ECONOMIC AND FINANCIAL RESILIENCE

Safeguarding and fast-tracking a just and sustainable future in face of disruptions and unlocking



#### NBE OPERATIONAL RESILIENCE

Proactively managing threats and potential failures; responding and adapting to, as well as recovering and learning from disruptive events to minimize their impact and enhance future pathways

### Operational Resilience Framework and Results



#### Identification And Preparedness

##### Governance integration

Optimal use of governance structure to ensure preparedness and sufficient capabilities to operate under disruptions, considering risk appetite and tolerance to disruptions. Defining responsibilities and aligning frameworks.

##### Operational risk management

Leveraging respective functions to identify, assess and manage internal and external threats, and potential failures on an ongoing basis, in coordination with other functions. Resilient ICT and cybersecurity Comprehensive policy, systematic security measures and streamlined processes with focus on critical information assets.

##### Third party dependency management

Ensuring third party risk assessments and due diligence considering all COVID-19 implications.

Expanding standardization IFRS9 adopted to improve financial disclosures



#### Rapid And Agile Response

##### Business continuity management

ISO 22301 Business Continuity Management Systems, safeguarding of critical operation and core business lines.

Streamlined incident management

- Fast formalized process
- 7-person COVID-19 response team

##### Regulation, alleviating burdens and tailored mitigation of risks

- Deferred loans for 486,953 customers for 91,345 mn EGP
- 15% Certificate of Deposit for 1.058 mn customers, totaling to EGP 279 bn
- Updated credit registry rules and credit risk guarantees
- No additional capital requirements calculations for 50 top borrowers
- Simplified KYC process

##### Protecting health and safety

- WHO guidelines and national protocols and holistic measures: rotating shifts, distancing, monitoring, masks, gloves, disinfection and communication
- Partnering with Ministry of Health and Banque Misr for health sector support
- EGP 170 mn for vaccine production in collaboration with other local banks
- 850 people in 2020 and 2,739 people in 2021 trained on OHS under COVID-19
- EGP 1,018 mn to community support projects under COVID-19
- Pandemic leave to 1,154 employees in 2020 and 4,255 employees in 2021

##### Sectoral and cross-sectoral initiatives

- EGP 800 mn for impacted sectors
- Solutions for non-performing companies

##### Working smarter and better, everywhere

- Board meetings going virtual
- 3,000 laptops for flexible work



#### Transformative And Green Recovery

##### Alignment with international roadmaps for sustainable recovery

- Considering guidelines and influential reports by the UN, OECD and others

##### Managing financial performance despite disruptions starting from July 2020 till December 2021

- EGP 99 bn (Net interest income)
- EGP 12.4 bn (net Fees and commissions)
- EGP 0.52 Basic earnings per share/Diluted

##### Green Recovery Financing (post COVID-19 pandemic)

- Financing private and public greening and recovery projects
- EBRD EGP 1,513 mn solidarity package for 208 companies, (2020-2022)
- EIB SMEs & MIDCAPS EGP 15,057 mn to 151 corporates and SMEs in Egypt, (2020-2028)

##### ICT expansion, digital innovation, and seamless customer experience

Infrastructure expansion: 5,392 ATMs as of December 2021  
Internet and mobile banking (IMB):

- Digitalization of registration, card activation and transfer limit change
- ACH fee exemption for IMB customers
- Optimized Call Center services

##### Digital payments

- PhoneCash Wallet online registration
- Scan & Pay: QR codes instead of visits
- Wallet limits increase to 50,000 EGP
- 70% deposit certificates sold online
- Fee waivers for certain transactions
- Card linkage via app for Meeza, Visa and MasterCard; unlimited cards

##### Ongoing capacity development to future-proof employees and teams

- EGP 3 mn for E-learning and training in 2021
- 14,423 hours of digital training in 2021
- 260 people in 2020 and 19,296 people in 2021 trained on remote working

NBE adopts a cross-scale approach to resilience, in the same way it considers any business activity as embedded into the economy, society, and broader natural world. Thus, resilience is seen as an outcome of internal and external processes, extending far beyond the organization. This is also important for sufficient consideration of ESG risks and opportunities.

### Identification and Preparedness

By adopting necessary precautionary and preparedness measures, and focusing on what matters most, the bank has been able to withstand disruptions to critical operations. The Bank's capacity to continue delivery of its products and services has been significantly defined by its existing digital systems' ability to introduce digital innovations rapidly. This meant enabling our team to work from home and enabling our clients to continue accessing NBE's banking services remotely while improving the convenience, speed, quality and breadth of our services.

NBE's financial performance throughout the COVID-19 pandemic has been resilient and growth was achieved despite the challenges posed by the pandemic. The Bank has placed particular focus on considering interconnections and interdependencies necessary to safeguard and sustain critical operations, including people, technologies, processes, information and facilities.

### Rapid and Agile Response

To help sustain economic activity and relieve strains in domestic financial markets, the CBE responded quickly to the COVID-19 crisis by cutting policy interest rates by 400 basis points in 2020, with the overnight deposit rate cut from 12.25% to 8.25%. Increased access to borrowing at favorable interest rates and a six-month debt moratorium on current loans were among the measures introduced to relieve pressure on borrowers and ensure liquidity for the industries hit the hardest.

The government decided to keep in place a package of financial support measures for businesses that were introduced in early 2020 in response to the COVID-19 pandemic. These include payments to cover the financing arrears of exporting companies, a scheme that is aimed at enabling such firms to continue meeting their current obligations. The government also extended its initiative to support the tourism sector for an additional year until the end of 2021. Banks were allowed to postpone dues and capitalize the interest rate on the principal without additional charges for a maximum period of three years.

NBE has aligned with measures at the national scale and built on its unique context and clients' needs to ensure a timely and relevant response in all cases.

### Transformative and Green Recovery

NBE managed to safeguard operations, products, and services and enhance agility. Beyond operational resilience, NBE has planned for continued transformative change to effectively operate in a rapidly evolving world through fast digitization, unique partnerships, robust security and investments into its ITC infrastructure, and the capacity to innovate further. Carefully distributing internal resources, collaborating across its network, and adapting emerging best practices allowed NBE to grow amid uncertainty and learn from change.

Our extensive work on ESG integration has been much more than risk aversion strategy - it is the ground for generating tangible social and environmental benefits, supporting sound and future-proof business models among our clients, and growing as an institutional agent of positive change in society.

Today, NBE leads the sustainable and green financing initiatives on a large scale in Egypt, through financing major renewable energy and energy efficiency projects across both public and private sectors. NBE partners with numerous IFIs to support diverse sectors in areas of circular economy and renewable energy, crops and food production, poultry, fish, and livestock, in addition to education and healthcare.

The bank also constantly invests in capacity building to improve organizational learning and adopt efficient change management processes to develop a future-proof and future-ready organization that is capable of continuous evolution in a complex, uncertain, and dynamic world.

## About the Bank

### Global Presence

Recognizing Egypt's critical geographic significance as a conduit to three continents, countless nations, cultures and their people, NBE is committed to leveraging its global presence and vast network to support international sustainability ambitions and the development of an inclusive and dynamic economy.

NBE national presence since 1898<sup>1</sup>, and international presence across 4 continents

### Number of branches

#### In Egypt

 588  
Branches

 32  
Digital Banks

 1<sup>st</sup>  
Bus Branche

#### Outside Egypt

(UK – UAE – Sudan – USA – China – South Africa – Ethiopia)

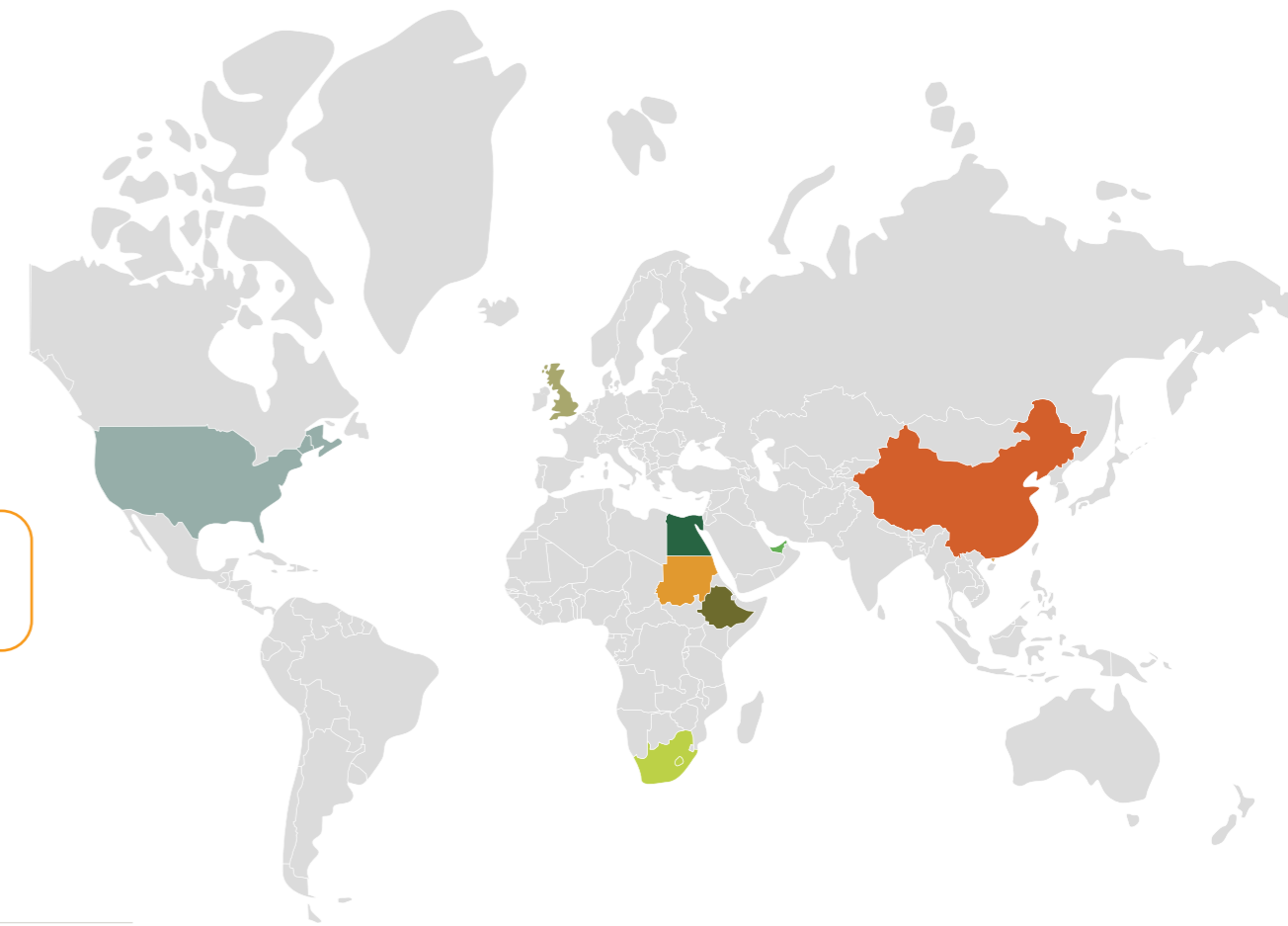
**NBE's global presence has been extended to 8 branches and subsidiaries and 300 corresponding banks**

### No. of Employees

#### In Egypt

 24,218  
Employees

<sup>1</sup> Egypt's largest bank is the state-owned National Bank of Egypt (NBE) and represents nearly one-third of total banking assets. It is Egypt's oldest commercial bank and was established in 1898. Prior to the creation of the Central Bank of Egypt in 1961, NBE acted as the country's central bank.



 Egypt Sudan Ethiopia UAE South Africa USA China

### Domestic and International Presence

(Employees | Branches)



#### Delta & Alexandria

3,995 Employees (27.6% women)

129 branches

#### Red Sea & Suez Canal

2,968 Employees (26% women)

54 branches

#### Cairo and HQ

15,501 Employees (31.9% women)

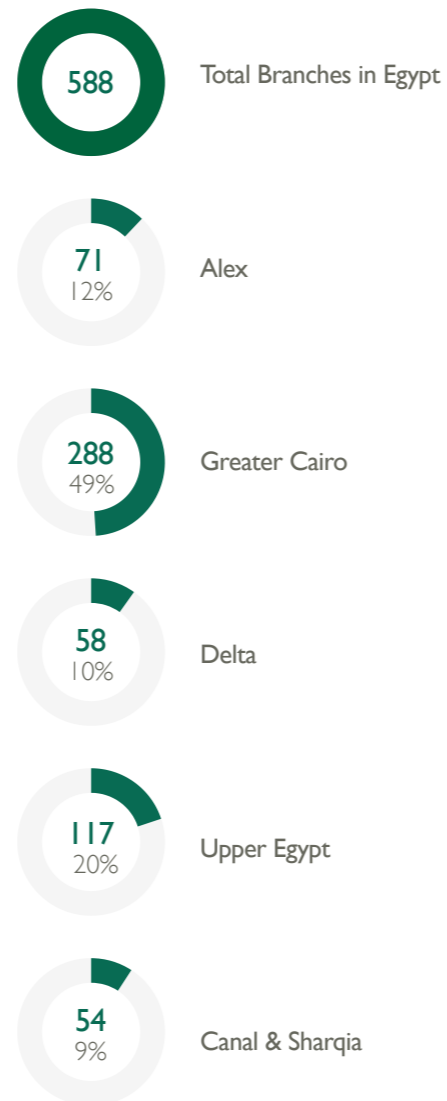
288 branches

#### Upper Egypt

1,754 Employees (27% women)

117 branches

### Geographical Distribution of NBE Branches in 2021



### Globally Present for our Local Clients

Providing an unbreakable connection to home resonates deeply with NBE's desire to strengthen its clients' sense of community. As the past couple of years have shown, with restricted mobility and connectivity, the power of community is inarguable. Its support, reassurance, and presence are always welcome, but its presence is priceless during a crisis. We pride ourselves on being a connection to home to our clients around the globe.

### Awards

44 Awards

We are humbled by the international recognition NBE has received based on its efforts to serve its stakeholders.



### Innovation Awards

Best Digital Services Banking Brand in Africa, 2020  
The Global Brands Magazine

Most User-Friendly Banking Website in Africa, 2020 and 2021  
The Global Brands Magazine

Most User-Friendly Website Design-Banking in Egypt, 2020  
The Global Business Outlook

Most User-Friendly Mobile Banking Solutions in Egypt, 2021  
The Global Business Outlook

Excellence in Digital Innovation in Egypt, 2021  
The Digital Banker

Best Digital Bank in the Arab Region, 2021  
Union of Arab Banks

Best Digital Bank in Egypt, 2021  
Union of Arab Banks

Best Digital Banking Services in Egypt, 2021  
The Global Economics Awards

Best Arab Bank in Digital Leadership and Innovation 2021 for launching the mobile banking unit project in 2020  
The World Union of Arab Bankers

\*All reported figures are as of December 2021


### Business Excellence Awards

 Best Banking Transactions  
Provider in Egypt, 2020  
The European

 Best Corporate Loans Provider  
in Egypt, 2020  
The European

 Retail Banking of the Year in  
Egypt, 2020  
The European

 Best Loan House in  
Egypt, 2021  
EMEA Finance

 Best Retail Bank in  
Egypt, 2021  
International Finance

 The Safest Bank in Egypt,  
2020 and 2021  
Global Finance

 Digital Banking Provider  
in Egypt, 2020  
The European


 Best Banking Brand in  
Egypt, 2020  
The Global Brands Magazine


 Retail Banking of the Year in  
Egypt, 2020  
The European

 World's Best Trade Finance  
Providers in Egypt, 2020  
Global Finance

 9th Safest Bank in  
Africa, 2021  
Global Finance


 Best Crisis Management Bank in  
Egypt, 2020 and 2021  
The Global Brands Magazine


 Best Retail Bank in  
Egypt, 2021  
The Global Business Outlook


 Best Retail Bank in Egypt,  
2020 and 2021  
The Asian Banker


### CSR Awards


 Best Banking CSR Provider award  
in Egypt, 2020  
The European

 Best CSR Bank in Egypt, 2020  
and 2021  
The Global Brands Magazine

 Best CSR Bank in Egypt, 2020  
and 2021  
The Global Business Outlook


 Strongest Bank in  
Egypt and Africa, 2021”  
The Asian Banker


 Bank of the Year in Egypt, 2020  
The Banker

 Best Retail Bank in  
Egypt, 2021  
The Digital Banker


 Best CSR in Egypt, 2021  
Global Banking & Finance magazine


 Best CSR Bank award in  
Egypt, 2021  
International Business Magazine


 Most Innovative CSR Bank in  
Egypt, 2020 and 2021  
International Finance

 Best Retail Bank in  
Egypt, 2021  
World Business Outlook Awards

 Best Retail Bank in  
Egypt, 2021  
International Business Magazine








 Best Retail Bank in  
Egypt, 2021  
The Global Economics Awards

 Best Retail Bank in Egypt, 2021  
Retail Banker International/ MEED  
Trailblazer Awards 2021

 Best Local Bank in Egypt, 2021  
EMEA Finance

 Best Debt House in Egypt, 2021  
EMEA Finance

## Our Subsidiaries

	NBE Subsidiary	Main Activities
	<b>National Bank of Egypt – NBE UK</b>	Banking Business
	<b>National Bank of Egypt - Dubai International Financial Centre DIFC (limited)</b>	Banking/ Financial Services
	<b>Al Ahly Exchange</b>	Foreign Exchange
	<b>Al Ahly Mortgage</b>	Mortgage
	<b>National Bank of Egypt - El Khartoum</b>	Banking Business
	<b>Al Ahly Capital Holding Co. (ACH)</b>	Investment
	<b>Al Ahly Leasing</b>	Leasing

## An Opportunity Hub

NBE is strategically involved and successfully partners with international institutions to support the SDGs, the Paris Agreement, and other international frameworks and conventions. The Bank also prides itself on collaborations that make global funds accessible to Egypt's vulnerable populations. NBE is considered Egypt's largest and most trusted platform for attracting international funds and grants amongst its peer banks and financial intermediaries.

## Regional Impact

Egypt is a triple identity entity. It is African, Arab and Mediterranean, with all of the rich, diverse, and challenging historical and cultural significance this entails. Such positioning gives Egypt and NBE an unparalleled insight and understanding of the significance of geography, culture, and tradition upon the development and challenges of its neighbors in the region. The connections we have built across the region continue to serve as source ideas and possibilities for positive change locally and internationally.

## Branches in the Region

- National Bank of Egypt - Khartoum (the Republic of Sudan)
- National Bank of Egypt - Addis Ababa (Republic of Ethiopia)
- National Bank of Egypt - Johannesburg (South Africa)
- National Bank of Egypt - Dubai (United Arab Emirates)
- NBE's subsidiary NBE-DIFC LTD- Dubai (United Arab Emirates)

## Enabling Mutual Growth

The heritage that Egypt shares with our neighbors in the MENA and Mediterranean regions is something we at NBE do not take for granted. The collection of mutual experiences and traditions and the inherent devotion to our communities propels us to do everything possible to protect future generations by integrating sustainability in every aspect of our operations and every collaboration.

NBE continues to be the partner of the SANAD Fund for Micro, Small, and Medium Enterprises (MSMEs) due to our expansive branch network across the country. This partnership enables NBE to provide USD 15 mn to support financial inclusion for underserved MSMEs and small farmers in Egypt.

The SANAD Fund for MSME's extends across the MENA region, and NBE is proud to be Egypt's leading accessible finance lender in MSME and agriculture financing. We also take pride in being SANAD Fund's partner in promoting economic development and job creation in the MENA region. Through this and other projects, NBE continues to pioneer in financing energy efficiency, renewable energy, and human development projects in the region.

## The Bank for Egypt

Beyond its global and regional reach, NBE is, first and foremost, the Bank of Egypt. It is entangled in Egypt's rich history and dedicated to its ongoing prosperity. With Egypt's rated fourth in resilience to the pandemic by The Economist, NBE is proud to be an integral actor in the nation's efforts to handle and harness the crisis for good.

NBE recognizes the position of privilege and prosperity it occupies despite the challenges of the past two years and will dedicate itself to using that prosperity to enhance Egypt's success as a nation, as well as pivoting the trajectory of our society's most vulnerable and most affected by the pandemic from survival to abundant and inclusive prosperity.

Serving an inclusive nation and contributing to Egypt's economic prosperity, NBE has 49% of its branches located in Greater Cairo, with 30% of SME Branches in Upper Egypt, serving 51% of the Bank's SME customers.

## Global Transformation Requires Local Commitment

NBE aims to lead by example in establishing partnerships and seizing opportunities to help Egypt fulfill its goals for Egypt Vision 2030 and Egypt's National Climate Change - 2050 goals. Simultaneously, NBE is optimizing investing in and developing green financing, digital transformation, and sustainable cities and communities.

NBE is the leading banking entity in the Egyptian Pollution Abatement Program, combatting industrial pollution. We are in charge of coordinating the distribution of USD 173 mn in funds in partnership with the Egyptian Environmental Affairs Agency (EEAA). Sub-projects of these programs aid in converting funded companies to building compliance while reducing their pollution by more than 50%.

We hope that promoting environmentally and socially responsible practices among our clients paired with dedicated ESG integration into the core of our operations will make a significant contribution to a green and just economy in Egypt.

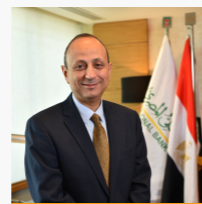
## Our Governance



Over the past years, NBE has assessed the efficiency, robustness and response of all its systems and processes. Compliance with demanding external frameworks and standards paired with rigorous internal audit culture makes NBE uniquely resilient to all types of risks and always prepared for what the future may bring.

### Read more

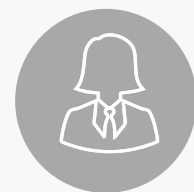
Governance Manual  
Code of Ethics  
Whistleblowing and Whistleblower Protection Policy



**Mr. Ihab El Masry**  
Head of Governance & Compliance

## HIGHLIGHTS

### Board of Directors



**22%**  
of the Board of Directors are represented by women



**67%**  
Represented by independent/ non-executive members

### Compliance and Data Security



**965**  
employees received specific training on compliance policies and procedures



**5,134**  
employees completed code of ethics, whistleblowing and governance principles trainings



**8,762**  
employees completed the AML e-learning program

## Governance Framework

Good governance and leadership are fundamental drivers for improvement in culture, business practices, and decision making, as well ensuring an effective response to crises. Putting our customers at the center of everything we do remains at the heart of

what we do, along with fostering a culture of speaking up and taking responsibility among all our employees. We believe that sound governance is every NBE employees' responsibility, and not just the Board's.

### Governance Guiding Principles



## Governance Guiding Principles

### How We Work

NBE Code of Ethics is the uppermost ethical set of standards applied to all employees and senior management across all branches and areas of operation. The Code of Ethics was updated in February 2020 to clearly define and cover comprehensive guidelines on all interconnected topics to account for the highest level of ethical standards in every action and decision taken by us.

### Our actions are guided by our values

 <p><b>Responsibility and Commitment</b> acknowledge that we are responsible for our words and actions and committed to comply with all NBE regulations</p>	 <p><b>Teamwork</b> collaborate and cooperate to achieve our goals</p>
 <p><b>Professionalism</b> always act professionally and adeptly to serve our customers and the society</p>	 <p><b>Integrity</b> always work according to our values even if they are against our own self-interest</p>

### Our Code of Ethics Framework

All employees are required to take the oath of ethics and receive ethical management training to ensure their adherence to NBE's Code of Ethics. It is also mandatory to ensure compliance with the Code of Ethics for Employees in day-to-day tasks and immediately report any non-compliance activities. Inquiries in relation to its interpretation and

application must be forwarded to and discussed with the ethics officer at the Regulatory Compliance and Corporate Governance Group through the extension number 73740 or the email address [ethical\\_officer@nbe.com.eg](mailto:ethical_officer@nbe.com.eg).

## NBE's Code of Ethics Guidance

<p><b>Creating an appropriate work environment by</b></p> <ul style="list-style-type: none"> <li>Maintaining honesty and integrity</li> <li>Maintaining professional and respectful behavior</li> <li>Performing professional duties in accordance with the Code of Ethics</li> <li>Refraining from racial discrimination or harassment</li> <li>Receiving approval prior to engaging in public statements and/or announcements</li> <li>NBE public statements and announcements</li> <li>Abiding by the Bank's social media guidelines</li> <li>Professional electronic and voice communications</li> <li>Abiding by the Gift Acceptance Policy</li> <li>Complying with work-related complaints procedures Employees complaints</li> <li>Refraining from consumption of any alcohol and drugs inside our premises or during working hours</li> <li>Complying with information security policies, accounting systems, security and safety of banking transactions and financial reporting</li> </ul>	<p><b>Compliance with laws, regulatory requirements, and international best practices</b></p> <ul style="list-style-type: none"> <li>Complying with legal and regulatory requirements</li> <li>Complying with the procedures on dealing with financial crimes, AML, and CFT</li> <li>Anti-financial crimes, AML, and CFT</li> <li>Anti-fraud</li> <li>Anti-bribery and corruption</li> <li>Preventing internal and/or external fraud</li> <li>Combating bribery and corruption</li> <li>consumer protection</li> </ul>	<p><b>Conflict of Interest</b></p> <ul style="list-style-type: none"> <li>Loans extended to employees by NBE-related parties</li> <li>Prohibiting deals and transactions that realize personal benefits for employees</li> <li>Transactions benefiting any NBE employee or any relative and friend of an employee</li> <li>Employees' investments outside the Bank</li> <li>Employees' transactions on their accounts</li> <li>Powers of attorney</li> <li>Working for external entities</li> <li>Impartial treatment of all parties</li> <li>Exploiting NBE's brand name or logo for personal aspects</li> <li>Participation in political activities and religious and social organizations</li> </ul>
<p><b>Accounting systems, security and safety of banking transactions and financial reporting</b></p>	<p><b>Protecting NBE's and customers' data</b></p> <ul style="list-style-type: none"> <li>Public information</li> <li>Internal-use only information</li> <li>Confidential information</li> <li>Strictly confidential information</li> <li>Information and data protection guidelines</li> <li>Requests for data and information</li> <li>Post-employment obligations (resigned and retired employees)</li> </ul>	<p><b>Protecting NBE's assets, equipment and customers' data</b></p> <ul style="list-style-type: none"> <li>Accountability for NBE's assets as property</li> <li>Responsibly use NBE's communication systems, equipment, and networks</li> <li>Responsibly maintaining NBE's intellectual property</li> </ul>

### Nurturing a Speak-Up Culture

We understand that speaking up can be difficult, so we provide our employees with a Whistleblower Program, a safe and confidential channel for raising concerns about wrongdoing, to ensure the effective operation of the internal control system, prevent the possible occurrence of financial accidents, and minimize the impact of accidents that have already occurred. NBE employees, as well as customers and service providers contracting with the Bank can raise their concerns via a wide range of whistleblowing channels, which include the hotline, email, or hand delivery of information directly to

the ethics officer at the bank. The Whistleblower Program takes all concerns seriously and where an investigation is required, internal control functions take care of the case according to the nature of the report with the right capability and independence to investigate the concerns.

**Read more in our** Whistleblowing and Whistleblower Protection Policy

During 2020, a total of 20 cases were closed with appropriate action.



## Board of Directors

Our Board of Directors is appointed by the Prime Minister's decision and the selection process ensures that the members possess the knowledge, skills, and experience to carry on their responsibilities effectively.

According to the CBE and Banking Sector Law No. 194 of 2020, the number of non-executive directors should remain a majority of the entire Board of Directors; this

requirement aims to maintain objectivity and ensure that the Board of Directors stays true to its purpose. As of December 2021, NBE's Board of Directors consists of nine members, including six non-executive directors (including one female) and three executive directors (including one female), one of whom is the Chairman and CEO of NBE.



**Mr. Hisham Okasha**

Chairman and CEO Executive

Tenure: 2008-Present

Area of Expertise: Finance, Business Administration, Economics, Banking



**Mr. Yehia Abou ElFotouh**

Deputy Chairman, Executive

Tenure: 2014

Area of Expertise: Finance, Accounting, Banking, Credit, Investment management



**Ms. Dalia ElBaz**

Deputy Chairman, Executive

Tenure: 2017

Area of Expertise: Business Administration, Economics, Banking, Management, Operational risk



**Dr. Ali ElSaiedi**

Board Member, Non-Executive

Tenure: 2017

Area of Expertise: Industry, Technological development, Electricity, Energy, Banking & Mechanical & Nuclear Engineering



**Ms. Sahar ElSallab**

Board Member, Non-Executive

Tenure: 2017

Area of Expertise: Business Administration, Banking, Investment



**Mr. Atef Helmy**

Board Member, Non-Executive

Tenure: 2020

Area of Expertise: Communications, Information Technology, Electric Engineering, Computer science

**Mr. Ahmed Seddik**

Board Member, Non-Executive

Tenure: 2017

**Area of Expertise:** Management,  
Finance, Investment, Economics**Mr. Mohamed Hany**

Board Member, Non-Executive

Tenure: 2020

**Area of Expertise:** Legal, Finance law,  
Banking Laws, Banking, Judicial**Mr. Sherif Wahba**

Board Member, Non-Executive

Tenure: 2020

**Area of Expertise:** Marketing,  
Sales, Strategic planning, Business  
Administration, Economic Development**Board Members Independence Defined**

We consider a non-executive director independent if he/she:

1. Is not a former employee of, nor has a familial relationship with any of the employees of the Bank or any of its affiliated parties during the three years preceding nomination.
2. Does not have any personal interests or any relevant relations with NBE.
3. Does not have family relations with directors, senior management members, or any of their relatives up to the fourth degree.
4. Receives compensation only in the form of allowances for his/her representation in the Board and Board committees.
5. Is not a major shareholder in NBE and does not represent it.
6. Is not a partner or employee of NBE's external auditor during the three years prior to the date of his/her nomination as director.
7. Has not been a director for more than six successive years.

**Board Committees**

- The Board of Directors operates a total of four subcommittees. These subcommittees are responsible for functions delegated to them by The Board of Directors as per the Bank's policy as well as NBE's Articles of Incorporation. The four subcommittees are:
  - Audit Committee
  - Risk Committee
  - Remuneration and Compensation Committee
  - Corporate Governance Committee
- Each subcommittee is comprised of directors experienced in each subcommittee's purpose and functions therein.

Board Committee	Main Responsibilities	Number of meetings held	
		2020	2021
Audit Committee	Reviews the bank's financial statements and ensures the effectiveness of the internal control system, as well as monitor the performance of the internal and external auditors, compliance and AML/CFT functions in the bank.	Quarterly	Quarterly
Risk Committee	Sets, implements, and monitors the Bank's risk management strategy and defines risk policies. It reviews the procedures and overall risk framework, and defines relevant roles and responsibilities across the Bank.	Quarterly	Quarterly
Remuneration and Compensation Committee	Reviews the general framework of benefits, rewards and bonuses.	Annually	Annually
Corporate Governance and Nomination Committee	Supervises the corporate governance practices in the bank, ensures that the bank implements good corporate governance procedures, and proposes the appropriate changes to the corporate governance policies approved by the Board of Directors.	Quarterly	Quarterly

[Read more in NBE Governance Manual – 3.9-Board Committees](#)

## Policies and Procedures

Our governing policies and procedures across NBE's sectors and departments set the path for proper and efficient operations.

Department / Sector	Policy
Compliance	Compliance policy*
	KYC/AML Policy*
	Customer Protection Policy
	FATCA Policy
	Anti-Bribery and Corruption Policy*
Corporate Governance	Corporate Governance Policy*
	Whistleblowing and Whistle-Blower Protection Policy*
	Code of Ethics*
	Gift Acceptance Policy*
Internal Audit and Inspection Group	Audit and Inspection Group Policy
	Audit Charter
Information Security	ISO/IEC 27001 Certification
	Master Cyber Security Policy*
	Information Classification and Handling Policy
	Human Resources Security Policy
	Physical and Environmental Security Policy

Department / Sector	Policy
Information Security	Data Retention, Retrieval and Secure Disposal Policy
	Technology Usage Policy
	Data Encryption and Key Management Policy
	Audit Log and Monitoring Policy
	Patch Management and Malicious Code Prevention Policy
	Software Development Policy
	Vulnerability Management Policy
	Electronic Mail Policy
	Internet Usage Policy
	Anti-Virus Policy
	Security Incident Management Plan
	Mobile Devices Security Policy
	Third Party Security Policy
	Remote Access Security Policy**
	Social Media Security Policy**

Department / Sector	Policy
Project Management Office	Project Management Professional Certification "PMP"
	Prince 2 Certification
	PDA Approval - EPMO Policy
Procurement	<ul style="list-style-type: none"> <li>Law No. 182 Regulating Contracts Concluded by Public Entities</li> <li>List of tenders and bids of the bank*</li> <li>Working procedures*</li> <li>Activities List*</li> </ul>
	The Policy of Standard Operating Procedures (SOPs)*
Business Process Optimization	Developing detailed Workflow/ Study for modified and Newly designed Systems & Applications .
	Performing The needed testing cycles using predetermined test Scenarios for modified and Newly designed Systems & Applications.
	Developing the needed official standard Procedures to different parties.( local branches and head office)
	Preparation and approving the procedures for the international branches
	Provide solution to all Branches & Head Office Sectors business related Inquires and Issues.
	preparing full study for creating New reports & modifying the existing ones , Providing the official Approval and then Developing the Standard Procedures accordingly to reduce paper .
	manage to start projects to develop access matrix for the most critical systems in the bank which are (FLEXCUBE , ERP & ...etc.)
	manage to issue access matrixes for every system go-live during the mentioned period member of Document archiving and banking support

Department / Sector	Policy
Business Process Optimization	development of a counterfeit detection system by setting parameters for protection ( document , system , currency , cheque , tools & ...etc. ) and make training and awareness of staff on this
Strategic Financial Inclusion	Financial Inclusion Policy**
Human Resources	End of Service
	Knowledge and Development
	Transfer Programs
	Travel For Internal and External Assignments
	Credit Facilities
	Selection And Recruitment*
	Administration Management
	Holidays
	Escalation and Complaints*
	Mobile phones and lines*
	Attendance and Departure
Medical Services**	
Life Insurance for Workers**	
Career Path*	

Department / Sector	Policy
Human Resources	Working Atmosphere**
	Allowances**
	Career Succession
	Outsourcing Companies
	Social Security
	Performance Management*
	Vacations*
Risk Management	Credit Risk Policy
	SMEs Risk Management Framework
	SMEs Process
	SMEs Impairment Policy
	Risk Management Framework*
	Risk Appetite Framework*
	Credit Cards Policy*
	Personal Loan Policy*
	Advanced Salary Policy*
Auto Loan Policy*	
Collection Policy*	

Department / Sector	Policy
Risk Management	Issuer Fraud Policy*
	Merchant Fraud Policy*
	Listing Policy*
	Authority and Exception Matrix*
	Market Risk Policy**
	Operational Risk Management Policies and Framework*
	IRM Policies**
	BCM Policy**
OR Appetite Policy**	
BCM ISO 22301 Certificate**	
Credit Investigation and Follow up	<ul style="list-style-type: none"> <li>Receiving credit approvals, including mandatory data</li> <li>Ensuring that credit approvals have been granted in accordance with the authorities</li> <li>Verify that all CIF information is complete</li> <li>Reviewing the disclosure statement from the marketing</li> </ul>
	<ul style="list-style-type: none"> <li>Receiving a memorandum from the Contracts and Guarantees Department stating that all conditions and guarantees have been met</li> <li>Following up on the fulfilment of all special conditions and guarantees</li> <li>Verifying implementation on the system</li> <li>Following-up on the operations that are passed on the accounts</li> <li>Reviewing the reports extracted from the system</li> </ul>
Credit Investigation and Follow up	

Department / Sector	Policy
Digital Banking and Innovation	Digital Banking Strategy**
	Digital Banking Sector Work Procedures**
Retail Banking	Digital Transformation Strategy**
	Branches Group General Policy
	ISO 27001**
Operational Risk	Operational Risk Management Policies and Framework*
	IRM Policies**
	BCM Policy**
	OR Appetite Policy**
	BCM ISO 22301 Certificate**
Investment	Investment Policy
	Representation Policy
Research	Research Sector Policy*
Treasury and Capital Markets	Treasury Policy
	Investment Policy for Equity Portfolios (Trading, Strategy and Strategy I)
	Investment Policy for Mutual Funds
	Department Work Procedures

Department / Sector	Policy
Security	The Security Sector Policies and Procedures*
	Certificate of Compatibility and Compliance with the Requirements of Securing Electronic Cards Payment and Credit Card Data
Legal	General Policy of the Legal Group*
SMEs Banking	Bank Credit Policy*
	Credit Committees Approval
	Credit Authorization Policy

\*Updated during the reporting period

\*\*Issued during the reporting period

## Compliance Function

The compliance function is intended to establish and deepen effective, advanced, and firm control policies, systems, and tools to ensure NBE's compliance with the existing compliance rules according to the applicable legislation and regulatory instructions at the local and international levels. This enables the Bank to face and control any potential risks of using NBE for illegal or suspicious purposes, particularly financial crimes including money laundering activities. NBE is therefore well aware of non-compliance risks. Such risks may include financial loss, legal, regulatory sanctions, and/or impaired reputation of the Bank because of failure to comply with the applicable laws or the rules and regulations issued by regulatory bodies inside Egypt and abroad. Accordingly, the responsibility for maintaining the Bank's good reputation does not fall upon the Compliance Group solely; rather it is the responsibility of all NBE's employees.

[Read more about NBE's Compliance Group roles and responsibilities in the Governance Manual](#)

## Consumer Protection Unit

In light of the CBE's consumer protection instructions, the Consumer Protection Unit developed clear principles and rules to regulate the bank-customer relationship across all stages of the business cycle by developing clear rules and regulations to define the relationship between the bank and its customers in the different transactional stages. This approach mainly aims to achieve fairness and transparency in line with CBE's controls, in this regard, for data protection and customers' rights, and to consolidate the bank-customer trust according to clear-cut rules and principles. Accordingly, the unit regularly reviews and approves the contracts and forms to include clear and fair terms and conditions that govern the rights and commitments of both the Bank and customers and all terms and conditions of products or services, using simplified language to achieve fairness and transparency.

The unit follows up on the status of complaints submitted by NBE's existing customers or non-NBE customers through the channels developed by the Bank, to ensure that complaints' responses are delivered within the appropriate standard times and makes recommendations on corrective actions in this regard.

In addition, the unit investigates all complaints received from the CBE's Consumer Protection Unit to ensure the proper handling of complaints within the standard time.

The Consumer Protection Unit submits quarterly status reports to the Audit Committee, Board of Directors, and the CBE for the sake of improving the existing mechanisms and

providing the appropriate corrective actions through analyzing the type and nature of customer complaints.

Read more about NBE's Compliance Group roles and responsibilities in the Governance Manual

## Anti-Financial Crime

NBE is exposed to a variety of financial crime risks in the course of conducting its business. The bank's taxonomy of Non-Financial Risk Management divides these risks under four categories (1) money laundering, terrorist financing, and the facilitation of tax evasion; (2) sanctions and embargoes (3) fraud and (4) bribery and corruption.

Although it is impossible to eliminate the risk of financial crime, a comprehensive control framework to detect financial crime is in place. This framework is subject to ongoing review to ensure it reflects the evolution and complexity of financial crime risks, such as those posed by new payment methods. We continually improve our infrastructure and control environment to revise regulatory requirements and close gaps identified by us and/or by regulators and monitors.

## Building Capacities of NBE's Employees on Compliance Best Practices

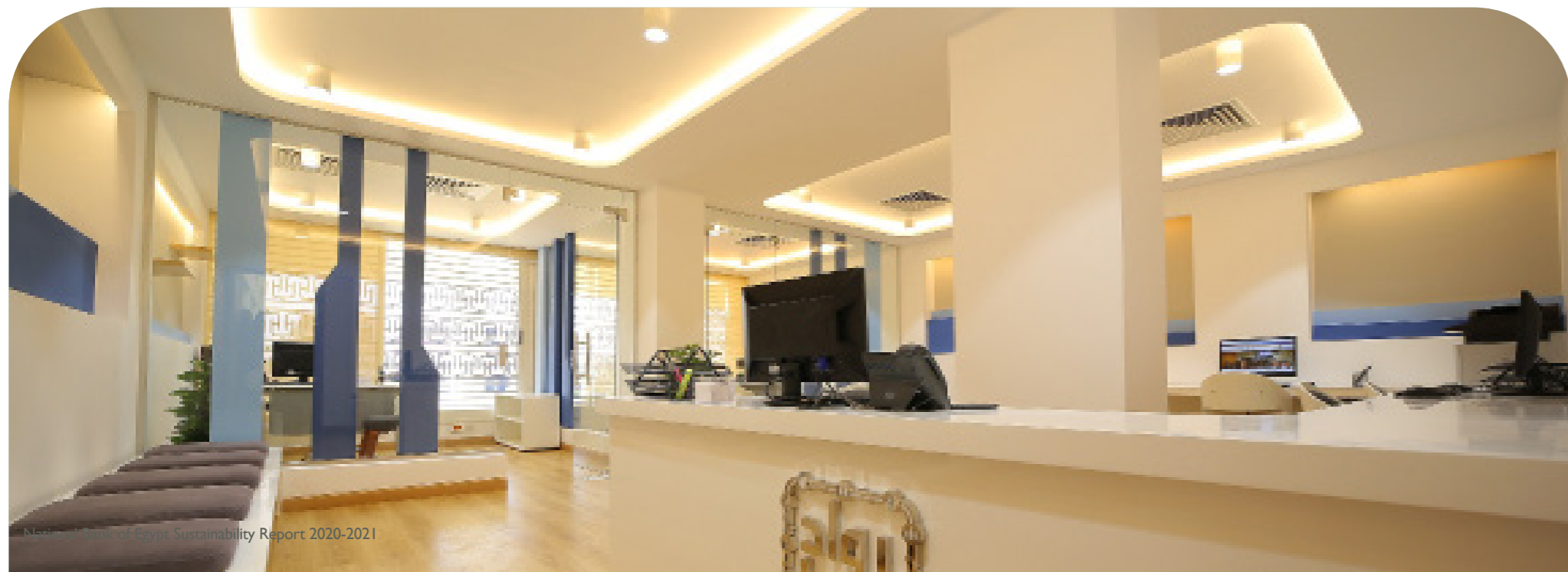
NBE organizes regular compliance training programs for all employees in order to remind them of the policies and procedures of Know Your Customer (KYC) and combating financial crime, which includes Anti Money Laundering (AML) and Counter Terrorist Financing (CTF), to ensure they are informed of new developments related to money laundering and terrorist financing operations and the arrangements set to prevent them.

New employees also receive the necessary training related to KYC, AML, and CTF. Several channels to raise awareness among the employees with regards to compliance and anti-financial crime procedures include:

- Sharing electronic content and materials with all employees over the Bank's intranet
- Annual meetings with compliance officers across NBE Branches
- Other e-learning material

Internal/ External	Course Name	Trainees	Total hours
External within Egypt	Annual Trade Finance Compliance -LIBF	7	42
	Banking Governance Principles	57	529
	Best Practices on Corporate Governance Reports	7	49
	Compliance and combating financial crime challenges	14	336
	Compliance Requirements for 2021 in respect of Payment Transparency standards	17	159
	Corporate Directors Certification Program CDCP	31	1488
	Improving Board Member Effectiveness	4	32
	Internal Auditing Tools in Banks Governance	27	378
	International Corporate Governance Certificate	2	24
	Key Elements of an Effective Anti-Bribery and Corruption	1	6
	The Role of Non Executive Board Member	1	32
Internal by Nbe	Managing international and local challenges in the filed of AML and financing	6	54
	Applying AMLA and AMLD 2020 standards in the Arab Banking sector	5	70
	Compliance and business process optimization awareness session	5175	10384
	Anti Money Laundry	10536	10966
	Code Of Ethics	12531	13221
	Consumer Rights Protection	10224	10224
	<b>FATCA</b>	1418	1640

Internal/ External	Course Name	Trainees	Total hours
	Introduction For Compliance	1684	1877
	Know Your Customer	12988	13686
	Reporting Illegal Practices	1501	1642
	Sanctions List	902	937
	The role of compliance officers in branches	274	834
Overseas	Sanctions Risks and Dealing with Critical AML Issues	3	48



## Internal Audit and Inspection



The adoption of risk based audit approach is an inspired journey of modernization process started with automating the whole audit process, qualifying the audit staff with recent professional career certificates and training, and updating audit framework (Audit Charter, Policy and Manuals) to deliver competent internal audit and advisory services that helps NBE to achieve its ambition business objectives within balanced control environment and adequate corporate governance.



**Mr. Amr El Ghanam**  
Head of Internal Audit  
and Inspection

## Internal Audit and Inspection Function

The importance of internal audit function stems from ensuring the effectiveness and adequacy of NBE's internal controls and governance to provide a comprehensive insight to the Audit Committee, the senior management, and the Board on internal control and governance. In addition, the internal audit evaluates the efficiency and adequacy of the procedures adopted by the Bank's different departments and business lines. The internal audit function is completely independent of other activities being reviewed, which is reflected in the Bank's organizational structure and the powers vested to it. This enables its staff to fulfill the assigned tasks with full objectivity and impartiality.

The internal audit department reports directly to the Audit Committee, which submits its reports to the Board to ensure independence. The Bank shall develop an Audit Charter, which will be reviewed and updated periodically. The Charter generally includes the objectives of the audit function and the tasks assigned to the Audit Department, clearly identifying the powers and responsibilities of its staff. Pursuant to the provisions of Article (120) of the Central Bank and Banking Sector Law No. 194 of 2020 and the CBE's internal control instructions dated September 2, 2014, banks are committed to obtain the CBE's approval of the appointment of the Head/Director of Internal Audit in accordance with the relevant rules.

[Read more about NBE's Internal Audit and Inspection Group roles and responsibilities in the Governance Manual](#)

### Enhancing the Internal Audit Process (Initiatives)

- **Remote Audit** – Adopting an emerging audit technique to achieve the audit plan during the pandemic. 100% of the plan has been achieved by adopting a new hybrid model for audits which helps optimize resources and sustainability, as well as save on costs and time, by splitting the audit process into a remote part and an on-site part, a combination of both methods can reap the benefits of each technique
- **Automating the Audit Process** – Automating the audit cycle by using the TeamMate App to have a paperless environment and reduce the cost of archiving, as well as paper consumption, while maintaining an effective audit process. This initiative resulted in an 80% reduction in paper consumption and 90% reduction in archiving space.
- **Integrated Audit Service** – the newly approved 3 years audit plan (2022 - 2024) introduce integrated audit mission in term of audit scope (Operational and Information Technology control objectives) to deliver audit reports with comprehensive scope regarding the internal control environments.
- **Participating in qualifying the bank to the International standards** the yearly audit plan become including several audit engagements related to ISO standards to support the bank strategy to adopt the most updated international standards (i.e. ISO27001: ISMS, ISO22301: BCMS, SWIFT CSP standards).
- **Continues enhancing the NBE internal control design (Policies and Procedures):** through the outputs of the audit engagements and inspections case large number changes applied over the bank internal policies and procedures reflecting in continues enhancement for the bank control environment.

## Managing Risks and Opportunities

**Vision:** To lead the financial sector for a sustainable resilient economic growth and social stability.

**Mission:** Support sustainable growth through prompt delivery of innovative tailored products to exemplify our social and economic commitment through provision of guidance & support for clients' transformation towards resilient business; hence enhancing brand equity, customer loyalty and portfolio quality.

### Risk Appetite:

NBE believes that a strong risk culture is an eminent driver for resilient growth and shapes performance risk management. The embraced risk culture formulates the various approaches encountered to undertake as well as manage risk.

Risk management aims to support the bank's sustainable growth strategies by way of protecting NBE's financial strength and ensure optimization of capital allocation to support business activities and strengthen shareholders' value; hence ensure implementation of an Enterprise Risk Management framework in alignment with regulatory requirements and international best practices.

It is due to the risk culture that the responsibility for risk management resides to all members whilst the ultimate responsibility resides to the board.

NBEs Board of Directors annually determine / review the level of acceptable risk tolerance to achieve business objectives through the Risk Appetite statement. Risk appetite accounts for both financial and nonfinancial risks that are integral to strategic planning and adopted by the lines of business. NBE's risk appetite is guided by the following core principles:

- Ensure strong capital adequacy
- Sound Management of liquidity & funding risk
- Ensure Earnings stability
- Address Social & Environmental encounters



The following diagram illustrates the core components of our risk management framework:



In line of the above, roles and responsibilities are well defined and segregated to regulate the enforcement of the core three (3) lines of defense.

KEY RISKS	First Line of Defense	Second Line of Defense	Third Line of Defense
	Risk Management	Risk Oversight/Governance	Independent Oversight
Credit Risk	Credit Business Department	Credit Committee Credit Risk Department	Internal Audit
Market Risk (Currency risk)	Treasury/Back Office	ALCO Committee Market Risk Dept.	Internal Audit
Interest rate risk	Treasury/Back Office	ALCO Committee Market Risk Dept .	Internal Audit
Liquidity risk	Treasury/Back Office	ALCO Committee Market Risk Dept.	Internal Audit
Operational Risk	Financial Control / Customer Services	ALCO Committee Operational Risk Dept.	Internal Audit

The framework is being managed by a fully integrated Enterprise Risk Management platform for enhanced decision making and having action plans in place during distress times; hence adequately quantify the level of risk and respective impact on profitability and capital.

The system incorporates Credit Risk Rating Systems; Scorecards, Loan Pricing, Balance Sheet Management, Liquidity Risk Management, Hedge Accounting, Operational Risk Management, Basel Compliance, Risk Aggregation, and Capital Planning all of which are utilized for regular stress testing scenarios



Accordingly, NBE implements a holistic and integrated risk management framework following the best global practices, Basel Accords and CBE's directives. Risk management is continuously enhanced to foster the synergy of efficient procedures and robust risk culture.



## NBE's risk management group strategy (2021-2023) comprises the following pillars:



### Capital management optimization & planning

- Enhancing Assets Quality
- Portfolio Diversification,
- Further adoption for Risk transfer
- Risk Tolerance buffer



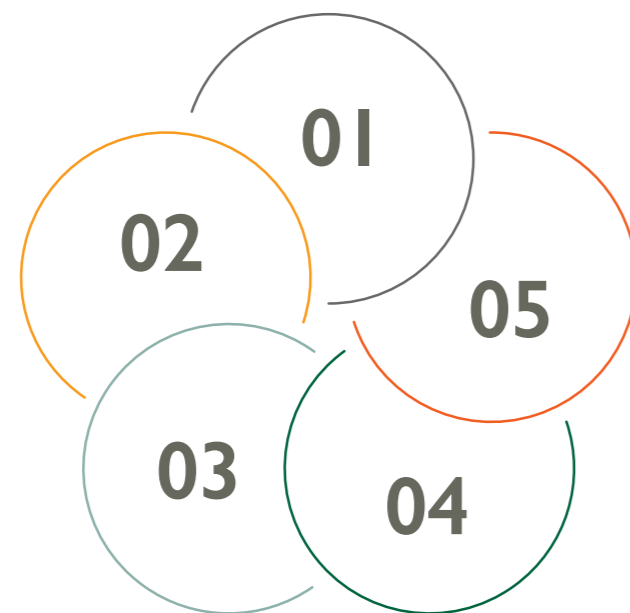
### Supporting sustainable business growth and value creation

- New Innovative Products
- Balanced Strategy between growth, quality & capital adequacy
- Improving BCM
- Individual Credit & Sector Strategy



### Support systems, automation and digitalization

- Develop internal modelling
- Automated credit workflow
- Risk DWH
- Automated ECL calculation
- Automated ALM, Basel Reporting, IRRBB, LCR, NSFR



### Human capital development

- Launch NBE credit school,
- Complete learning curriculum (Moody's)
- Succession Planning
- Knowledge



### Develop sustainability

- Introduce Environmental, Social, Governance (ESG) in the credit system.
- Policy Formulation
- Spread Awareness

## ESG & Climate Risk Adoption

Understanding the environmental impact is part / integral within regular credit assessment based on which compliance to environmental regulatory requirements has always been sought. Having said that credit undertaking strategies prioritizes initiatives related to environmentally friendly transformation and alternative energy resources.

Following to CBEs recent directives pertaining to the principles of sustainable finance and the importance of managing climate related risks; and ESG being a core pillar with the banks strategy – the following measures have taken place:

- Climate & ESG Risk Management framework: completed and rolled out to underpin the types of risks and climate risk considerations that need to be addressed along with business encounters to ensure adequate mitigations are in place
- E&S Policy & Framework: an initial E&S policy framework has been completed with the support of a strategic partner to cater specifically for financed projects under the underlying finance. The framework includes assessment methodology and categorization tool; action plan and monitoring to instigate transformation to responsible banking and monitoring

Further to the above, NBE is currently pursuing very active steps in articulating a bank-wide state-of-art Environmental and Social Management system aligned with international frameworks and standards to comply with our international strategic partners policies

- ESG Grading Model: the currently deployed rating models are being revisited to integrate ESG grading – hence obligor rating shall be a combined integrated ESG adjusted rating

In this regard, business expansionary initiatives focus on increased production whilst paying special emphasis on resource efficiency & optimization; waste treatment, alternate energy in order to reduce environmental impact

In line with CBE sustainable finance guidelines NBE completed with the support of renown financing arm to draft an initial ESMS framework, currently under review, to be adopted specifically for loans undertaken under the financier's loan agreement. The framework shall help NBE to formalize ESMS related risk identification, categorization and required monitoring and action plans. The preceding shall be further adopted as

Risk Class	Financial Risk		Second Line of Defense			
Category	Portfolio Risks	Market Risk	Business Continuity Risk	Infection Dis-eases	Climate & Environmental Risk	Social Risk
	Retail Risk	SME Risk	Model Risk	Third-Party Risk	Strategic Risk	Reputational Risk
	Interest Rate Risk	Liquidity Risk	Compliance Risk	IT & Cybersecurity Risk	Operational Risk	Conduct and

## Risk Management of Specific Risks

1. Credit and Counterparty risks (country, industry, products, segments, clients, and groups).
2. Market risk (foreign exchange and equity risks).
3. Liquidity and funding risks.
4. Interest rate risk in non-trading book
5. Operational risk

## Risk Management of Specific Risks

### A. Credit Risk

#### 1. Large Corporate Credit Risk:

The Large corporate credit risk group is centralized to manage the inherent transactional credit risk associated with concluding business with large corporate and investment initiatives. The corporate portfolio is being managed on industrial basis to ensure specialization and vivid understanding of inherent risks associated with transactional credit within the industry

#### 2. Micro, Small & Medium Enterprises

Whilst realizing the importance and capitalizing on the bank's stretched branch network, credit risk is being managed on geographical basis. This facilitates the understanding of the associated business environment. In this regard, the geographical spread facilitates quick response and streamline monitoring and control process.

NBE has embarked on an initiative to automate credit assessment & decision making processes for both Large corporate and MSMEs in order to enhance environmental preservation and reduce paper use as well as ensure business continuity should mishaps take place.

### 3. AI Ahly Business:

AI Ahly business roll out commenced during Q2 of 2021 to cater for the specific needs identified economic sectors. Ahly Business aim to provide innovative financial solutions to help support financial inclusion, resource efficiency, green financing, digital products; food abundance; supply chain resilience and job creation

AI Ahly business formulates a distinct segmentation for Micro and Small businesses who are being serviced through sector specific products. The segmentation aims primarily to facilitate provision of financial and non-financial services to the under banked to induce financial inclusion. The roll out entailed a complete restructuring for decision making through increased reliance on digital solutions; behavioral scorecards as well as increased automation for the approval cycle; hence reducing internal pressure on paper usage and waste

AI Ahly Business provides innovative product offerings that serve the country's and the bank strategies for financial inclusion and ESG implementation. Product design encompasses a thorough analysis for both social and environmental impact of targeted segment and ensures compliance to local requirements notwithstanding prioritization of operating business to reduce carbon footprint; promote use of alternate energies and reduce resource depletion.

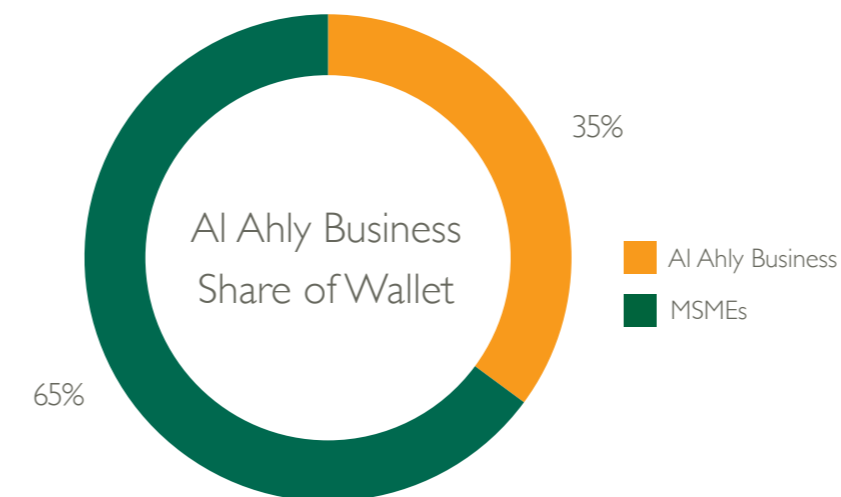
Therefore, products offered focus on the supply chain resilience, energy / resource efficiency management, promote B2B payment solutions; entrepreneurial initiatives whilst ensuring gender diversity. In this regards women owned businesses formulates 24% of the AB client base

The following diagram illustrates sample ESG focused products

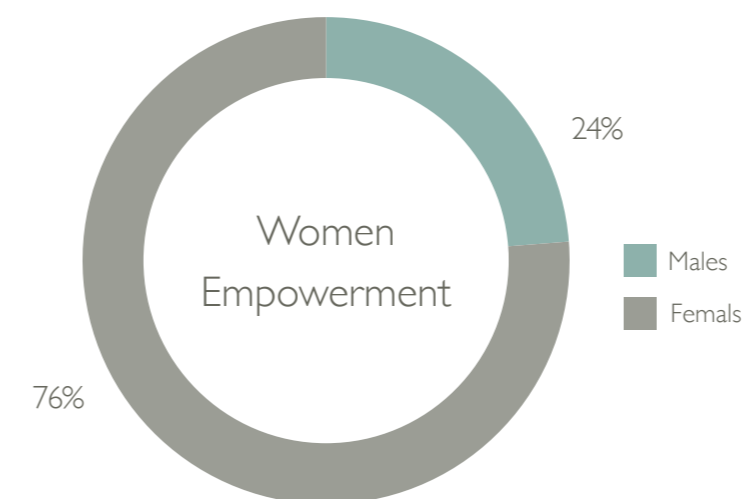
<b>Irrigation Transformation</b> <ul style="list-style-type: none"> <li>Extend finance to mitigate from diesel pumps to solar energy</li> <li>Promote innovative crop irrigation – from flood to more efficient techniques such as spraying</li> </ul>	<b>Bakery Finance</b> <ul style="list-style-type: none"> <li>Extends finance for the purpose for transforming bakeries from diesel to natural gas</li> </ul>	<b>Milk Collectors</b> <ul style="list-style-type: none"> <li>Aims at increasing the production capacity of milk collectors ready for processing delivery</li> </ul>
<b>Leather Tanning</b> <ul style="list-style-type: none"> <li>Finance leather Tanning Factories located at Robeiky leather complex to ensure environmental hazard control and waste management efficiency</li> </ul>	<b>Doctors and medical centers &amp; pharmacies</b> <ul style="list-style-type: none"> <li>Extend finance for medical clinics to assist the youth to pursue medical practice careers</li> <li>Financing young pharmacists to pursue private career</li> </ul>	<b>Merchant Cards &amp; Loan on POS</b> <ul style="list-style-type: none"> <li>To reduce cash circulation and a step forward to financial inclusion</li> <li>Promotion for an increased penetration for digital banking and reduction of banknote circulation</li> </ul>
<b>Green House farming &amp; land reclamation</b> <ul style="list-style-type: none"> <li>Promote use of greenhouse farming for food abundance</li> <li>Alliance protocols with leading entities for private/lease farming and reclamation projects</li> </ul>	<b>Environmentally friendly Plastic Bags</b> <ul style="list-style-type: none"> <li>Financing production of environmentally treated plastic bags to facilitate recycling</li> </ul>	<b>Plastic Recycling &amp; PET</b> <ul style="list-style-type: none"> <li>Recycling of plastic and production of environmental friendly plastic product</li> </ul>

The following diagrams reflect the impact

### AB clients formulates 35% of NBEs MSMEs bank client base



### Women in business formulates 24% of AI Ahly Business Clients



### 4. Retail Credit Risk:

Our credit risk management system for retail banking is in line with the latest local and international practices regarding management of all the risks that the bank may face. This includes measuring and monitoring processes, where at the level of retail credit risk, we commit to monitor and follow up credit weaknesses, assessing credit risks & applying a digital credit assessment system. Through continuous monitoring of maximum acceptable levels of risk, we ensure that these levels remain within the criteria set by the Risk Committee & the Board Management. A CRM system is being adopted to ensure timely assessment as well as ensure business continuity

### 4. Country & Financial Institutions Credit Risk

Country & financial institutions credit risk is focused on managing correspondent banking risk & ensure quality credits extension, while overlooking & managing counterparty country risk

### 5. portfolio management

The portfolio management division is focused on measuring inherent risks & analyzing the impact on capital. This includes implementation of various stresses and the implementation of Basel requirements. Continuous assessment for capital is also a key factor, as well as presenting the necessary recommendations through ICAAP. The portfolio risk management team is responsible for maintenance/validation of the risk measurement model, to ensure enhanced adoption of Risk culture in accordance to Basel Framework & international practices.

### 6. Non-Performing Loans and Recovery

It's a specialized centralized division with increased focus on recovering non-performing loans for both corporate & MSMEs.

**Market Risk**

The purpose of the Market Risk group is to measure / manage the risk associated with bank investment decisions and hedging transactions and analyzing the impact on profitability and liquidity with an outlook to place the necessary action plans

The group is focused on managing:

- FX & derivatives Risk through quantifying the impact of FX fluctuations on capital employed & profitability
- Equity & Investment through measuring positions on trading book and strategic portfolios
- Liquidity risk through measuring and managing asset liquidity and funding sufficiency
- Fixed Income Risk for both trading and non-trading activities
- Interest Rate Risk to quantify the impact on profitability of interest rate movements
- Quantitative Methods unit to continuously validate risk measurement tools adopted

To ensure segregation of duties tight control is undertaken by the Treasury Middle office team under Operations

**Operational Risk**

NBE's operational risk management framework reflects an ongoing, proactive approach to maintain the bank's business & operations success and continuity. The framework consists of a homogeneous set of policies that include various tools and techniques for identifying, managing, mitigating, monitoring and reporting operational risks due to the complexity of the bank's activities and strategy. Moreover, ORM framework is updated periodically in a way that supports the leveraging of our digital transformation and financial inclusion strategies, and ensures operational resilience. NBE also has an ongoing interactive information risk management policy aiming to protect informational assets, as the business environment is constantly changing, and new threats & vulnerabilities emerge every day. In addition to the technologies used to support banking activities, products became more sophisticated to meet customers & regulatory demands within applying Financial inclusion concepts, therefore information Risk management has become more essential to lead and control the use of current and emerging technologies, as well as to meet business goals and security/regulatory requirements.

However, NBE's Business continuity management policy plays a real fundamental role in ensuring the organization readiness to adapt and interact with unforeseen circumstances. It focuses on integrating emergency response, crisis management, disaster recovery, technology & business continuity in addition to organizational and operational site

relocation. NBE's BCM, which obtained a certificate of compliance with the international standard ISO 22301, concentrates on identifying and assessing potential threats and impacts to bank's business operations, and prepares a preset plan to deal with such threats. This plan provides a complete framework, applying organization response that safeguards the bank's interests, reputation, brand and value-creating activities.



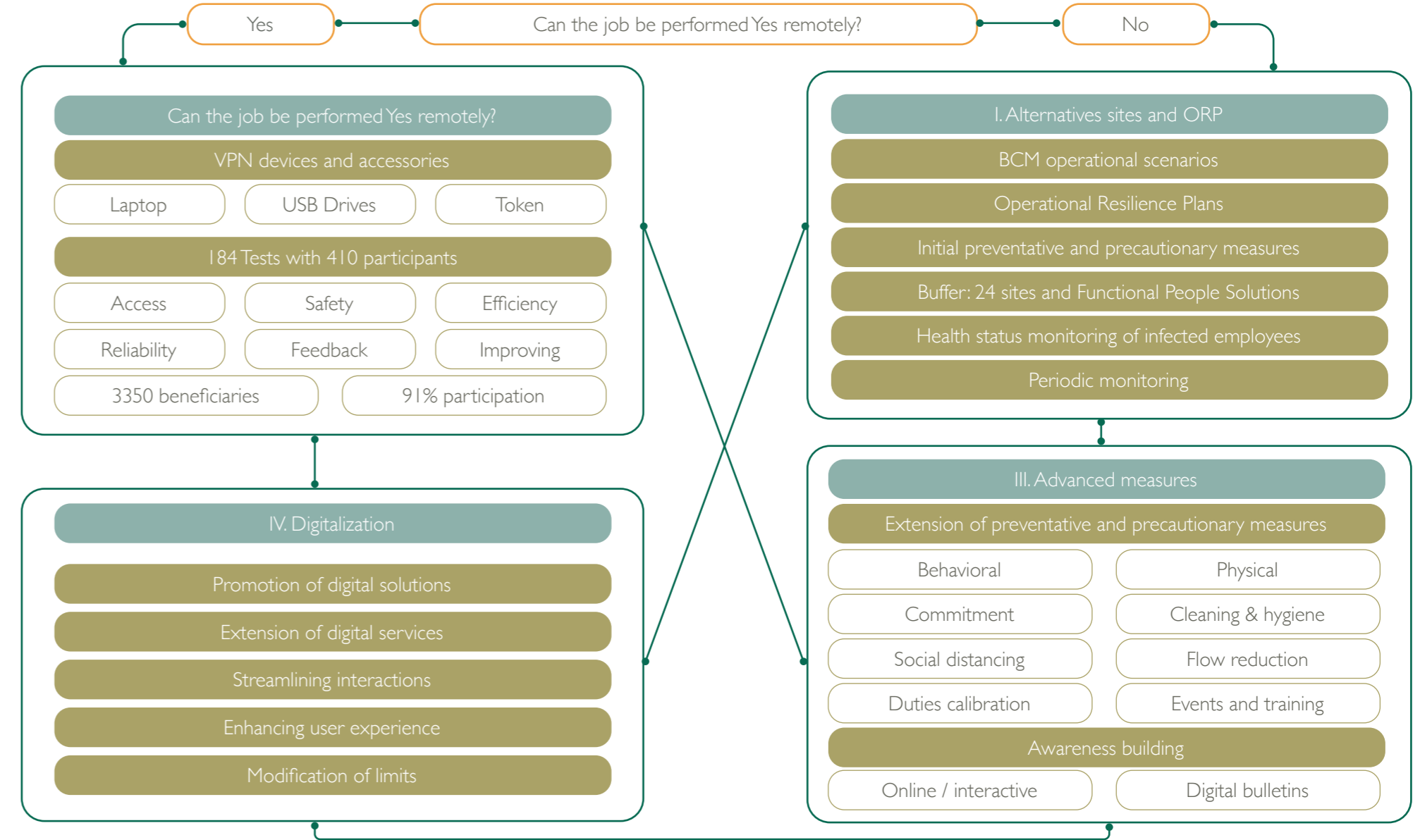
### Business Continuity Management and COVID-19 Response Plan

Our BCM process has been aligned with ISO 22301:2012 to ensure business continuity during crises and emergencies. Strategic decision making on risk mitigation is facilitated through the regular report with the participation of responsible committees.

In December 2021, we issued a comprehensive COVID-19 Crisis Response Plan. The plan is based on the premise that the key to a successful business is the advanced planning of all activities and practices that are carried out daily, particularly planning how to address disasters and hazards that may disrupt or completely halt specific critical activities. The key focus was made on ensuring business continuity and resilience under different scenarios via four key workstreams. The plan has been kept up to date to account for Egyptian governmental and CBE guidelines, international recommendations, and best practices.



### Business Continuity Management and Covid-19 Response



### Alternative sites and operational resilience plans

The resilience scenarios have been developed based on dividing the workforce into teams, some of which worked in the alternate sites in parallel with the work in the main headquarters to implement the latest developments in the COVID-19 situation and the necessary response measures. This was complemented by social distancing through dividing the workforce into separate teams to ensure business continuity and maintain work teams while reducing the chances of infection.

Other key precautionary and preventive measures during the implementation of the response scenarios:

- Business continuity officers across alternate worksites to follow up on the implementation of preventive and precautionary measures, such as sterilization and disinfection (the NBE has 22 alternative sites).
- Supply of alternative sites with medical protection means, such as masks and gloves to be worn by employees on an ongoing basis
- Awareness bulletins specifying ongoing efforts and achievements
- Follow-up of the health status of those infected with COVID-19 by the medical treatment sector on a constant basis

### II. Providing remote work solutions

All remote employees were provided with laptops, USB drives, and tokens for effective and secure work. This has been implemented in coordination with the logistical support group, information systems, and infrastructure group. The total number of VPN devices holders at the bank level was 3,350 users by the end of December 2021.

During the period from September to December 2021, a set of new tests were implemented for the users of remote work solutions for the first time in the bank with a 91% participation rate, allowing us to:

- Ensure that they can operate and use these solutions at any time
- Verify the safety, efficiency, and reliability of these devices
- Support the continuity of the sector's business
- Identify any problems/obstacles that users of remote work solutions may face and solve them

### III. Advanced follow-up measures

Following up on the implementation of precautionary measures, and continuously raising the awareness of NBE's business lines, a set of further precautionary measures have been implemented in line with the directives of the senior management in this regard, among them:

- 50% of customers were allowed in according to the capacity of the waiting seats in each branch, while the rest were directed to wait outside while maintaining the recommended distance
- Continuous provision of bank units with means of sterilization and preventive personal protection (disinfectants, gloves, masks), in addition to checking the temperature of all visitors.
- Continuous affirmation of the necessity of employees' commitment to wearing a mask throughout their presence at work and during their use of the bank's means of transportation.
- Assigning service suppliers to carry out continuous sterilization of ATMs periodically daily throughout the country.
- Providing spray machines at all buildings of the main center and branches to disinfect the buildings daily and implement the daily disinfection plan for all the bank units (departments, branches, means of transportation, call centers, bank warehouses, and incoming items boxes).
- Reducing the maximum number of passengers in the elevators, sterilizing them continuously, and putting up preventive guidelines inside elevators.
- Canceling internal and external training programs to reduce gatherings and avoid exposure to infection.
  - Reducing in-person meetings and relying on digital means of communication.
  - Conducting several awareness campaigns
- Online interactive awareness programs for several sectors (inside and outside of Cairo) to promote the importance of the work continuity and operational resilience.
- Electronic Awareness Publications to bank employees regarding the application of the precautionary measures related to the COVID-19 pandemic and the instructions to be followed during the implementation of the work continuity plan.

### IV. Digitalization - Relying on electronic channels to provide products and services

Electronic means were prioritized and updated to deliver enhanced customer experience during the pandemic. Examples include:

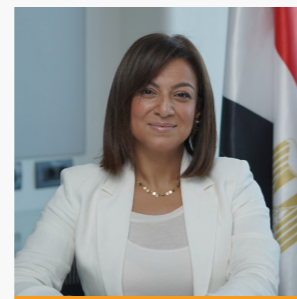
- Encouraging customers to use the Bank's website, NBE Mobile, and the call center.
- Certificate issuance through NBE Net or NBE Mobile.
- Certificate purchase requests via phone whether through the call center or the branches, registering them on the web application, and sending them to the certificate's central unit.
- Allowing NBE net customers to make some modifications by contacting the call center, such as adding and deleting some credit cards and accounts, modifying the subscription to financial transactions within the customer's accounts.
- Changing the daily and monthly maximum limits for electronic wallets (PhoneCash - Etisalat) and prepaid cards.
- Setting the daily withdrawal and deposit limits for customers through ATMs and branches.



# Sustainability: Navigating The New Normal



Our roadmap to sustainable banking and finance is envisioned to be a prototype tailored to our EESG transition story. While, sustainable finance disclosures still lack the convergence of global, regional and national banking benchmark and data governance; yet, our ESG reporting advancement paved the way for a bank-wide mindset paradigm shift, to progress the understanding and practicing of Sustainable Finance.



Ms. Maha Hasebou

Head of Strategic  
Sustainability Debuty  
General Manager

## Responding to challenges across scales

Financial systems make a profound impact on societal development and environmental health. We need a fundamental rethinking of how financial institutions develop their business models, define priorities, and decide on investments to embrace just how much economy depends on nature. We work to help achieve the SDGs and Egypt Vision 2030 through the lens of seven priorities for transformation identified by the world benchmarking alliance.

### Financial system transformation

The financial system should support sustainable allocation of resources and develop with consideration of the whole range of ESG risks and opportunities when it comes to achieving societal goals in line with the planetary boundaries.

### Decarbonization and energy transformation

There is a need to overcome the world's dependency rapidly and holistically on carbon-based energy. This should be achieved through a just and equitable transition ensuring universal access to modern energy services, along with effective climate change adaptation.

### Agriculture and food system transformation

We need to rethink the food system to provide the growing population with nutritious and healthy diets, while supporting all participants of the value chain through ensuring fair remuneration and decent standard of living.

### Digital system transformation

The future of digital economy and society should be inclusive, safe, and secure. All people, anywhere in the world should have equal rights to benefit from the digital technology.

### Social transformation

NBE seeks to support inclusive and equitable economies and system transformations which leave no one behind and allow all people to live fulfilling lives.

### Urban transformation

With the rising share of urban populations, we need cities to be safe, resilient, liveable, and environmentally friendly. This requires innovation in urban planning, as well as mainstreaming nature-based solutions, green infrastructure, and sustainable buildings.

### Nature and biodiversity transformation

Amid environmental crises and biodiversity extinction, we need to scale environmental protection, restoration, and rewilding efforts to preserve a habitable planet.

## NBE Sustainability Journey and Milestones







Year	Milestones
2017	<b>Setting the ground</b> <ul style="list-style-type: none"> <li>NBE assigns Head of Sustainability to mainstream responsible banking practices</li> </ul>
2018 & 2019	<b>A paradigm shift in approach to sustainability</b> <ul style="list-style-type: none"> <li>From CSR to Social Development and Community Investment</li> <li>From Marketing to Sustainable Marketing</li> <li>From Branding to Sustainable Branding</li> <li>From Sponsorships to Communication &amp; Stakeholders Engagement</li> </ul> <b>Scaling social inclusion</b> <ul style="list-style-type: none"> <li>PPP – 1<sup>st</sup> Private Public Partnership Business Model – Working Capital, Project: Asmarat Vocational Education Center for Youth and Women above 40</li> <li>1<sup>st</sup> Workshop Session for People with Special Needs in Egyptian Banking Sector</li> <li>1<sup>st</sup> Workshop Session for High School Youth on FinTech &amp; SDGs 2030 and Egypt 2030 in the Egyptian Banking Sector</li> </ul> <b>ESG Compliance</b> <ul style="list-style-type: none"> <li>Preparation of the NBE's 1st Sustainability Report in line with recognized ESG (GRI, SASB, UNEPFI, EP)</li> </ul>
2020	<b>Advancing sustainability governance</b> <ul style="list-style-type: none"> <li>Board approves strategic integration of ESG and Sustainability as the 2nd pillar of the Seven-pillars 2020-2023 Strategy</li> <li>NBE becomes one of the first banks in Egypt to establish a Sustainability team within Bank Strategy Sector</li> </ul> <b>ESG performance takes center stage</b> <ul style="list-style-type: none"> <li>NBE publishes its 1st Sustainability report, showing global leadership on disclosure</li> <li>1<sup>st</sup> Survey for Employees Environmental Engagement in Egyptian Banking Sector</li> </ul>

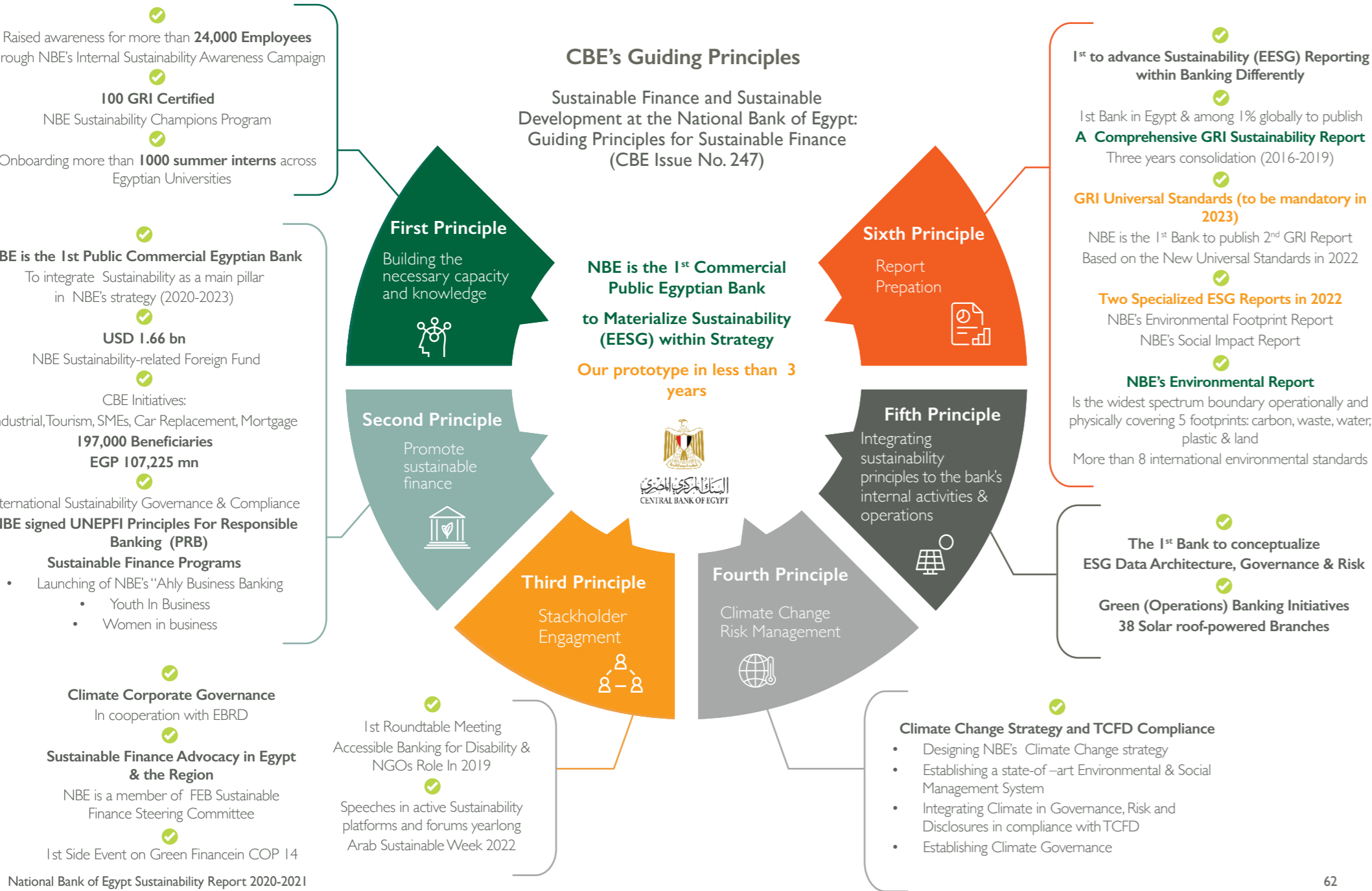
Year	Milestones
2021	<p><b>Mainstreaming sustainability into corporate culture, education, and training</b></p> <ul style="list-style-type: none"> <li>Internal Awareness Campaign for 24,000 employees to educate staff on sustainable finance and common sustainability misconceptions</li> <li>Trained 100 Sustainability Champions (1st bank within Egyptian Banking Sector) on GRI</li> <li>Sustainability is introduced into employee onboarding and promotion criteria</li> </ul> <p><b>Building momentum for change</b></p> <ul style="list-style-type: none"> <li>NBE is one of the 1<sup>st</sup> Egyptian Banks to sign Strategic Partnership with AfD on Climate Change Strategy:TFSC Transformation of Financial System under Climate Change</li> <li>NBE endorses Sustainable Finance Guidelines published by the CBE</li> </ul>



## Aligning Sustainable Finance Frameworks

NBE works across three pillars for alignment with international frameworks, with further works spread across three sub-pillars.

Sub pillars	Areas of work	 Pillar 1: ESG integration	 Pillar 2: Climate risk management	 Pillar 3: Financing Sustainability
 <b>Strategic Alignment</b>	National framework	x	x	x
	Alignment with international goals and standards	x	x	x
	Alignment with national goals and strategies	x	x	x
	Overall approach and strategy	x	x	x
 <b>Regulatory and industry Association actions</b>	Technical Guidance	x	x	x
	Supervisory activities and incentives	x	x	x
	Tracking and aggregated disclosure	x	x	x
 <b>Expectations of action by Financial Institutions</b>	Strategy and governance	x	x	x
	Organizational structure and capacity	x	x	x
	Policies and procedures	x	x	x
	Tracking, reporting and disclosures	x		



### Integrated ESMS system

As a part of NBE's keenness to sustainable development across its operations and portfolio, an integrated Environmental and Social Management System (ESMS) is currently underway. NBE's ESMS shall include a set of policies, procedures, tools, and internal capacity building programs to identify and manage NBE's exposures to environmental and social risks across its value chain.

It shall state NBE's commitment to environmental and social management, and describe the procedures for identifying, assessing, and managing environmental and social risks of financial transactions, support in the decision-making process, identify the roles, responsibilities, and capacity needs of employees, as well as the documentation and recordkeeping requirements. Moreover, the ESMS will aim to provide a framework for identifying, assessing, and mitigating environmental and social risks associated with the bank's financed sectors, credit facilities, and capital market transactions.

The ESMS is aligned with the NBE's climate finance strategic plan, which aims at meeting the national climate goals through identifying gaps and areas of opportunities. We are working on developing a monitoring, reporting and verification mechanism, to track our progress constantly and accurately towards Egypt's climate finance targets. We are also working on enhancing our sustainability marketing and communications to ensure NBE takes a strong leadership position across international sustainability arenas and agendas.



# Materiality

## Connecting to Our Stakeholders

Our stakeholders, who exert a significant impact on our activities, are categorized into customers, employees, the central and local governments and regulators, shareholders and investors, business partners and suppliers, and local communities and NGOs. We

focus on collecting their opinions through various internal and external engagement channels and reflecting them in our materiality assessment and decision-making process.



### Employees

#### Communication Channels

- Conference Calls
- Annual Career Performance Reviews
- Internal communication channels
- Period and bi-weekly staff meetings
- Employee engagement survey
- Webinars and workshops to train and coach employees based on their needs

#### Key Issues

- Health and safety of the work environment
- Employees' health
- Workforce diversity and inclusion
- Remuneration and rewards
- Training and Coaching
- Career Performance Review
- Regulations and rules and responsibilities
- Business and sector goals.



### Customers

#### Communication Channels

- Monthly meetings with clients
- Quarterly calls with clients to review services
- Data and information exchange via presentations and reports
- Advertisement for new services

#### Key Issues

Dynamic engagement with customers is the key to success in fulfilling customers' expectations and resolving their issues which are:

- Organizing relationships between clients and branch employees
- Making services available on the bank's website and through internet banking.
- Legal consultations to assist business sectors, support sectors, and subsidiaries.
- Customer service



### Customers

#### Communication Channels

- Complaints reception channels
  - Branches employees
  - Call center
  - Chairman's office
  - Card Center CS
  - CBE
  - "Contact Us" on the website
  - Other bodies (Presidency of the Republic, People's assembly, Ministry of Finance, etc.)

#### Key Issues

- Mutual funds services.
- Non-Financial services to support entrepreneurs



### Business Partners

#### Communication Channels

- Weekly Conference calls to follow up on raised issues
- Questionnaires
- Workshops
- Meetings

#### Key Issues

Key engagement issues with our external business partners are:

- Confidentiality and data privacy.
- Awareness activities, Risk and Control Self-Assessment (RCSA), and Risk Event Management.
- Legal support.
- Actions issued by relevant sectors.



### Regulator

#### Communication Channels

- Mails
- Letters
- Meetings
- On-going trainings

#### Key Issues

- Active engagement with the CBE and legislative bodies.
- Audits.
- Reporting and cooperating with regulators while maintaining transparency.
- Early communication on issues or areas of emerging risk.

**Regulator****Communication Channels**

- Informative sessions
- Daily/weekly/monthly meetings
- Paper subscriptions
- Published reports
- Digital communication
- Meetings and calls
- Events and conferences

**Key Issues**

- Sharing our views and challenges

**Government****Communication Channels**

- Mails
- Letters
- Meetings
- On-going trainings
- Informative sessions
- Daily/weekly/monthly meetings
- Paper subscriptions
- Published reports
- Digital communication
- Meetings and calls
- Events and conferences

**Key Issues**

NBE seeks to engage constructively with government, regulators, and policy makers. Key engagement issues are:

- Data and reports of ministries and government agencies.
- Cooperation with the Ministry of Youth and Sports, Ministry of Planning, Ministry of Social Solidarity, world food programs, and 10th of Ramadan investors associations to give trainings, informative sessions, and introduce NBE products and services bundles for SMEs.

**Communities and NGOs****Communication Channels**

- On-going trainings
- On-going informative sessions

**Key Issues**

- Supporting and preparing college students for the market during the well-designed annual summer training program.
- Cooperation with Re-lending associations, Aswan Businessmen Association, Boreg Tanta Association, and Sohag Regional Assembly to conduct trainings and informative sessions.

**Shareholders and Investors****Communication Channels**

- Meetings
- Yearly Shareholder General Assembly Meeting
- Internal reporting
- Advertisement

**Key Issues**

- Business performance and market presence.
- Administrative supervision and advice from the CEO and board of directors are carried out.

**Suppliers****Communication Channels**

- Periodical meetings
- Calls
- Weekly/monthly portfolio reports through I-flex team, DWH, and RMs

**Key Issues**

- Guards and armament, personnel security, and occupational health and safety equipment.
- Procedures for the supplied systems (e.g. E-finance, Union of Egyptian Banks Company).

## Materiality Assessment

NBE's 2020-2021 materiality assessment was conducted based on an impact analysis approach that considers the environmental, social, and economic impacts from both positive and negative perspectives, arising from the bank's direct business activities and operations, as well as from its investment and lending practices to diverse sectors. The assessment has been arranged in accordance with the updated GRI Universal Standards, GRI 3: Material Topics 2021, while the UNEP FI Portfolio Impact Tool was considered in the determination of impact topics as well as the SDGs mapping.

### Methodology

The following detailed steps were taken in the preparation of our materiality assessment:

#### STEP 1: Identifying scope of operations and performing industry analysis

To determine the specific scopes of operations across our bank's divisions, we distributed data request sheets across all sectors and departments to identify their main operations, including policies, strategies, business relationships, and stakeholder categories that they engage with, including the activities and means of engagement. This allowed us to carefully identify the scope and boundaries of NBE's business operations to enable better identification and assessment of the areas of impact.

#### STEP 2: Identifying current and potential impacts

To identify further potential impacts that could arise from NBE's operational and lending activities, we compiled a pool of 100+ material and impact topics based on wide research and analysis of the banking industry within Egypt, as well as among top sustainability leaders in the banking sector, with a focus on leading national banks, according to international ESG rating platforms such as S&P Global. We also referred to the main impact areas identified by the SASB sectoral standards for commercial banks, as well as the areas of impact specified by the UNEP-FI portfolio impact analysis tool for banks.

#### STEP 3: Assessing the direct influence on EESG pillars, and the significance of the impacts

Each impact topic was assessed based on its direct (positive, negative, or both) impacts on the economy, environment, social, and human rights, as well as contribution to three main risk categories; compliance, operational, and reputational risks.

As for the impact topic significance assessment, the impact characteristics, including the likelihood and magnitude, were considered in relation to NBE's current activities and mitigation measures undertaken across each impact topic, to allow for a qualitative as well as a quantitative assessment. In the assessment, both negative and positive impacts were considered for each of the Bank's operations and its lending/investment activities; however, the final significance rating per impact topic accounted for the higher impact

significance from both assessments where applicable. Controls applied in the significance assessment intended to account only for the direct impact due to the complexity and interconnectedness of the topics and impacts.

### Impact Significance Assessment Rating

		Impact Intensity		
		○ - Minor	◐ - Moderate	● - Strong
Likelihood of Occurrence	↑ - Very likely to occur	○↑	◐↑	●↑
	↔ - Possible to occur	○↔	◐↔	●↔
	↓ - Unlikely to occur	○↓	◐↓	●↓

Relative Impact significance: **High** – **Medium** - **Low**

Impact Spatial Scale		
- NBE Scale	- National Scale	- Global Scale

#### STEP 4: Determining the most material topics

Prioritization of the most significant impacts was done following the assessment, and the material topics were arranged in order of significance.

Overall Impact Assessment		Impact Assessment Characteristics	
⊕ - Positive	<b>High Significance</b>	- NBE Scale	↑ - Very likely to occur ● - Strong
⊖ - Negative	<b>Medium Significance</b>	- National scale	↔ - Possible to occur ◐ - Moderate
● - Positive and Negative	<b>Low Significance</b>	- Global Scale	↓ - Unlikely to occur ○ - Minor

## Impact Assessment

Material Topics' Direct Influence on ESG Pillars

Significance	Material Topic	Economy	Environment	Social and Human Rights	Governance and Risk			Impact Spatial Scale	Material Topic in Relation to:		SDG Mapping	Egypt Vision 2030 (SDS) Mapping
					Compliance Risk	Operational Risk	Reputational Risk		Bank Operations	Business Activities (Investment and Lending Portfolio)		
●↑	Climate change and energy	⊖	⊖	⊖	✓	✓	🌍	<p>NBE has conducted its first operational environmental footprint, encompassing GHG emissions, in addition to land, water, plastic, and waste footprint. The assessment covers the bank's operational activities across all its facilities and branches nationwide. Accordingly, NBE set a GHG emissions reduction target of 30% on its absolute scope 1 and 2 from a 2021 baseline, to be achieved by 2028. Several climate action and mitigation measures and opportunities have been identified to support to the achievement of the reduction target.</p> <p>NBE developed an ambitious plan to rely on clean and renewable energy, by installing solar energy stations in the units of the bank across various regions and branches. As of December 2021, NBE has installed solar PV stations across 28 branches in Egypt, avoiding a total of 4,938 mtCO<sub>2</sub>e during the period from July 2020 to December 2021.</p>	<p>Financed emissions are considered a major contributor to climate change, as opposed to operational emissions, in the banking sector. NBE created a comprehensive ESG assessment questions as a mean to engage their SMEs, and large and medium corporates' clients, specifically those in the energy, agricultural, and chemicals sectors, to raise their awareness and better understand their current status to support their transition to low-carbon operations, based on each industry's needs, all as part of NBE's climate transition strategy that is currently under development. Accounting of financed emissions (category 15: investments, as per the GHG Protocol) is currently under study, and a system to gather the required data in accordance with the relevant standards and frameworks to measure such emissions, is under development.</p>	 	 	
●↑	Corporate, SMEs and Investment (Responsible Financing)	⊕		⊕	✓	✓		<p>NBE support for SMEs is comprehensive and diversified, and is divided into several key lines of business, which guarantee that SMEs thrive.</p> <p>The first line of business is Business Development, which includes constantly surveying the SMEs market and landscape to understand industries, activities, size, characteristics of the firms in order to tailor developed strategies, products and services.</p>	<p>NBE's supported Eco-friendly transportation through a Direct Investment in public transportation sector to support green fuel initiative through providing green, smart, sustainable public transport for mega projects nationally and regionally. it operated the first 100% electric bus in Great Cairo urban as it helps in carbon emission reduction."</p> <p>NBE holds Egypt's largest shares in corporate business lending with a market share of 41.7%</p> <p>NBE market corporate loans (including corporate and SMEs) amounted to EGP</p>	  	 	

Significance	Material Topic	Economy	Environment	Social and Human Rights	Governance and Risk			Impact Spatial Scale	Material Topic in Relation to:			
					Compliance Risk	Operational Risk	Reputational Risk		Bank Operations	Business Activities (Investment and Lending Portfolio)	SDG Mapping	Egypt Vision 2030 (SDS) Mapping
								<p>The second line of business are the Financing Programs. With the aim to fit the needs of the SMEs. Financing Programs and optimizes the resources received from MSMEDA by increasing the portfolio for refinancing contracts, as well as managing relationships with credit guarantee institutions.</p> <p>The third line of business is Technical Support for SMEs, which implements the strategic and marketing plans, the projects and initiatives that were prepared by the SME group, in coordination with the region managers, which guarantees alignment with SME group heads for the SME projects and initiatives.</p> <p>The fourth and final line of business is the Planning and Development Sector Which raises the analytical capabilities of the SMEs portfolio and develops data management to extract all reports for business requirements by creating reports of analysis and follow up (SME portfolio dashboard), as well as preparing an integrated strategic plan which is updated periodically to align with NBE's overall strategy in coordination with strategic planning team and cooperation with all relevant sectors</p>	<p>1.01 trillion in December 2021 compared with EGP 617.8 bn in June 2020 with a growth rate of 64.1% NBE corporate green lending portfolio reached EGP 2290 mn as of December 2021 . NBE's indirect investments play a significant role in financing programs through Al Ahly Tamkeen company , it's a subsidiary from ACH and considered The 1st pioneer company in the market to apply cashless loan issuance, own about 40 operating branches in 13 Governorates since inception in Apr 2021.</p>			
	Financial inclusion and literacy	●		+	✓			<p>NBE plays a significant role in Egypt's financial inclusion and education system through its contributions whether directly through the bank's own services and products, or indirectly through its investments in leading Fin-tech, e-payment, financial services, and microfinancing solutions companies.</p>	<p>NBE total number of customers 17.8mn Customers including 9.4 mn unique liabilities customers (41% are female customers) and 36% in age .</p>	 	 	

Significance	Material Topic	Economy	Environment	Social and Human Rights	Governance and Risk			Impact Spatial Scale	Material Topic in Relation to:			
					Compliance Risk	Operational Risk	Reputational Risk		Bank Operations	Business Activities (Investment and Lending Portfolio)	SDG Mapping	Egypt Vision 2030 (SDS) Mapping
								<p>Ensuring financial inclusion in lower-populated governorates:</p> <ul style="list-style-type: none"> <li>NBE has a total of 117 branches in Upper Egypt including 74 branches for SMEs support.</li> <li>30% of SMEs branches are located in Upper Egypt serving more than 50% of the bank's SME customers.</li> <li>From June 2020, branches outside Greater Cairo and Alexandria increased by 14%.</li> </ul>	<p>NilePrenuers services were provided to 8,398 clients of which 640 are SMEs. A total of 306 SMEs have been directed to our branches for direct financing, exceeding our set target of 300 SMEs. NilePrenuers team covered eight governorates (Cairo, Sharqia, Gharbia, Giza, Assuit, Aswan, Luxor, El-Minya). NilePrenuers team Generated 4,345 new leads seeking retail and financial inclusion products, and worked and engaged with 60 NBE branches, exceeding our set target of 50 branches.</p>	 		
● ↑	Health, safety, and wellbeing			●	✓	✓		<p>NBE's employees' health and safety risks were top concerns during the pandemic's high times, as physical presence at several branches we mandatory to maintain business continuity, and sustain our services to our customers with little digital literacy. NBE's operational risk department developed a COVID plan and instilled all necessary measures to ensure a safe work place to both our employees as well as customers.</p> <p>NBE launched an initiative to participate in public health campaigns (awareness against breast cancer and diabetes, donating blood, "Your Health Matters to Us"). The objective of this initiative is to activate the bank's role in supporting and improving the general health of workers.</p> <p>NBE's Direct investment strategy supports health care sector through Direct investment or investment arm ( ACH ), and Al Ahly Medical Company (AMC) which has significant role in health care programs provided to NBE employees and their relatives, in addition to its effective role during COVID pandemic to support NBE's staff".</p>	<p>Health and safety issues related to financed projects are expected to be fully assessed based on E&amp;S categorization (High, medium and low ) upon developing and implementing our ESMS.</p>	  	 	

Significance	Material Topic	Economy	Environment	Social and Human Rights	Governance and Risk			Impact Spatial Scale	Material Topic in Relation to:			
					Compliance Risk	Operational Risk	Reputational Risk		Bank Operations	Business Activities (Investment and Lending Portfolio)	SDG Mapping	Egypt Vision 2030 (SDS) Mapping
●	Sustainable supply chain management		●	●		✓	●	<p>Sustainable supply chain management is carried out through the three main steps of assessment and auditing, risk identification and management, and communication and improvement. Relevant requirements in line with our sustainable supply chain strategy are also instituted for supplier reviews as well as supplier specification and management. Through a series of management systems and requirements, the sustainability of supply chains is gradually being elevated. We aim to set a framework for reducing and mitigating sustainability-related supply chain risks through the ESMS that will be implemented across NBE.</p>	<p>NBE aims to set a framework for assessing environmental and social related risks linked to the bank's clients' value chains operating in critical (environmentally and socially high-risk sectors).</p>	 	 	
●	Technology and digital innovation	+	+	+		✓	●	<p>Being the first bank to introduce digital branches in Egypt, NBE opened 25 more branches from June 2020 to December 2021, aiming to elevate its digital operations. The bank currently operates 32 digital branches, in addition to the first bank in Egypt launching digital bus branches. The number of digital branches customers increased from 14,047 in 2019, to 90,204 customers as of December 2021.</p>	<p>49.7% with +7% YOY Share of Fintech investments in NBE investment portfolio NBE has the largest market customer segment in digital and electronic products as below:</p> <ul style="list-style-type: none"> <li>6.2 mn customers AI Ahly Net Retail Customers</li> <li>74,828 customers AI Ahly Net Corporate Customers</li> <li>1.78 mn customers PhoneCash Wallet Customers</li> </ul> <p>NBE's Direct investment strategy supports Fintech sector through Direct investment in Fintech Institutions or Business Accelerators Funds and Indirect through its investment arm (ACH).</p>	  	  	

Significance	Material Topic	Economy	Environment	Social and Human Rights	Governance and Risk			Impact Spatial Scale	Material Topic in Relation to:				
					Compliance Risk	Operational Risk	Reputational Risk		Bank Operations	Business Activities (Investment and Lending Portfolio)	SDG Mapping	Egypt Vision 2030 (SDS) Mapping	
●	Anti-money laundering and counter-terrorism financing	●		●		✓	✓	✓	●	<p>NBE's compliance group ensures periodical and regular assessment of the regulatory compliance, anti-money laundering (AML) and/or counter finance of terrorism (CFT) procedures to examine the effectiveness of such procedures and verify the application of the appropriate techniques to face the risks.</p>		 	
●	Cyber-security and data privacy			+		✓	✓	✓	●	<p>NBE's cybersecurity division operates in accordance with ISO 27000 standard procedures, as well as NIST and Forrester frameworks. NBE is focused on ensuring cybersecurity awareness is spread among its employees as well as its customers and clients, this is achieved through its internal training sessions and campaigns, in addition to mainstream commercials.</p>		 	
●	Business values and ethics			+		✓	✓	✓	●	<p>NBE's Code of Ethics is the governing guide to our corporate values and ethics. NBE's Whistleblowing and Whistle-Blower Protection Policy aims at providing a safe channel for reporting any unethical practices.</p>		 	
●	Training and development	+		+			✓		●	<p>At NBE we continue to adapt to the current environment with increasing digital learning and growing industry advancements to develop the capabilities of our employees to ensure that they remain current and at the lead. In addition to leadership and other technical training programs, ESG and sustainability-related campaigns were conducted to all 24,000 employees across NBE to raise awareness on the significance of our annual ESG reporting and strategy setting. Capacity building was provided to our 100 sustainability champions responsible for leading the data collection and monitoring process across their sectors and departments.</p>	<p>NBE training Budget as December 2021 amounted to EGP 44.8 mn</p>	 	 

Significance	Material Topic	Economy	Environment	Social and Human Rights	Governance and Risk			Impact Spatial Scale	Material Topic in Relation to:		SDG Mapping	Egypt Vision 2030 (SDS) Mapping
					Compliance Risk	Operational Risk	Reputational Risk		Bank Operations	Business Activities (Investment and Lending Portfolio)		
High	Customer experience and satisfaction			+			✓		<p>NBE engages with its customers through an array of platforms including branches, online banking, social media, call centers, via emails, and throughout CRM and Complaints handling department. We aim to further improve our complaints capture and handling systems across all branches and points of engagement, and make it easier for customers to make complaints and easier for our employees to resolve them, as well as resolve more complaints at the customer's first point of contact (FPOC). In line with the CBE's strategy, we are working to facilitate banking procedures for our customers with all forms of disabilities as part of our inclusion strategy. Total number of ATMs as of December 2021 amounted to 5,392 across Egypt, with 986 in Upper Egypt.</p> <p>NBE has launched an initiative for customer onboarding through the website to avail the option for new customers to request a new account opening through the website with the ability of requesting a scheduled home visit for senior citizens, people with special needs, and women.</p>	 	  	
High	Employee engagement, inclusion, and diversity	●		+		✓	✓		<p>We have an international workforce of more than 24,000 employees, of which 99 percent work in Egypt, while a minority are present across UAE, Sudan, UK, Ethiopia, and South Africa, New York, USA and Shanghai this is addition to NBE women employees constituting 30% of our total workforce. We engage on a regular basis with our employees through 360 feedback surveys.</p>	 	 	

Significance	Material Topic	Economy	Environment	Social and Human Rights	Governance and Risk			Impact Spatial Scale	Material Topic in Relation to:		SDG Mapping	Egypt Vision 2030 (SDS) Mapping
					Compliance Risk	Operational Risk	Reputational Risk		Bank Operations	Business Activities (Investment and Lending Portfolio)		
High	Customer experience and satisfaction								<p>NBE launched a banking awareness campaign for its employees to disseminate the bank's strategy and history among the employees and consolidate it within them and introduce them to the most important services and products. This campaign also aimed to define the meaning of sustainability, its types, its objective, and how the Bank participates in supporting Egypt Vision 2030. It also helped in spreading awareness of the concept of cyber security, how to identify phishing messages, and how to protect personal accounts from hacking attempts, and motivating employees to report any phishing attempts. More than 10,289 employees participated in this competition with more than 1,065 winners with symbolic and valuable gifts.</p>			
High	Waste and materials consumption		●				✓		<p>NBE's waste generation across its 536 branches and offices nation-wide comprises mainly organic, paper, and plastic waste, while paper consumption constitutes the largest share of resources consumption according to the nature of NBE's activities. Paper consumption is being monitored and reduced through digitizing the archiving process, and other paper-work related operations at the bank.</p> <p>NBE's waste footprint and resources consumption are being assessed as part of the environmental footprint assessment under development, this will allow better tracking as well as management of our waste generation and resources consumption.</p>	   		

Significance	Material Topic	Economy	Environment	Social and Human Rights	Governance and Risk			Impact Spatial Scale	Material Topic in Relation to:		SDG Mapping	Egypt Vision 2030 (SDS) Mapping
					Compliance Risk	Operational Risk	Reputational Risk		Bank Operations	Business Activities (Investment and Lending Portfolio)		
High	Water security		+	●		✓		EG	<p>NBE has started assessing its organizational environmental footprint which includes its water footprint across all offices and branches. However, NBE's corporate water-related impacts are minimal compared to those imposed by the SMEs, and Large and Medium Corporates' industries that the bank finances, such as oil and gas, agricultural, energy and transport, and other industrial sectors.</p> <ul style="list-style-type: none"> <li>NBE financed a total of 25 water collection, treatment and distribution projects with a total loan amount of EGP 79.8 mn during the reporting period. NBE aims to incorporate water-related impacts analysis in its lending portfolio specific to impactful industries, this shall be considered as part of the ESMS currently under development.</li> </ul>	  		
High	Biodiversity and ecosystems		●		✓		EG	<p>NBE's direct operational impacts on biodiversity are minimal compared to the sectors it finances.</p> <ul style="list-style-type: none"> <li>As part of the Bank's ESMS under development, NBE will work on integrating environmental criteria related to biodiversity risks and impacts in its investments decision making across the high risk sectors such as Crops and Animals Agriculture, Oil and Gas, Real Estate, and Construction and Building.</li> </ul>	 			

### From Assessment to Action

Our material topics are the environmental, social, and governance (ESG) issues that have a significant impact on or arising from our business activities, operations, and engagement with the community and our stakeholders. They are part of an ongoing process to improve our practices and better respond to a broad range of expectations.

To meaningfully support the Egyptian economy and industries as well as our communities amidst the continuing challenges posed by COVID-19 and the ensuing economic strain, NBE's high-priority topics over the past year were our customers, employees, and our governance model, which are all at the core of our banking services.

In spite of the strain posed by this previous year, supporting our customers in the business and corporate banking sectors transition to a low-carbon economy and operational structure remains a critical ESG issue for NBE. Our commitment to this issue includes incorporating the necessary procedures, revelatory assessments, and optimized monitoring tools in our upcoming ESMS.

Our identified material topics for the reporting period are further explored across the five pillars of the report.

Completed	In Progress	In Planning Phase	
Economic	Environmental	Social	Governance

Material Topic	Goal	Performance in 2021	Progress	SDGs	Africa Agenda 2063
Green Recovery		<p>Green Recovery Financing (post COVID-19 pandemic)</p> <ul style="list-style-type: none"> <li>Financing private and public greening and recovery projects</li> <li>EBRD EGP 1,513 mn solidarity package for 208 companies, (2020-2022)</li> <li>EIB SMEs &amp; MIDCAPS EGP 15,057 mn to 151 corporates and SMEs in Egypt, (2020-2028)</li> </ul>		       	
Climate-related financial risks and opportunities	Working to Align with the TCFD Recommendations, and develop a climate-related risks and opportunities assessment for the investment and lending portfolios	<ul style="list-style-type: none"> <li>Formed a Climate Change Task Force at the Bank, and received approval for commencement of action from the Board.</li> <li>Committed to the Principles of Responsible Banking, and became a signatory.</li> <li>Conducted a complete Environmental Footprint Assessment of our operations (including GHG accounting of our operational activities), with plans on assessing the lending and investment portfolio's emissions in the upcoming years.</li> </ul>		     	











Material Topic	Goal	Performance in 2021	Progress	SDGs	Africa Agenda 2063
Contribution to national agendas and CBE initiatives	Participate into major lending initiative	NBE lending portfolio directed at CBE's initiatives amounted to EGP 107.5 bn (80% increase) compared with June 2020 serving 197,940 beneficiaries by December 2021	✓		
Climate change and energy	Enhance climate and green investment reporting	Completed the first Environmental Footprint Assessment of the Bank's operations, including the following impact areas: GHG emissions, land, water, waste, and plastic footprints	✓		
		28 branches are equipped with Solar PV panels			
		The total renewable energy generated and consumed by solar PV panels amounted to 531 MWh and 685 MWh in 2020 (half year) and 2021, respectively. As a result, a total estimated 4,938 mtCO <sub>2</sub> e of GHG emissions were avoided during the entire reporting period (2020 (half year) and 2021).			
Waste and materials consumption	Efficient use of resources and minimize our waste generation	Total disposed solid waste: 7,545 tons			
		Plastic footprint: 1,424,674 tons			
		Total paper consumption: 3,113 tons			

Material Topic	Goal	Performance in 2021	Progress	SDGs	Africa Agenda 2063
Sustainable supply chain management	Integrate social and environmental assessment criteria within our suppliers assessments	Total suppliers: 495 Total tier 1 suppliers: 300 Total tier 2 suppliers: 195 % Local suppliers: 99%			
Financial inclusion and literacy	Raise financial literacy in the market	Cooperation and engagement with incubators and accelerators such as Flat6labs, AUC venture lab, Sita, Tannia Wa Tatwer programs, and AAST.			
		Creation of fully integrated NBE bundles for SMEs			
Financial inclusion and literacy	Attract more the of population into the banking sector	Cooperation with universities all over Egypt in order to deliver financial literacy, informative sessions about NBE products and services to promote and provide them.			
		Providing owners of informal projects with electronic services in order to include them in the official sector. The number of clients of institutions funded by our bank is about 2.5 mn clients, with plans to also provide non-financial services to this sector.			
	Increase Financial activity on existing accounts	Portfolio of MFIs increased by 21% between 2020 and 2021 as it reached EGP 3.4 bn in 2021.			



Material Topic	Goal	Performance in 2021	Progress	SDGs	Africa Agenda 2063
Training and development	Develop Superior Talent to Deliver Superior Results	Percentage of trained employees increased by 15% from 2020 to 2021. We reached to 91% of trained employees in 2021 with a total training hour of 570,924.	✓		
		626 training programs have been provided for NBE employees in 2020 and 2021 with an average cost of EGP 2823 per trainee	✓		
Health, safety and wellbeing	Maintain a healthy and safe working environment for all our stakeholders in line with international best practices and standards	24,199 employees trained on health and safety matters in 2021	✓		
		NBE employees engage in public health campaigns such as protect them awareness against breast cancer, diabetes, donating blood, and your health matter to us campaigns.			
		29717 of NBE employee and family members have been vaccinated from Covid -19 Virus			
Social responsibility and local community empowerment	Scale up our social responsibility contributions and maintain our leadership in community empowerment across all sectors	EGP 1,018 mn in donations to the healthcare sector and COVID-19 support			
		EGP 559 mn in donations for slums development across Egyptian governorates			
		EGP 227 mn in donations for the development of the Education			
		EGP 1,040 mn in donations for community support			

Material Topic	Goal	Performance in 2021	Progress	SDGs	Africa Agenda 2063
Customer experience and satisfaction	Create a Customer-Centric Organization	98% of complaints successfully closed  We are updating our CRM strategy to provide our customers with the best possible experience. Customers currently receive text messages containing their complaint number and its status.  NBE's customers can open new accounts through our website and request home visit for signature.			
	Provide Alternative channels for specially abled	55 Branches with sign language 252 Employees trained in sign language 34 Handicapped ATMs 208 Virtually impaired ATMs			
Employee engagement, inclusion, and diversity	Increase the level of diversity across the Bank	30% female employees from the total workforce			
		2.4% employees with specially abled from the total workforce			
Cybersecurity and data privacy	Provide access points specifically in the most remote areas	NBE has 75 branches across Upper Egypt, 5 of them are digital branches.			
	Improve customer experience through service-level and customer protection	All cyber security policies are developed in-line with international best practices and standards like ISO 27K, NIST, SANS and Forrester frameworks  five trainings related to cybersecurity have been taken by our employees			
Anti-money laundering and counter-terrorism financing	Explore newly tech-based opportunities to advance the AML and CTF processes at the Bank	We periodically assess the regulatory compliance, anti-money laundering (AML) and/or counter finance of terrorism (CFT) procedures to examine the effectiveness of such procedures and verify the application of the appropriate techniques to face the risks			

Material Topic	Goal	Performance in 2021	Progress	SDGs	Africa Agenda 2063
 <b>Business values and ethics</b>	Maintain a robust governance operating model across all business lines	We updated our Code of Ethics in February 2020. Whistleblowing and Whistleblower Protection Policy, as well as our Governance Manual in 2021.			
 <b>Financial technology and digital innovation</b>	Enhance A Seamless Digital Customer Experience Through AI Integration	NBE's digital branches reached to 32 branch spanning the governorates of Greater Cairo, Alex and Delta, Red Sea and Suez Canal, and Upper Egypt			
		Number of digital branches customers reached 90,204 in December 2021.			
		AI Ahly net number of transactions at the end of 2021 was 6.4 mn while the transaction volume was EGP 490.2 bn			

### Climate Change Transition Strategy

The negative effects of climate change are not limited to the environment, but rather extend to affect society and economy. Climate change is already having significant socioeconomic impacts, and it is crucial that we address these impacts and mitigate them. The negative socioeconomic impacts caused by climate change are impacts on livability and workability, food systems, physical and infrastructure assets, and natural capital.

To address climate change, financial resources and wise investments are required to cut emissions, facilitate adaptation to already-existing impacts, and create resilience.

The benefits that will result from these investments far outweigh any initial costs.

In order to address the challenges to the economy and society posed by climate change, NBE is currently developing the NBE Climate Change Task Force. The NBE Climate Change Task Force will be responsible for developing a climate-related risk assessment model and assigning climate-related financial decisions to members of senior management. The Climate Change Task Force will also be responsible for monitoring and reporting on our operational carbon footprint, financed emissions (our investment portfolio), and constantly assessing climate-related risks and opportunities. We are also currently in the process of developing our transition to a green economy strategy, as well as performing an analysis of the different scenarios.

NBE's Climate Change Transition Strategy elaborates our climate finance strategic plan, which aims at achieving NDC goals, as well as global, regional, and national climate goals. The transition strategy will assure that we embed climate finance in all of NBE's guidelines, procedures, tools and operations. As part of the transition strategy action plan, we will also be delivering a Capacity Building Package and Knowledge Management on climate change and climate finance. The plan also sets up for the origination and development of eligible climate sub-projects. NBE's climate finance governance will be set up in accordance with the national regulatory scope, as well as guidelines from related bodies and ministries. The transition strategy is expected to be ready within the coming two years.

The NBE Climate Change Task Force will ensure that all our operations and reporting practices are constantly aligned with the TCFD recommendations.



# PILLAR I: BUILDING INCLUSIVE PROSPERITY

Inclusive prosperity is simple on the surface but profound at the core. When everyone can attain a basic standard of living without fear of poverty or shortage of food, it suddenly means much for society as a whole, from happier people on the streets capable of leading us toward a better future to higher education levels, better employment, and fewer crimes. Inclusive prosperity can't be engineered, but it can be nurtured – over time, with care and making many small steps & big leaps with the right mindset and in the right direction. Year after year, NBE has been at the center of developing inclusive prosperity in Egypt. It continues to expand on those efforts towards improving the high quality of life, growing a bolder vision of a future ignited by possibility.

# Awards

## Innovation Awards

**THE EUROPEAN** "Retail Banking of the Year"  
The European

**TAB THE ASIAN BANKER** Best Retail Bank in 2020  
The Asian Banker

**THE EUROPEAN** Best Corporate Loans Provider  
The European

**THE EUROPEAN** Retail Banking of the Year  
The European

**The Banker** Best Bank in Egypt, 4th in Africa, and 215th Worldwide Top 1,000 World Banks 2021 according to  
The Banker

**THE EUROPEAN** Best Banking Transactions Provider  
The European

**The Banker** Best Bank of the Year in Egypt for 2020  
The Banker

**GLOBAL FINANCE** Best Trade Finance Provide in Egypt  
Global Finance

**GLOBAL FINANCE** Best Bank in Crisis Finance Response in 2020" award  
Global Finance



# Our Economic Value Distributed and Market Share

## Investments portfolio



### Direct Investments

149 investee By

EGP 16.64 billion par value



EGP 22.07 billion Book value



### Indirect Investments Through Al-Ahly Capital Company

26 investee By

EGP 3.66 billion par value



EGP 6.68 Billion Book value



### Gross Loans Portfolio

EGP 1.17 trillion (%62.8+) vs June 2020

### Gross loan Market share

%38.7



### Corporate Loans

EGP 1.01 trillion (%63.9+) vs June 2020

### Corporate Loans Market Share

%41.7

## Responsible lending portfolio



## CBE Initiatives portfolio

EGP

107.5 bns (%80+) vs June 2020

## Retail lending portfolio

EGP

159.3 bn (%65.04+) vs June 2020

## Retail lending portfolio market share

%26.3

## Deposits &amp; Treasury Bills &amp; Bonds



## Total deposits

EGP

2.39 trillion (%49.6+) vs June 2020

## Total deposits market share

%37.1



## Market Treasury Bills &amp; Bonds

EGP

1.36 trillion (50.1%+) vs June 2020

## Market share

%35.8

## Sustainability Foreign Funds



## NBE sustainability Foreign funds

USD

1.66 bn

## Beneficiaries (projects &amp; clients)

660

## Cards market share (As of Dec. 2021)



## Prepaid and MEEZA cards

%56.6

## Credit cards

%31.7

## Debit cards

%28.9

# Toward a Sustainable Financial System

During the past two years, NBE has continued to develop a comprehensive and all-encompassing vision of a sustainable financial system and responsible banking locally and internationally. Only a system that is internally aligned with social and environmental goals can generate real long-term economic prosperity that benefits everyone.



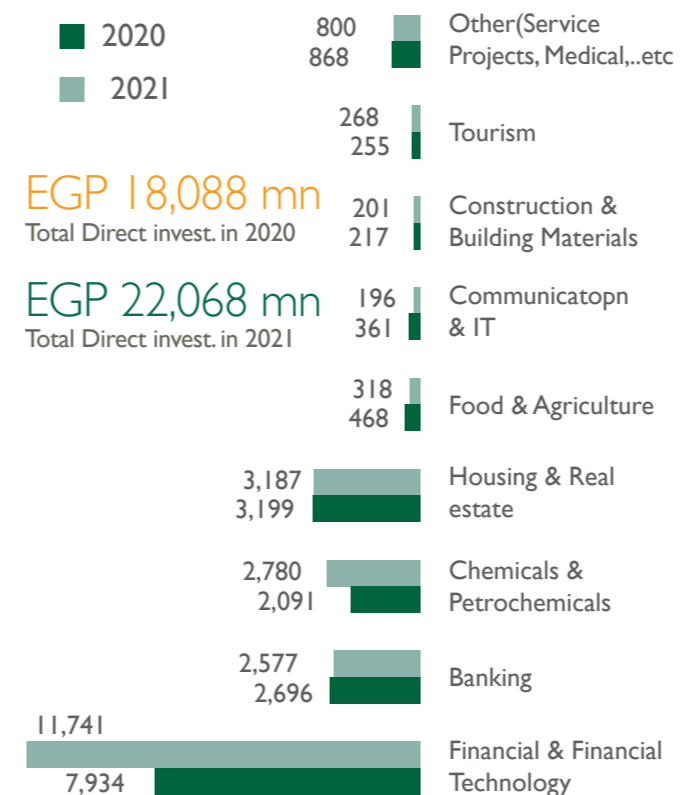
As of December 2021

## Investments Sector

Investments in subsidiaries, and national projects across a myriad of sectors

Read further under "National role: Banking to finance resilience & recovery of national economic sectors"

NBE's Investment per Sector in (Million EGP)



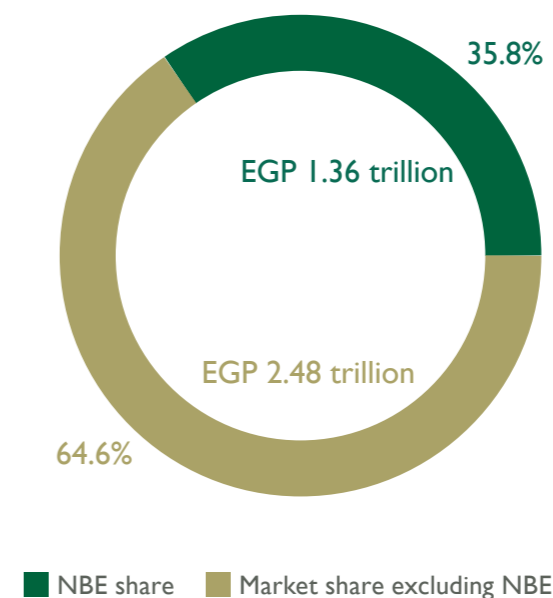
## Treasury and Capital Markets

A key role in implementing the national economic reform plan and CBE's initiatives

Read further under "NBE T-Bills and Bonds Market Share"

T-Bills and Bonds Breakdown

**EGP 3.85 trillion**  
Market T Bills & Bonds as of December 21



## International Financial Services

Fostering international relations and foreign currency inflow for inclusive prosperity

Read further under "NBE's International Relations Division: An Opportunity Hub"

Program	Duration	Fund <sup>2</sup>
<b>Environmental</b>		
Environmental Compliance Office (ECO) Egypt	2005 - 2033	EGP 120 Mn
Egyptian Pollution Abatement Program Phase II (EPAP II)	2005-2015	EGP 2,480 mn
EPAP III	2014-2022	EUR 140 mn
GEFF 1 – SMEs	2019-2024	USD 100 mn
GEFF 2 – SMEs	2021-2026	USD 100 mn
UNIDO – Ship	2019-2022	USD 2 mn
Green for Growth Fund (GGF) I	2016-2026	USD 30 mn
GGF 2	2019-2029	USD 10 mn
Agence Française de (AFD)	2020-2032	EUR 100 mn
<b>Social</b>		
EBRD Youth in Business (YiB)	2019-2024	USD 30 mn
EBRD Skills in Business (SiB)	2019-2024	USD 20 mn
EBRD Solidarity Package (COVID-19)	2020-2022	USD 100 mn
EIB SMEs & MIDCAPS (COVID-19)	2020-2028	EUR 800 mn
<b>Total Funds</b>		<b>USD 1.66 Bn</b>

<sup>2</sup> Fund values were converted from the original foreign currency to EGP based on an exchange rate of USD 15.5, and EUR 20.

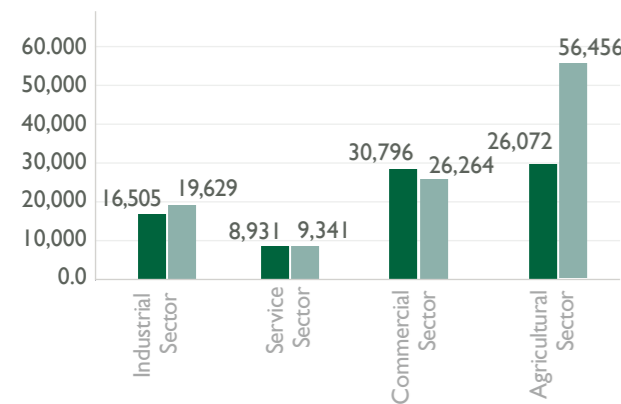
As of December 2021

## Small & Medium Enterprises

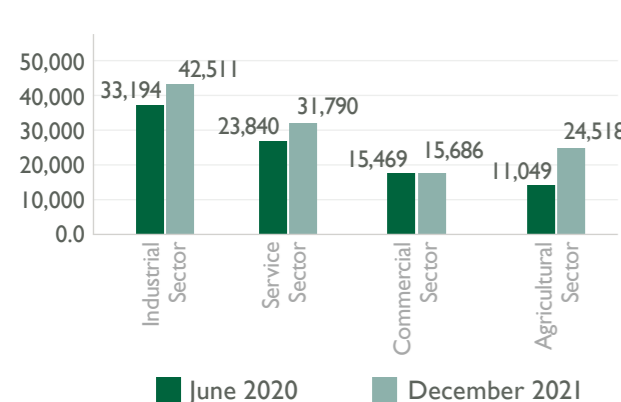
Supporting SMEs, and driving financial inclusion

Read further under "Employability and Microfinance Enterprises" and "Supporting SMEs"

SME Lending Portfolio (Number of Clients)



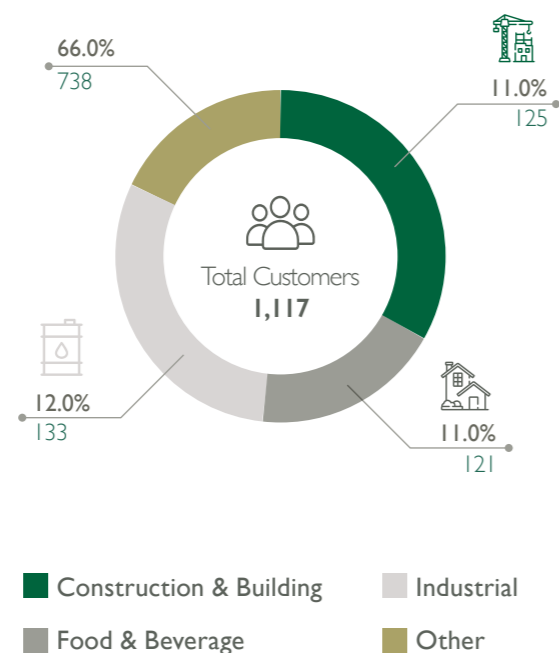
SME Lending Portfolio by Volume (MN EGP)



## Corporate Banking

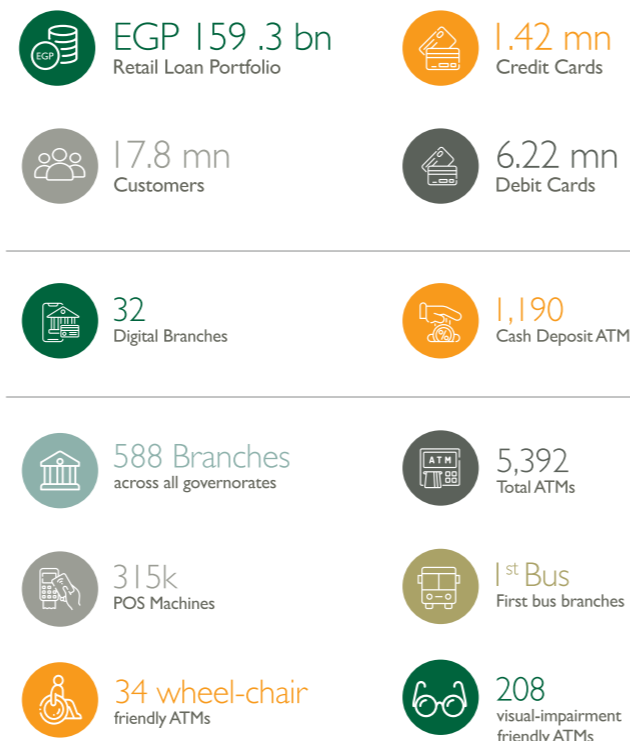
Leading the business banking and supporting economic prosperity

Distribution of Loan



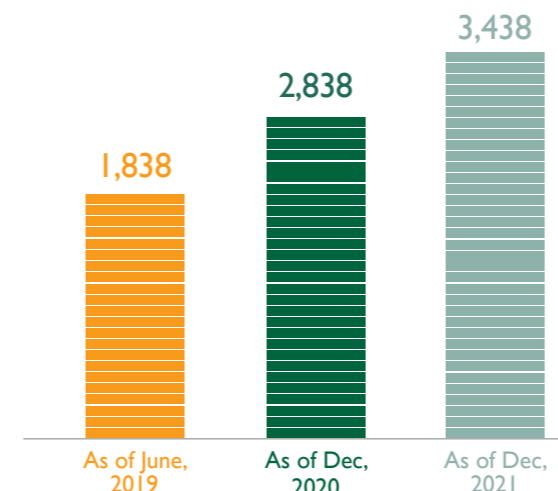
## Retail Banking

Serving the nation, the people's bank of choice  
Read further under "Retail and Household Sector"



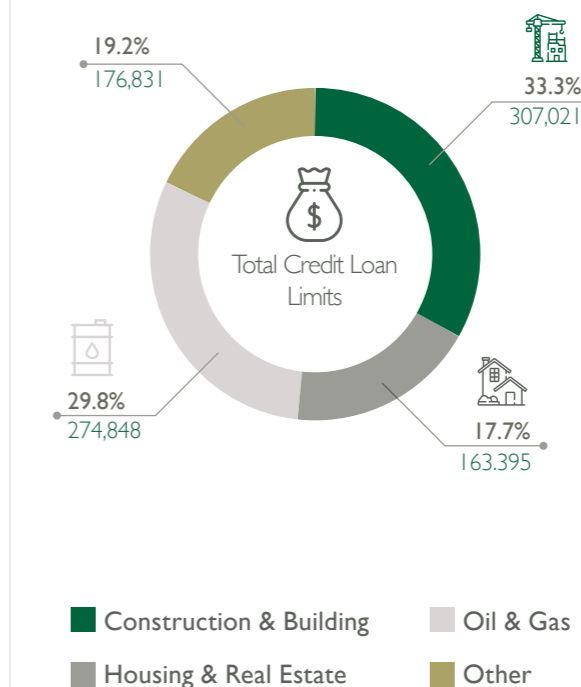
## Small & Medium Enterprises

Microfinancing and Women in Business: Taking the Leap (Mn EGP)



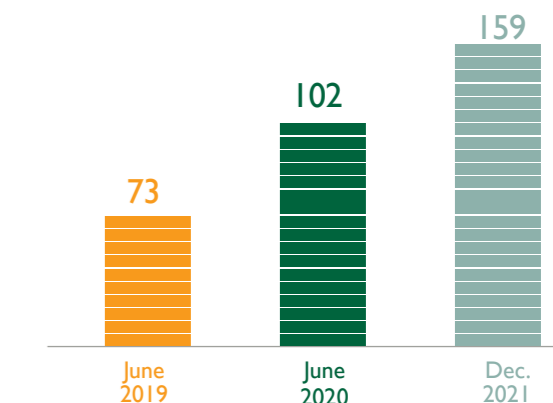
## Corporate Banking

Credit Loan Limits (million EGP)

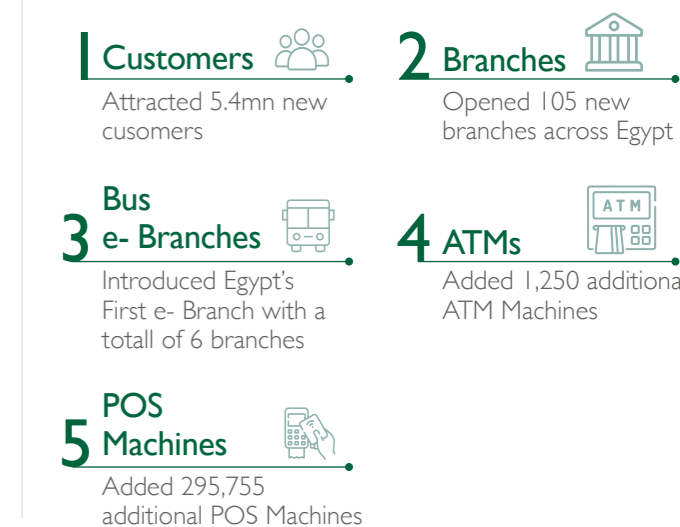


## Retail Banking

Retail Lending Portfolio (Bn EGP)



Retail Banking Networking Growth from 2019 to 2021



## Advancing Government Priorities

### Egypt's Priorities

Between 2016 and 2019, Egypt established a domestic policy framework with the help of an International Monetary Fund (IMF) extended agreement, which pushed monetary, fiscal, and structural reforms forward. In June 2020, this was further bolstered by an IMF standby agreement.

The reforms included:

- Transitioning to a flexible exchange rate to maintain market equilibrium
- Decreasing the budget deficit by eliminating the energy subsidy
- Fostering private-sector-led growth

Simultaneously, Egypt issued a slew of new laws aimed at making the country more business-friendly, including a new investment legislation, banking sector law, customs law, industrial licensing law, consumer protection law, NGOs law, MSMEs law, and innovation and research incentives law. To improve the investment climate, the government has opted to increase public investment in infrastructure and the economy's overall competitiveness.

According to the World Bank, the COVID-19 pandemic disrupted a period of macroeconomic stability in Egypt, which was marked by relatively high growth, improved fiscal accounts, and a comfortable level of foreign reserves, all of which contributed to Egypt's ability to weather the economic turmoil caused by the pandemic. The Oxford Business Group stated that Egypt is well-positioned to attract international investment and emerge strong from this tough era. Despite the fact that the COVID-19 outbreak caused significant disruption, the government's continuous reform initiatives have helped to alleviate the crisis' worst effects. Egypt remains the leading beneficiary of Foreign Direct Investment (FDI) in Africa, according to the United Nations Conference on Trade and Development (UNCTAD) World Investment Report 2020.

Egypt prioritizes human capital development alongside economic development and environmental transformation. In comparison to the three previous fiscal years, total

government investment in health and education climbed by 170% between FY2018/19 and FY2020/21.

The government has developed an integrated program for sustainable rural communities with the goal of eliminating poverty and strengthening social cohesion for the most disadvantaged populations across the country. This initiative helps move the Nation toward the achievement of the nine Sustainable Development Goals set forth by the United Nations.

Meanwhile, the government has added more than 14 mn people to its social protection and national health insurance schemes, thereby helping to increase labor efficiency. The Egyptian government is committed to pursuing economic reforms by concentrating on structural changes that strengthen government administration and policies, while also ensuring the private sector's future role. The COVID-19 crisis provided an opportunity to refocus objectives, particularly in the areas of digital transformation and sustainable development strategies, in order to aid general recovery.

With its continued efforts to maximize investments in renewable energy, Egypt is positioned as a regional hub for conventional and renewable energy, and the Egyptian government has made green economy one of its key goals. As the country's national and largest investment bank, NBE is set to support the achievement of the national goals. Starting in FY2020/21, 30% of public investment projects will be subject to environmental sustainability requirements, with the goal of covering all public investment projects within three years. Special attention is paid to the industry sector amid the reshuffle of the global supply chain and given the promising opportunities Egypt is offering in different industries.

## Dealing With COVID-19 Disruptions

Securing resilience, advancing responses, and unlocking transformation

### A resilient financial sector

Egypt's banking sector, the largest and one of the most stable in North Africa, has faced the pandemic with a solid footing, while timely support by the CBE has helped it to weather economic headwinds and ensure a more stable economy. The most recent "Financial Stability Report" by the CBE noted healthy financial solvency metrics and ample liquidity that allowed the sector to continue financing important trade flows, covering both basic and strategic commodity imports, while not loosening regulatory thresholds.

The sector's capital adequacy ratio, measured as the share of risk weighted assets, reached a high of 20.1% in June 2020, up from 18.6% at the end of the previous quarter and 17.7% in FY 2018/19. Meanwhile, the sector's liquid assets ratio reached 41.9% in June, with total banking assets measuring some EGP 6.4 trillion, up from LE5.3trn in FY 2018/19.

Still, COVID-19 has disrupted supply chains and production networks, limited the flow of goods and services, capital, and people, and severely impacted trade and businesses in the Arab region. Decline in foreign direct investment (FDI) inflows and a drop in the market capital of Arab stock markets have compounded the losses of businesses and economies in the region.

The services sector has fallen by 10.9% along with a sharp drop in payments received from the Suez Canal, followed by industry recording -8.3% in June 2020. Agriculture has faced lower losses compared to those in comparable countries, especially those that resorted to extended periods of full lockdowns, as well as in contrast to other sectors. Most damage occurred in nonfarm components of the agri-food system due to falling consumer demand.

By implementing a partial lockdown, Egypt managed to operate under a slower pace of economic activity but avoided a full lockdown. Inevitably, the combination of external shocks caused by lockdowns in other countries and the domestic partial lockdown

reduced economic output.

Precautionary measures and partial lockdown with restrictions on capacity in public spaces resulted in a temporary decline in domestic activity, while the government's budget was stretched as the economic slowdown reduced tax revenues. Egypt also experienced significant capital outflows as investors pulled out of emerging markets in a flight to safety.

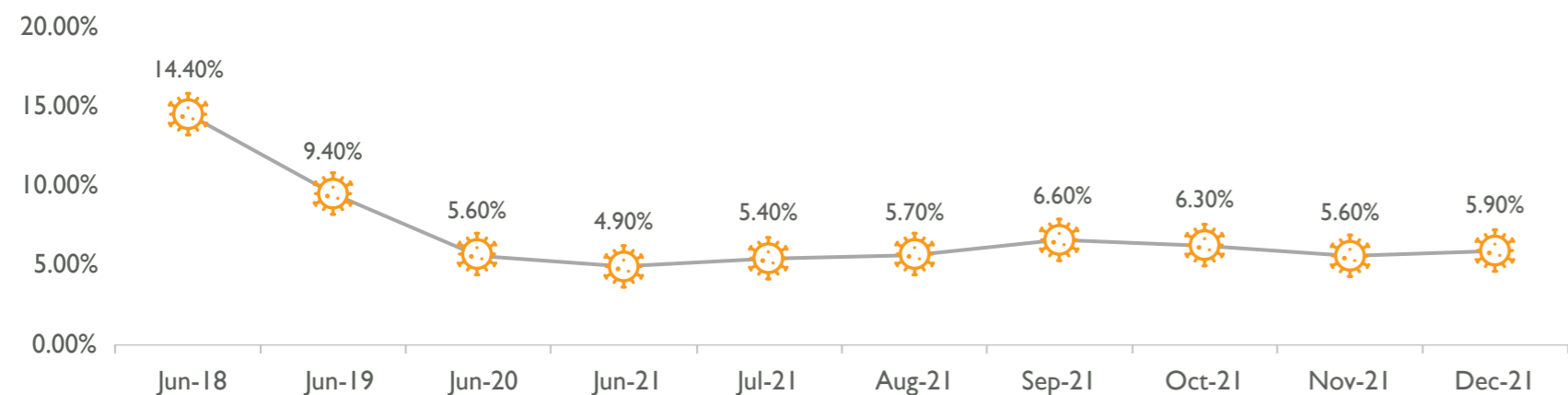
Despite all the limitations, Egypt experienced a positive growth rate in 2020, thanks to the government's timely response, the short lockdown period and Egypt's relatively diversified economy. Growth declined from 3.6% in FY2019/2020 to 3.3% in FY2020/2021 (July 1, 2020 - June 30, 2021), affected by the ongoing impact of COVID-19.

Exposed sectors that contracted since the beginning of the pandemic (tourism, manufacturing, extractives, and Suez Canal) started rebounding starting April - June 2021. In part, this reflected base effects, easing restrictions, the gradual resumption of economic activity, and international travel and trade. Unemployment declined to 7.3% by Q4-FY2020/2021, from the 9.6% peak one year earlier at the height of the pandemic-shock. Yet, labor force participation and employment rates remain low at 41.9% and 39% of the working-age population, respectively, further hindering poverty reduction. participation and employment rates remain low at 41.9% and 39% of the working-age population, further hindering poverty reduction.





## Overcoming Covid-19 Shock and Maintaining Growth



Source: CBE

— Egypt Inflation Rate During COVID-19

Despite the COVID-19 pandemic and the rise in commodity prices globally, Egypt succeeded in maintaining inflation rates within the CBE's **target range of 7% (±2%) in 2021**. Egypt has adopted rational economic and monetary policies over recent years that have taken into account achieving stability in commodity prices, as well as setting interest rates in line with inflation targets. This put Egypt at the forefront of emerging markets in reducing its rate of inflation.

Egypt entered the COVID-19 crisis with sizable buffers, thanks to reforms implemented since 2016 to restore macroeconomic imbalances, including under the 2016-19 Extended Fund Facility (EFF). Those included floating the exchange rate to eliminate currency overvaluation, fiscal consolidation to reduce public debt, energy subsidy reform to address a key fiscal risk and create space for social spending, and structural reforms to strengthen the business climate, attract investment, and increase employment opportunities, in particular among youth and women. As a result, the government was able to quickly respond with a comprehensive support package while preserving economic stability.

In addition, **the CBE** reduced policy interest rates by 400 basis points during 2020, with the overnight deposit rate cut from 12.25% to 8.25% - to help support economic activity

and alleviate pressures in domestic financial markets.

During March 2020, as part of continuous efforts to ease the financial burden caused by the COVID-19 pandemic and to contribute to Egypt's economic growth, we managed to provide 1.058 mn of NBE's customers with our 15% certificates of deposit. The total amount of the 15% certificates purchased was EGP 279 bn, with 70% of these certificates purchased remotely, either through electronic channels or the call centers.



**%15**  
Platinum certificate



**73%**  
NBE market share



**EGP 279 bn**  
Total balance



The CBE has made major strides forward on promoting the concept of sustainable finance, with significant implications for financial and banking stability and the achievement of sustainable development goals. Many initiatives were established, such as the SME initiative, initiatives of the industrial, agricultural, tourism and contracting sectors, the mortgage finance initiative, shifting to vehicles with dual-fuel engines initiative, and the the gas stations initiative. NBE has continued to lead on implementing CBE initiatives, while contributing through diligent implementation, expertise and outstanding customer support on their journey toward sustainability.

In December 2019, an initiative to support the industrial private sector in Egypt was launched with a current reach of around EGP 253 bn in funds granted. The initiative was revisited in May 2020 by the CBE to also include the agricultural manufacturing and contracting sectors and reduce the return to 8% instead of 10% for companies whose business volume or annual revenues exceed EGP 50 mn. This project benefited around 8,800 medium and large companies through short-term and long-term credit facilities to finance the purchase of raw materials and production requirements, and to finance machinery, equipment, or production lines (capital financing), with the aim of contributing to increasing the production capacity of these sectors.

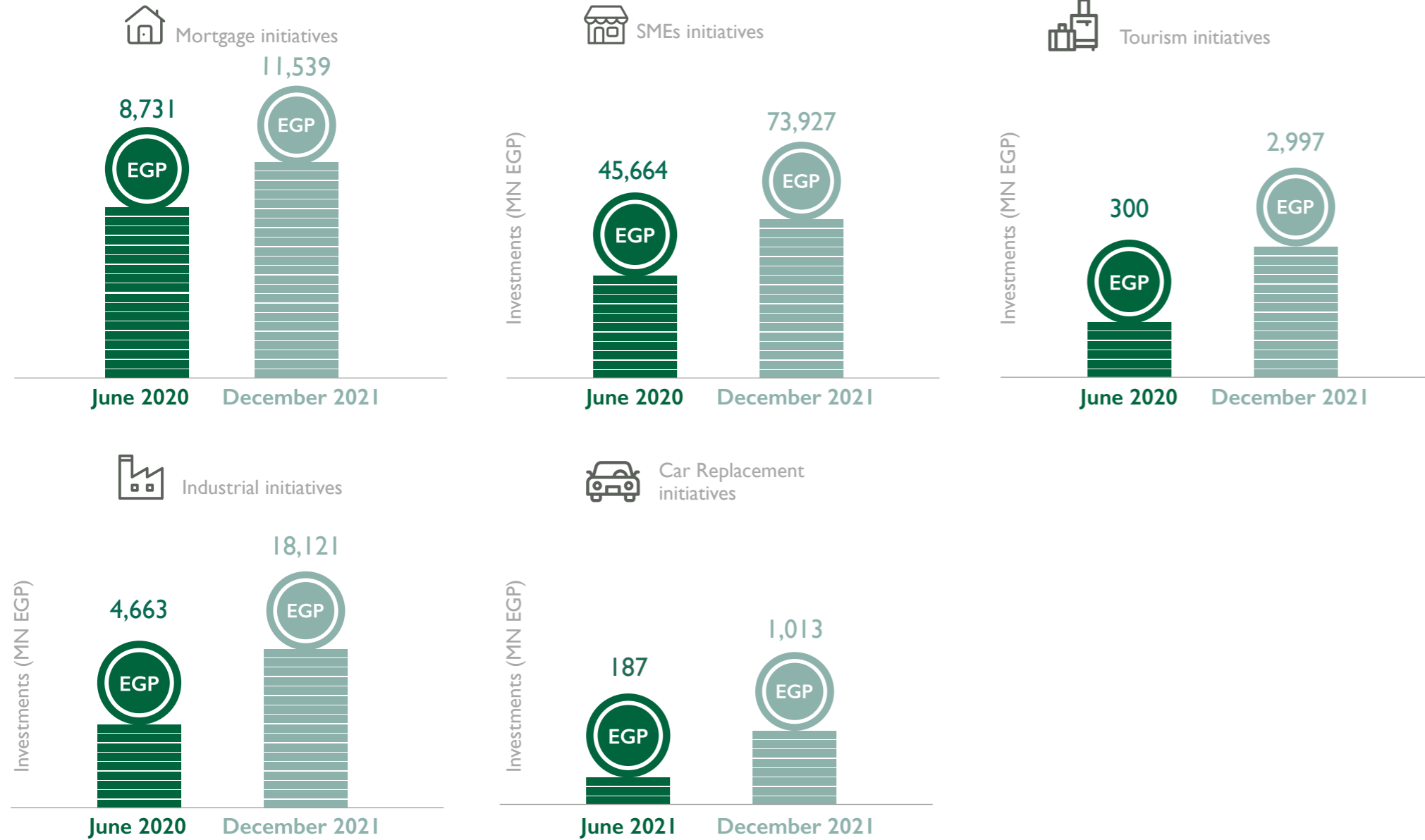
The initiative to fund the replacement and renovation of residence hotels, floating hotels, and tourist transport fleets was first introduced by the CBE in January 2020, with an amount of EGP 50 bn made available through banks, at an interest rate of 8% calculated on a declining basis. In May 2021, the CBE disclosed that banks can now finance up to 90% (rather than 75%) of the total replacement and renewal costs. The amendments

were made with ongoing monitoring of the effectiveness of the initiative, with the goal of continuing to assist the tourism sector and its workers in light of the COVID-19 crisis' effects and the expectation of increased tourism activity in the coming period, which necessitated the foregoing of the need for hotels and tourism companies to conduct maintenance and operation work for all of their facilities and transportation fleets.

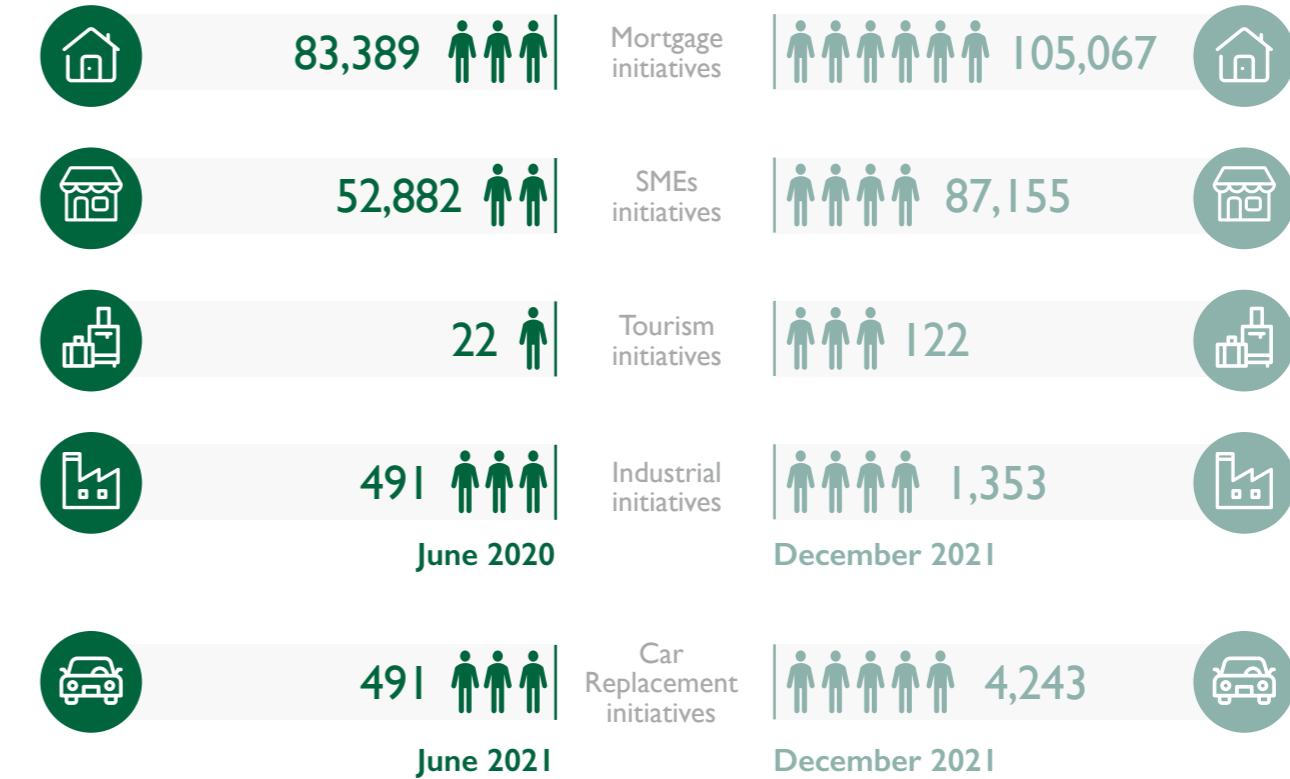
In January 2021, the Board of Directors of the CBE announced the launch of an initiative with a financing tranche of EGP 15 bn for banks to grant as loans to individuals wishing to replace their vehicles - for private cars, taxis, or microbuses - with dual fuel vehicles at a 3% interest rate. The loans have a seven or 10-year payback period and are paid back in equal monthly payments. This project was launched in response to President Abdel Fattah El-Sisi's directives to the government to replace gasoline-powered vehicles with dual-fuel vehicles in order to meet the country's sustainable development goals.

**NBE's lending portfolio directed at CBE's initiatives amounted to EGP 59,545 mn, serving 135,275 beneficiaries as of June 2020, and was boosted to EGP 107,225 mn (an 80% increase), serving 197,940 beneficiaries by December 2021.**

NBE's Financing of CBE's Initiatives (EGP mn)



NBE's Total Beneficiaries Through CBE Initiatives



The CBE also recognizes the crucial role that banks play in development efforts, particularly sustainable development goals, which, with all their environmental and social challenges, cannot be achieved without banks' reactivity through sustainable finance. Moreover, integration of ESG factors in investment leads to improving the performance of enterprises, mitigating risks, as well as attracting foreign investments. The CBE, therefore, has issued a circular in July 2021 to introduce its guidelines in relation to sustainable finance.

## Our National Role

Banking to Finance Resilience & Recovery  
of National Economic sectors:



### Tourism Sector

The global tourism sector has suffered heavy losses, amounting to about USD 12 bn since the emergence of the virus, in addition to about 5.5 billion dollars in losses for the aviation sector. In Egypt, tourism, which accounted for about 12% of GDP, 10% of employment, and 4% of GDP in foreign currency revenues at the start of the crisis, came to a halt almost immediately as a result of the aftermath. The Egyptian government implemented many measures to contain the spread of COVID-19, including travel bans on international commercial passenger flights, which led to the loss of foreign tourism

### Egypt efforts to offset the impact of COVID-19 on tourism

**Initiative to Support Replacement and Renovation of Hotels, Floating Hotels, and Touristic Transport Fleets**

Raising the amount allocated to the initiative to reach EGP 50 bn (previously EGP 5 bn) at an interest rate (decreasing) of 8% over a period of 15 years.

**Initiative for Financing Six Months' Payroll of Tourism Sector Workers, and Maintenance and Operating Expenses, Guaranteed by the Ministry of Finance**

Allocating an EGP 3 bn tranche under the initiative to support replacement and renovation of hotels, floating hotels and touristic transport fleets with a 5% interest rate (decreasing) to finance payroll and wages of tourism sector workers; as well as basic maintenance and operating expenses.



**Initiative for Non-Performing Companies Operating in the Tourism Sector**

This initiative applies to the non-performing companies operating in the tourism sector with outstanding debts of EGP 10 mn or more (without marginal interests) and whether legal procedures are taken against them or not.

If the client pays 50% or more of his outstanding debt during the period of the initiative shall be removed from the ban list in CBE and I-score.

**Initiative for Postponing Dues on Companies Operating in the Tourism Sector**

Extending the duration of the initiative to support tourism sector for an additional year until the end of December 2022, whereby banks are allowed to postpone dues (long term and short-term facilities) for a maximum period of three years.

### NBE's contribution to the tourism sector

#### NBE investment sector

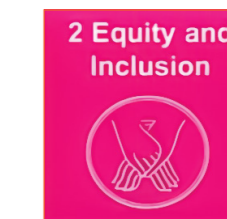
NBE investment portfolio in the tourism sector amounted to EGP 268 mn as of December 2021.

#### Corporate portfolio

NBE's total corporate portfolio in the tourism sector amounted to EGP 9.2 bn as of December 2021.

#### Supporting the CBE's tourism initiative

NBE's contributions in the CBE tourism initiative amounted to EGP 3 bn as of December 2021, with 122 customers compared to EGP 300 mn as of June 2020 with 22 total customers at a volume growth rate of 900% during the reporting period.





## Communication & IT Sectors

Working from home, e-learning, online shopping, and other internet-based activities have led to a sharp rise in the use of internet and other information sector related services. The Minister of ICT disclosed that the consumption of internet services increased by around 50% during the COVID-19 crisis.

In the battle against the COVID-19 pandemic, digital technology, transformation, and connectivity have become an essential medium or solution to enhance economic and societal resilience. Emerging technologies such as artificial intelligence (AI), machine

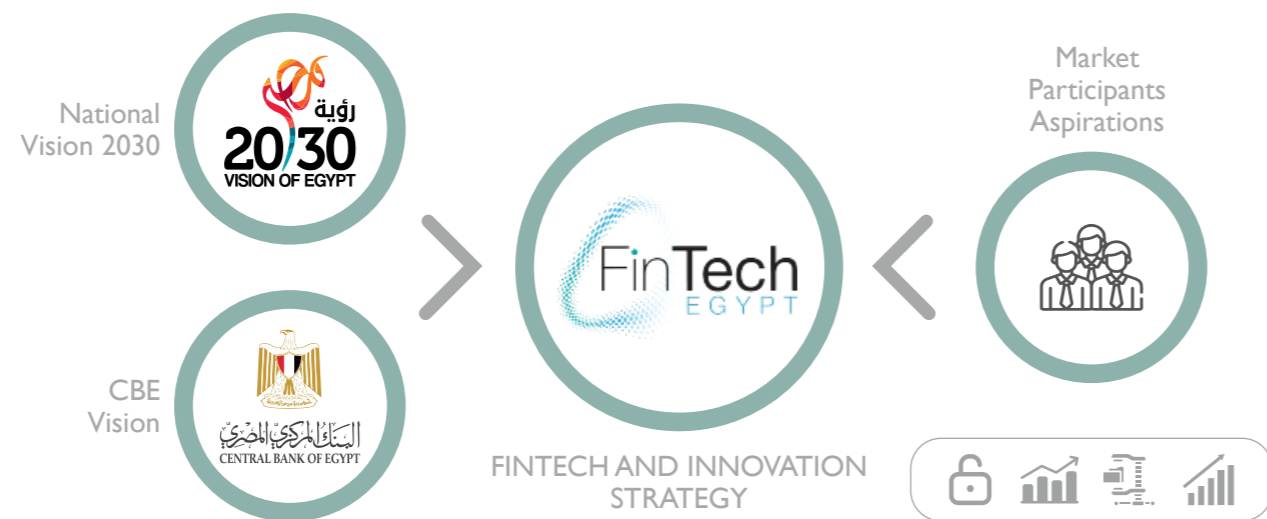
learning (ML), 3D printing, internet of things (IoT), and robotics are being utilized in the pandemic.

In the aftermath of the COVID-19 situation, governments and industries are likely to invest more in technologies. Modern technologies such as big data analytics, Internet of Things (IoT), artificial intelligence (AI), virtual reality (VR), and augmented reality (AR) among others. These technologies are beneficial for the environmental situation, early detection, and diagnosis of disease, analysis of data, mitigating risk of economic crisis, etc.





## Egypt's efforts for supporting fintech & IT sector

Egypt is currently moving toward digitalization by the digital transformation and innovation agendas which are guided by Egypt Vision 2030 and Egypt's Less-Cash Transformation framework. Developing the banking sector technology is the first step toward digital economy transformation (see Fintech Accelerates). The banking experience has become quicker, more reliable, and convenient, especially for youth, as a result of the digital delivery of banking services.

In March 2019, the CBE developed a national fintech and innovation strategy with a vision to "become a globally recognized fintech hub in the Arab world and Africa, home to next generation financial services, talent, and innovative development". The strategy is rooted in the national vision 2030 agenda and builds on the CBE's vision. It includes the aspirations of market participants and aims to address the unmet needs in today's financial solutions.



The Fintech and Innovation strategy is built on five pillars which are: demand, funding, governance, talent, and regulation.

Pillar	Description
 <b>Demand</b>	Needs of consumers, SMEs, corporations and financial institutions, and their digital readiness and appetite to adopt FinTech solutions
 <b>Funding</b>	Availability and access to capital across all FinTech lifecycle stages; from pre-seed to scale up. Investment in digital financial services infrastructure
 <b>Governance</b>	Effective collaboration among ecosystem stakeholders; public and private sector support for sustainable development of the sector
 <b>Talent</b>	Availability of talent with the right skillset; development of talent pipeline and conducive environment to attract and retain local and international talent
 <b>Regulation</b>	Overall regulatory environment covering presence of regulatory sandboxes, FinTech specific laws and licensing as well as encouragement of FinTech solutions through policies.

## NBE contributions in the fintech & communication sector

The financial and fintech sector represents the largest share, with 49.7% of NBE's total investment portfolio in 2021, with a 7% YOY increase in investments.

### NBE's direct investment portfolio:

#### NBE contributions for E-Payments

- NBE has invested EGP 480.4 mn in a leading company specialized in the E-payment field since November 2021, which enables NBE to own 24% of its shares. The activities of this company are diversified, and include general trade and distribution of what is permitted by law, general supplies, import, export, and commercial agencies. In addition to that, the company provides electronic payments services; design and production of computer software; online e-commerce; mobile phone store; internet services; sales installments for all types of goods; establishing, operating, and maintaining networks that transmit audio, images, and information; and providing value added services and internet services after obtaining the required licenses, marketing, and advertising.
- "NBE owns about 107.56 mn shares in another company for banking technology and electronic payment for EGP 313.57 Million with an equity stake of 6.54%." This prominent company is an Egypt-based company that provides an electronic payment network, allowing its users to pay bills through multiple channels, such as ATMs, mobile wallets, and retail points.

### NBE's investment in venture capital funds:

#### NBE Contributions to technology startups

NBE Invested in Egyptian technology-based start-ups, with a value of EGP 444 mn. NBE is keen on investing in start-up companies, especially those operating in the technology sector; due to their important role in the economy. The goal of the fund is to provide an investment fund in the form of an Egyptian joint-stock company to invest its assets. The fund aims to achieve returns for policyholders by financing start-up companies that invest or have subsidiaries in

Egypt, provided that its investment is in the creative, information, and technology fields, which practice establishing and managing technology incubators. Funding would be by various means, including investing in capital and/or financial tools and/or money bills and other financing means.



### Housing and Real Estate Sector

The real estate sector in Egypt is mainly driven by many factors, amongst which are: strong demand with a supply gap of 3 mn residential units in 2020; a growing population of over 100 million people, mostly young people; and a general drive to buy real estate as either as an investment to hedge against inflation or for their children due to the continuous increase in prices.

The real estate sector has been on the rise in terms of investments and contribution to GDP as it is a relatively safe investment and the demand is always increasing. This is until the COVID-19 crisis, as the crisis impacted the savings of many middle-class families and led many to lose their jobs which in turn affected their savings and their properties.

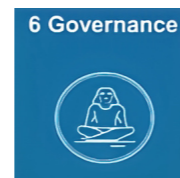
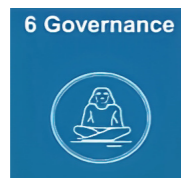
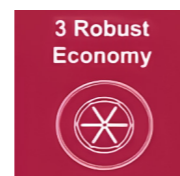
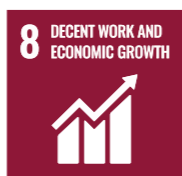
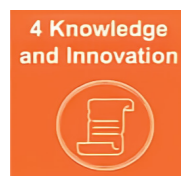
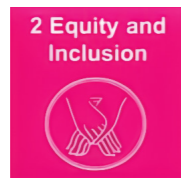
Egypt's five biggest listed real estate firms reported a combined profit fall of nearly 31% in the second quarter of 2020 as property sales slowed during the COVID-19 crisis. The pandemic has led to a slowdown in initial sales and delayed deliveries, which affected real estate developers further. Additionally, sales in Egypt declined by 30-40% in the first half of 2020 due to the impact of the pandemic and customers' subsequent fears of buying.

#### CBE's efforts to offset the impact of the pandemic

##### Mortgage Finance Initiative for Middle-income Class:

In July 2021, the CBE launched a mortgage finance initiative with facilitation including allocation with an amount of EGP 100 bn through banks to finance the purchase of housing units for low and middle-income people at a decreasing interest rate of 3% for a period of 30 years.

The Ministry of Housing, Utilities, and Urban Communities announced the expansion of social housing mega-projects to include 250,000 units at a total cost of EGP 40 bn.



## NBE's contributions in supporting the housing & real estate sector

### Investment portfolio:

Housing & real estate account for 21.4% of NBE's total investment portfolio , with NBE's total investment in this sector remaining unchanged between 2020 and 2021.

### NBE's investment projects

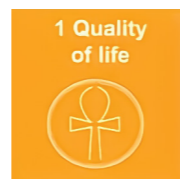
#### NBE contributions to Urban Development

- NBE invested a real estate investment and development firm that was established in the last quarter of 2020. The firm was established with the purpose of developing residential, administrative, and commercial projects on an area of 341 thousand square meters in New Cairo District. This investment aims to alleviate the financing burdens and obligations for Projects and Urban Development, in light of the bank's keenness to commit to supporting the state's plans in the field of real estate development, to provide more direct and indirect job opportunities, taking advantage of the demand and the growing return in New Cairo district. NBE has invested EGP 68.9 mn in the firm since 2020.
- NBE Also made A real estate investment joint venture in February 2021 with another leading real estate company. The activities of the firm include the purchase and sale of land and buildings to develop, operate, sell, and/or lease them. This includes real estate investment activities, and investment in all fields, including administrative, commercial, and residential units. NBE's total investment in this company projects amounted to EGP 20 mn.

## NBE's contribution in supporting real estate and CBE mortgage initiative

NBE's mortgage initiative reached EGP 11.5 bn for 105,100 customers in December 2021 compared with EGP 8.7 bn in June 2020 with a total number of customers 83,400 customers.

(Low income customers in NBE's mortgage initiative represent 96% of the total mortgage initiative)



## Industrial Sectors

While many factories remain open, working hours and work shifts were reduced. These domestic anti-COVID-19 measures are modest by international standards as the partial lockdown of the Egyptian economy aims to strike a balance between public health and economic considerations. However, we can see the negative impact on different industrial sectors as follows:

- Food processing:** Food products are considered essential consumer products and production in Egypt relies mainly on locally produced agricultural inputs. Recent news reports state that food products have seen an increase in demand, signifying that local processing has been increasing to substitute for the decline in imports of processed food items as a result of the COVID-19 crisis.
- Textiles and clothing:** Due to the significant drop in domestic and foreign demands, many factories have stopped production, with others only utilizing 50% of their productive capacity. Apparel exports, which represent 44% of the sub-sector's total output decreased due to a decline in global orders.
- Chemical and pharmaceutical products:** The nature of this health crisis led to higher demand for medical supplies, sanitizers, and related products of chemical industries. Therefore, COVID-19 led to a significant increase in demand for such products.
- Durables and consumer goods, such as metals and machinery:** There was a significant decline in the output of such goods. The reason is a combination of reduced demand and bottlenecks in the supply of intermediate inputs leading to decreases of around 20% in metals and machinery and around 20% decline in other manufacturing activities.

## CBE efforts to offset the impact of the pandemic

### Industrial, Agricultural, and Construction Private Sector Initiative:

Under this initiative, EGP 100 bn has been allocated through banks at an 8% interest rate (decreasing) to finance industrial private sector corporates, and companies operating in the agricultural field, in addition to agricultural production and manufacturing, including export and packaging stations for agricultural commodities, refrigerators, fisheries, poultry, livestock, as well as construction sector companies whose annual turnover is EGP 50 mn or more, taking into consideration the total consolidated annual turnover of the client and its related parties.

### NBE contributions in supporting the industrial sector:

#### SME Sector

NBE's SME portfolio in the industrial sector amounted to EGP 42.5 bn, with a total of 19,600 customers as of December 2021 compared with EGP 33 bn in June 2020 with 16,500 customers.

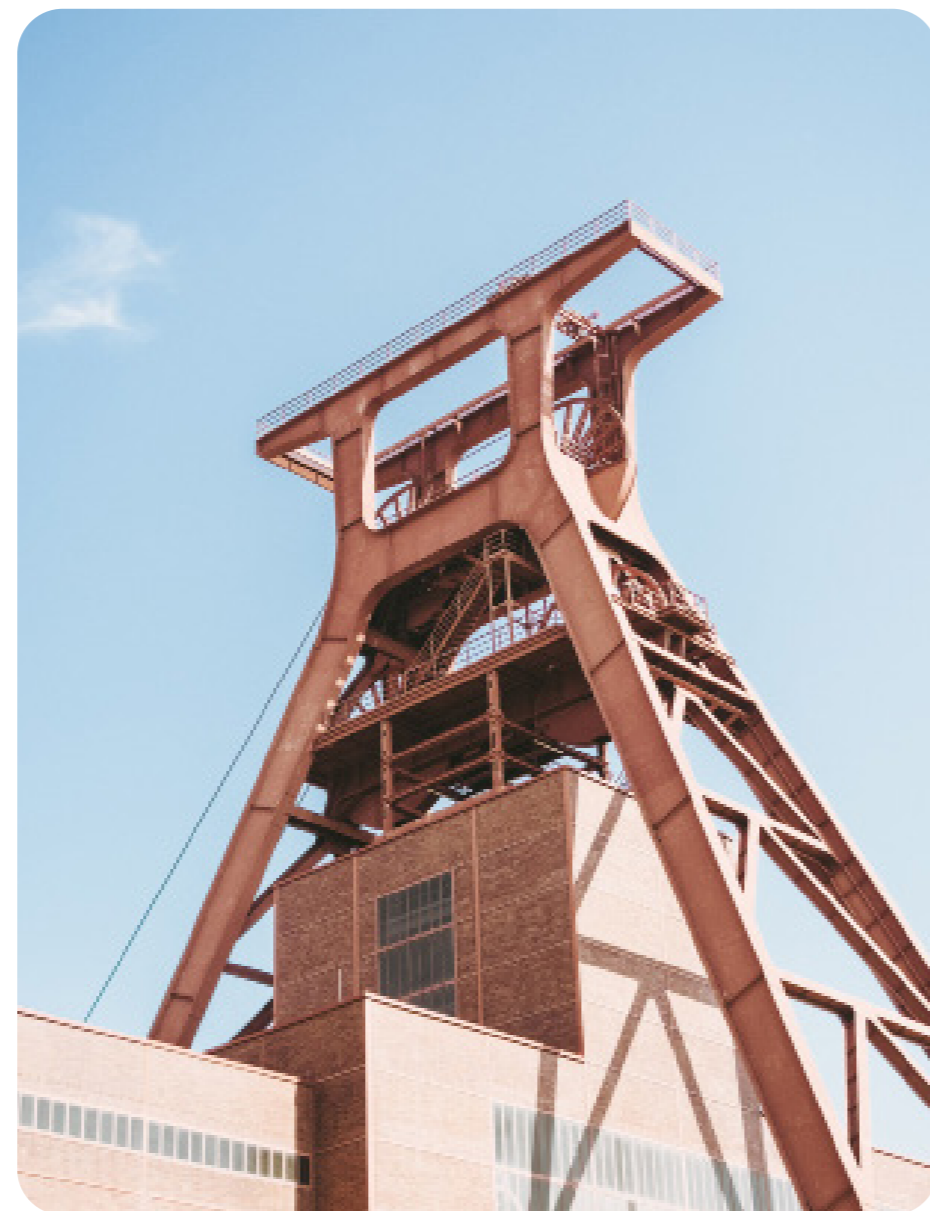
This sector of NBE's portfolio achieved an increase of EGP 9 bn during the reporting period, with a 28% of growth rate during the reporting period.

### NBE contribution to CBE's industrial initiative:

NBE's industrial initiative amounted to EGP 18 bn with a total number of 1,353 customers as of December 2021 compared with EGP 4.6 bn in June 2020 with a total number of 491 customers with a growth rate of 288% during the reporting period.

## Financing Agreements:

1. NBE signed a long-term joint financing contract in the amount of EUR 152 mn in favor of a leading company in the wood industries, to finance 70% of the investment cost for the purpose of establishing, owning, and operating a factory for the production of MDF boards from rice straw, with a production capacity of 205,000 tons annually in the city.
2. NBE signed a financing contract in the amount of EGP 793.9 mn for another Wood Company, the funding will allow the company to finance the necessary investment costs to establish and operate a factory for wood industries and the manufacture of MDF wood panels. This project also aims to treat environmental pollution by cultivating large areas of untapped land using treated wastewater and in line with the state's keenness to preserve a clean environment.



## Food & Agriculture Sector

Domestic agricultural production plays a key role in food security, especially during times of international crises. The agriculture sector is one of the most important sectors of the Egyptian economy, representing 11.2% of GDP and employing about 23.8% of Egypt's labor force. Maintaining or even expanding agricultural production during the COVID-19 crisis was a high priority for the government. The pandemic had no direct impact on most agricultural crop production, except for wheat, the output of which is likely to grow due to higher procurement prices.

There was an increase in livestock production as many livestock farms have been encouraged to produce additional meat and dairy products in order to substitute for any possible decline in imported livestock products.



### NBE contributions in supporting food & agriculture sector

#### Investment Sector

NBE's investment portfolio in food & agricultural sector amounted to EGP 318 mn, with 10 total projects

#### Corporate portfolio

NBE's credit corporate portfolio in the food & beverage (F&B) sector amounted to EGP 18.6 bn.

#### SMEs portfolio

NBE's SME portfolio in the agricultural sector amounted to EGP 24.5 bn, with a total of 56,456 customers as of December 2021 compared to EGP 11 bn in June 2020 with a total of 26,000 customers.

The increase in SMEs portfolio in the agriculture sector represented 44% of the total increase in the portfolio during the period, with an increase of about EGP 13.5 bn and a growth rate of around 122%.

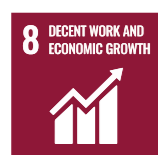
### Other initiatives for promoting agriculture

#### Financing food trucks

For the first time in Egypt, NBE launched a new specialized credit product to finance the projects of mobile and fixed food trucks, becoming the first sponsor of the 'street food' system, as the financing program includes credit facilities to finance the investment costs of the projects, such as vehicles and special equipment for the preparation of food and drinks

#### Sahara Festival

NBE participated in the activities of the Sahara Exhibition 2021, which aims to create opportunities for communication and expand business in the agricultural sector; in line with Egypt Vision 2030 regarding the development of the sector as a fundamental pillar in the national economy to achieve food security, expand the production of strategic crops and increase government investments.





### World Food Program

The World Food Program, in partnership with NBE and Banque Misr, launched a project to increase the productivity of small farmers, raise their standard of living economically and socially through the optimal use of land and water resources, and empower and educate women financially in Upper Egyptian villages, under the auspices of the CBE.

The project will benefit around 100,000 small agricultural owners in the governorates of Luxor, Aswan, Qena, Sohag, and Assiut. Benefits include aiding in the unification of agricultural land tenure, the economic empowerment of women through awareness and educational sessions to facilitate their access to financing in the areas of animal husbandry and activities of agricultural industrialization, thereby supporting their independence and enhancing their role in making sound decisions regarding family expenses.



### Cooperation protocol with The General Federation of Poultry Producers

NBE, in partnership with the Agricultural Bank of Egypt, signed a cooperation protocol with the General Federation of Poultry Producers to provide logistical, technical, and financial support to small poultry breeders to raise the efficiency of their farms and convert them from an open breeding system to a closed one, due to the consequent improvement of the economic return and the reduction and increase of production costs.



### Modern irrigation systems

In cooperation with the Agricultural Bank, NBE aims to finance modern irrigation systems for around 3.7 mn feddans of old lands by transforming them flood irrigation to modern irrigation systems within three years as these systems provide a great positive return, whether at the national or farmer level. These systems work by rationalizing the use of water, raising the quality of crops, increasing crop productivity, reducing operating costs, and increasing farm profitability through the efficient use of labor, energy, and water.

### NBE launching of AI Ahly business product to promote the industrial and agricultural business

In line with CBE's latest efforts to promote finance extensions to the underbanked under the umbrella of economic inclusion, in February 2021, NBE commenced its Business Banking Division in March 2021 in an effort to promote the migration of business activities from the informal to the formal economy.

The launch of business banking and the breakthrough of product-based lending entailed a complete redesign of the approval forms to include customer requests, business line recommendations, and credit decision – all in a more simplified form.

As far as products are concerned, these are designed based on thorough research of the targeted sectors whilst standing on the projects' economics to include production cycles, input materials and respective costs, trading cycles, and profitability.

Business banking is a clear customer segmentation for clients whose annual turnover reaches EGP 20 mn without financials. However, given the nature of the underlying segment, clients are being serviced by way of specialized products that address the needs of identified economic sectors. Selected economic sectors align broadly with the CBE's sectoral support initiatives as well as nationwide initiatives.

In this regard, the products offered cater to support resilient supply chains, fintech initiatives, and more importantly, digital transformation, as well as cashless societies via B2B and corporate cards.

Accordingly, these products contribute to economic growth, job creation, and the empowerment of women and youth, leading to sustainable economic growth and supporting the transition from an informal to formal economy, alongside promoting a cashless society.

### Distribution of the Business Banking Portfolio by Program

Program	Number of Clients	Balance (Million EGP)	Program	Number of Clients	Balance (Million EGP)
Furniture factories workshops in Damietta Governorate and similar gatherings	1,059	754	Dairy Processing	86	79
Fattening projects in cooperation with the Land of Goodness	288	144	Poultry Fattening	330	176
Dairy Collection Centers	68	45	Grocery	2,074	705
Fattening Cattle	641	247	Program for financing the Modernization of the Irrigation System and Solar Energy Applications	44	60
Generating Cattle	21,997	10,000	Medical Devices	152	224
Mobile Food Carts	21	19	<b>Total</b>	<b>27,430</b>	<b>13,035</b>
Pharmacies	395	338			
Financing of Plastic Injection and Blow Factories	93	108			
Financing of leather manufacturing and tanning factories	19	20			
Financing merchants who own Electronic Points of Sale (POS).	163	117			





## Construction and Transportation Sectors

### How COVID-19 affected the Egyptian economy

As the construction sector is one that accounts for providing a significant number of jobs in the country, construction activities continued in many places as the government balances the need to keep projects running while implementing precautionary measures, such as social distancing and lower numbers of workers on construction sites. Relative to many manufacturing sub-sectors, there was a smaller decrease in construction activity – around 5%.

Despite the interruption created by the COVID-19 outbreak, Egypt's construction sector is predicted to continue to outperform its Middle East and North African counterparts in 2022, rising by 11% YOY. The government's continued support for a solid pipeline of projects in the transportation, utilities, and non-residential building sectors will maintain high growth in the following years, with an average annual growth rate of 7.9% between 2023 and 2030.

Strong economic development, sustained political and macroeconomic stability, and a young and expanding population are expected to continue to support substantial regional outperformance in Egypt's construction sector in the future years .

### NBE contributions in supporting the construction and transportation

#### Investment sector

NBE's investment in the construction and building materials sector amounted to EGP 71.5 mn as of December 2021.

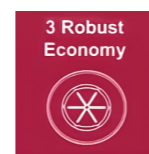
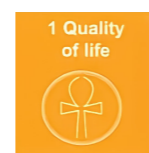
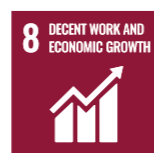
#### Corporate sector

NBE's corporate portfolio in the construction and building materials amounted to EGP 32.5 bn.

### Other projects and initiatives

#### Financing Agreements

NBE signed a shareholders' agreement with the aim of contributing to A leading company by injecting new capital, which enabled NBE to own 20% of the company's shares. NBE has invested EGP 58.8 mn in this company since October 2021. it provides mass transportation services to and from urban communities through its fleet owned by its subsidiaries. The company also plays the role of operator and developer of mass and intelligent transportation operations for others; be it other companies or the Public Transport Authority, where the company owns operating systems and electronic applications to provide the service efficiently in return for a fee.



## Employability and Microfinance

### How the Egyptian labor market was affected by COVID-19

The impact of the crisis is clearly evident in increased youth unemployment rates in particular, especially in the sectors of food services (restaurants etc.), leisure activities (cinemas and theatres, etc.), and related transportation services (taxis, Uber), due to their concentration in these sectors in large numbers. These sectors also absorb huge amounts of daily workers, irregular workers, and job seekers.

The reduction in the economic activity translates into a temporary loss in employment levels of around 600,000 jobs. Women were the most hit by the crisis among vulnerable categories, given their high representation in the service sector (education and health) and informal sector activities.

Small enterprises that have gone bankrupt in all fields are not expected to return to operation, which will lead to an increase in the number of new jobseekers. The low-skilled blue-collar workers are more likely to face job losses as a result of troubled manufacturing industries, while the problem for white-collar workers appears in the form of salary cuts of 30-50% or more.

As a result of the crisis, a terrible exacerbation in unemployment happened due to the return of workers from abroad, especially the large numbers coming from Gulf countries.

### CBE efforts to offset the impact of COVID-19

#### Industrial, Agricultural, and Construction Private Sector Initiative:

This initiative allowed the following companies to benefit, as they were not previously benefiting from any of the existing initiatives:

1. Startup businesses classified as «medium enterprises» according to their paid-up capital until they issue their financial statements and thus classified according to their turnover; according to CBE's definition for MSMEs.
2. «Small enterprises» affiliated with larger entities and institutions or owned by high-net-worth clients.

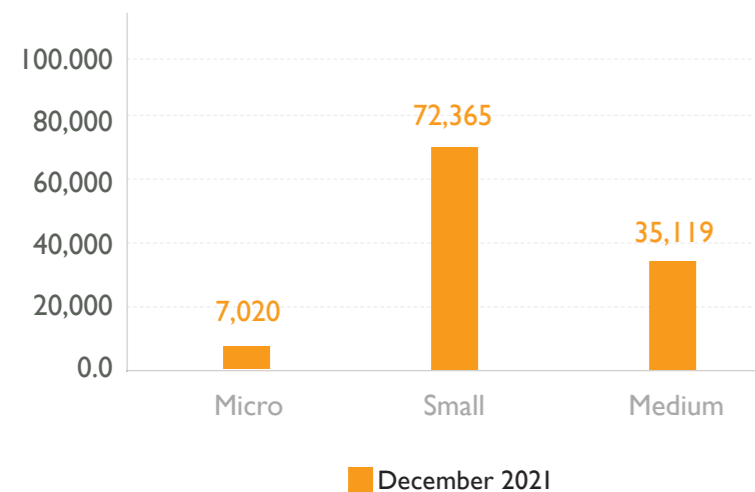
**CBE's initiative to finance small enterprises whose annual turnover ranges from EGP 1 mn up to less than EGP 50 mn still applies with a 5% interest rate.**



### NBE's contributions in supporting the employability and microfinance enterprises

About 50% of the value of the increase in the SME portfolio during the period represented in the facilities portfolio for the small segment, where the value of the increase in this segment amounted to about EGP 15.6 bn during the period. Thus, the growth rate in this segment reached about 27% during the measurement period.

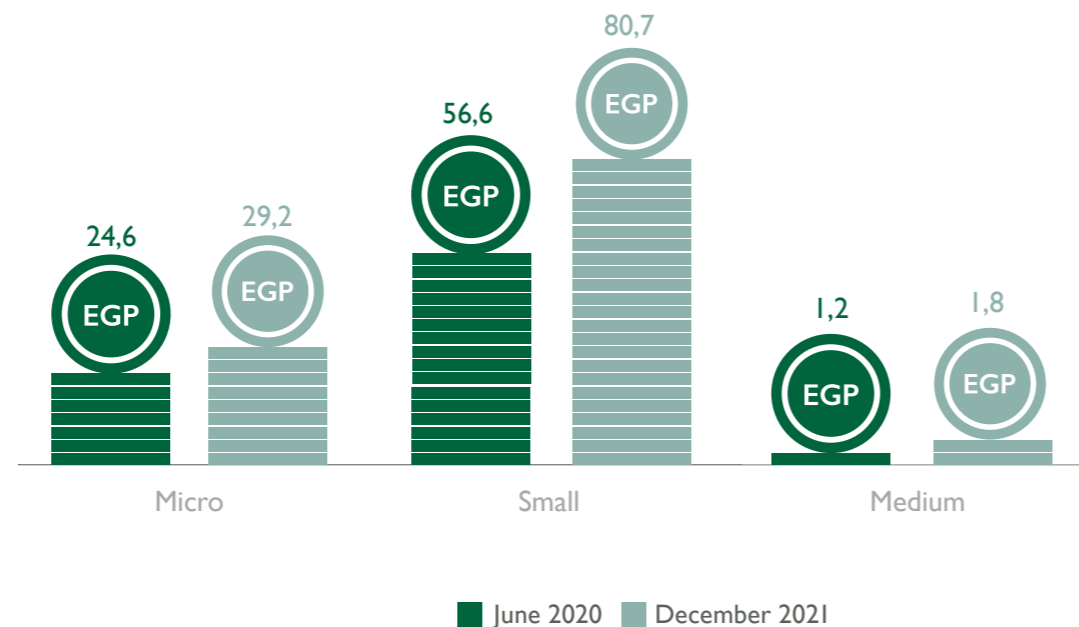
SMEs portfolio(MN EGP) by size of enterprises



This is primarily due to the 5% Initiative and the Financial Inclusion Program (BB).

It is followed by the medium segment, with an increase of about EGP 11.5 bn with about 37% of the increase achieved in the portfolio during the period, and a growth rate of about 49% in this segment during the measurement period.

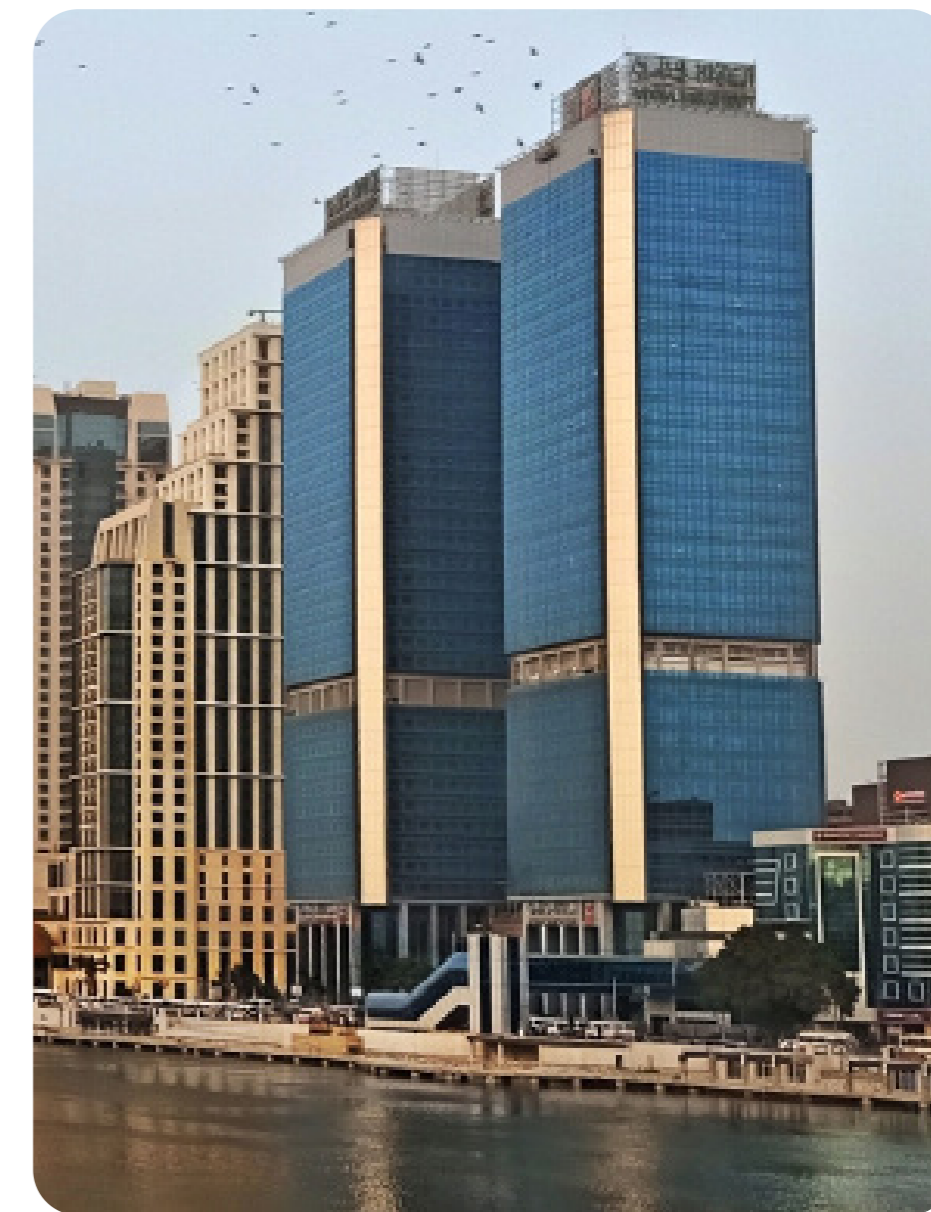
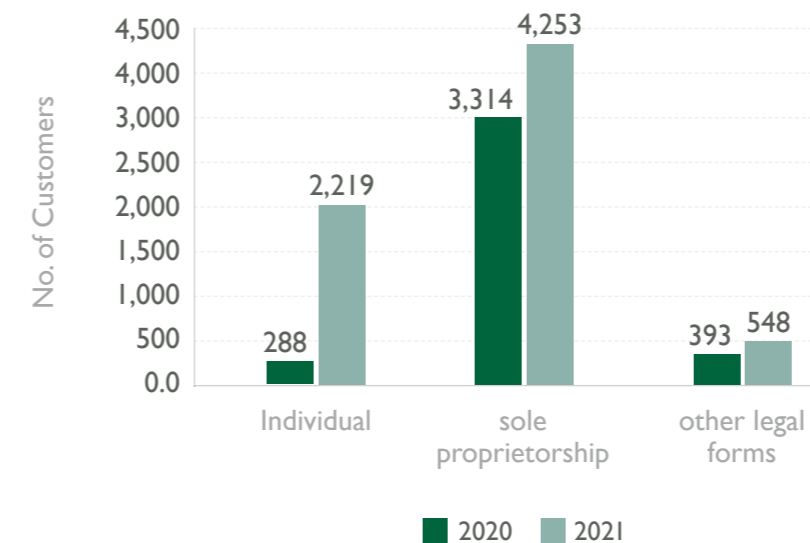
SMEs Customers by size of enterprises ('000)



It is followed by the micro-segment, with an increase of about EGP 3.8 bn with about 13% of the increase achieved in the portfolio, and a growth rate of about 120% during the measurement period.

Egypt plans to contribute to Vision 2030 by unleashing the potential of 2.5 mn MSMEs (97% of entities and 75% of employment). The government established various measures to stimulate and fund SME growth, with the goal of creating thousands of jobs by the fiscal year 2021-2022. These include providing at least 10% of accessible land to young people and small businesses, as well as extending microfinance to more women, creating 100,000 jobs in agricultural, commercial, and service industries. Clustering, integrating value chains, innovating, and valorizing national resources are all supported for SMEs.

Distribution of MSMEs Portfolio by Legal Form (MN EGP)



### Empowerment at Scale: Women, Youth, and MSMEs

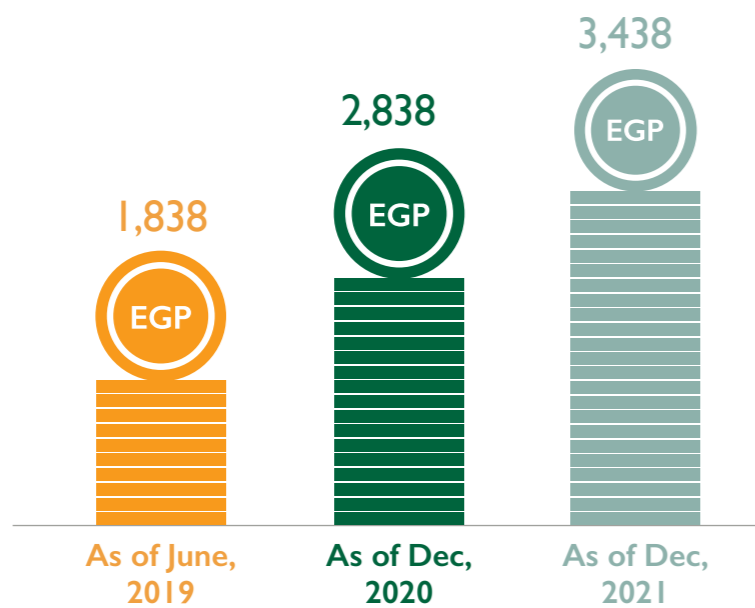
#### Microfinancing and Women in Business: Taking the Leap (Mn EGP)

The gender-responsive sustainable development plan in Egypt encourages providing initiatives and technical support to finance small projects that benefit women. It also emphasizes on the importance of expanding transformational training programs to raise women's skills, with a focus on empowering micro-clients, including women in Upper Egypt.

NBE's portfolio has grown tremendously across the years by over 87%, from EGP 1,838 mn in 2019 to EGP 3,438 mn as of December 2021. This leap had us boost the target we previously set for 2023, from EGP 3.4 bn to EGP 4.4 bn.

Microfinancing and Women in Business: Taking the Leap (Mn EGP)

A financing target boost by 30% NBE targets EGP 4.4 bn by 2023 instead of its previously set EGP 3.4 bn target.



## Trade Sector

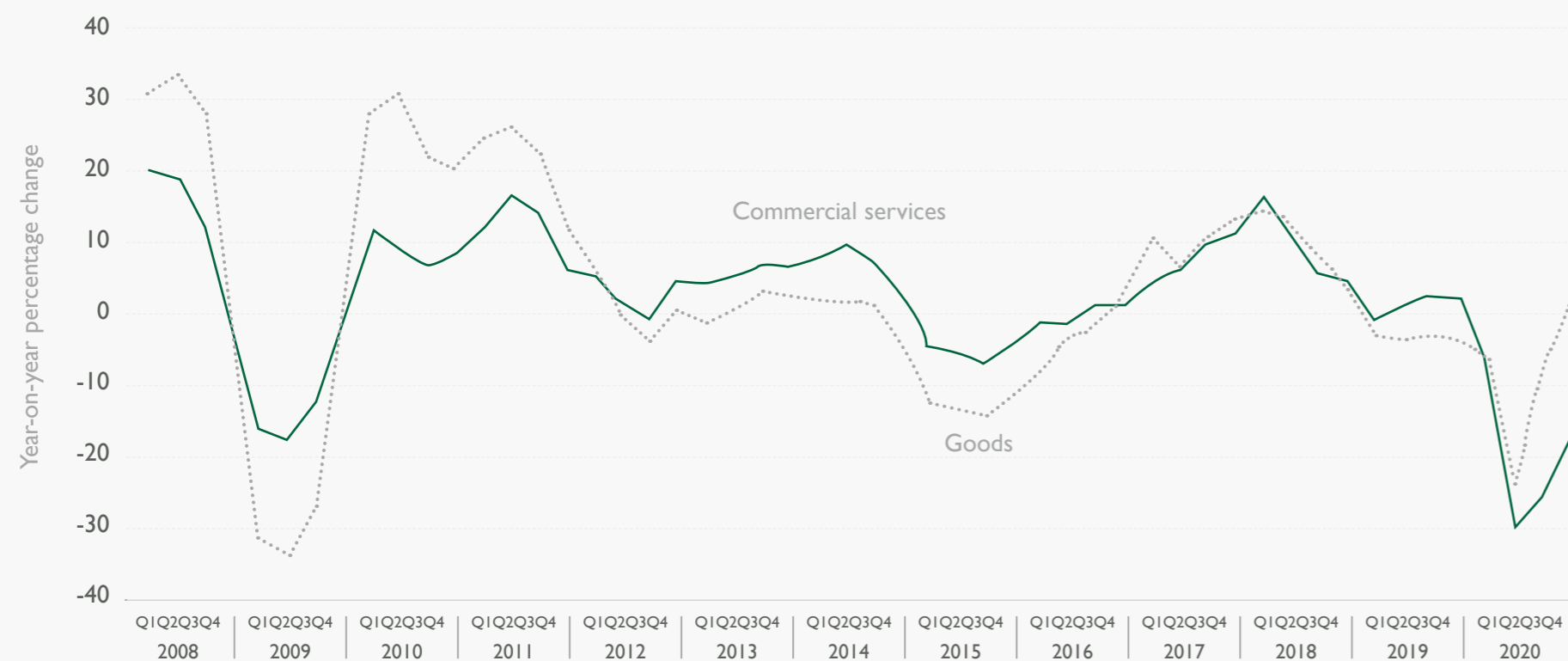
Development in trade finance in 2020 was largely driven by the impact of the COVID-19 pandemic, however, trade finance has now re-emerged as a matter of urgency.

While the current pandemic-related crisis did not have a financial cause, one of its results has been that many countries are experiencing difficulties in accessing trade credit, which has been mainly notable in developing countries in which structural trade finance gaps were high even before the pandemic.

### Trade in goods and services experienced a deep slump in 2020 due to the COVID-19 pandemic

World trade in goods and commercial services, 2010-2020, quarterly

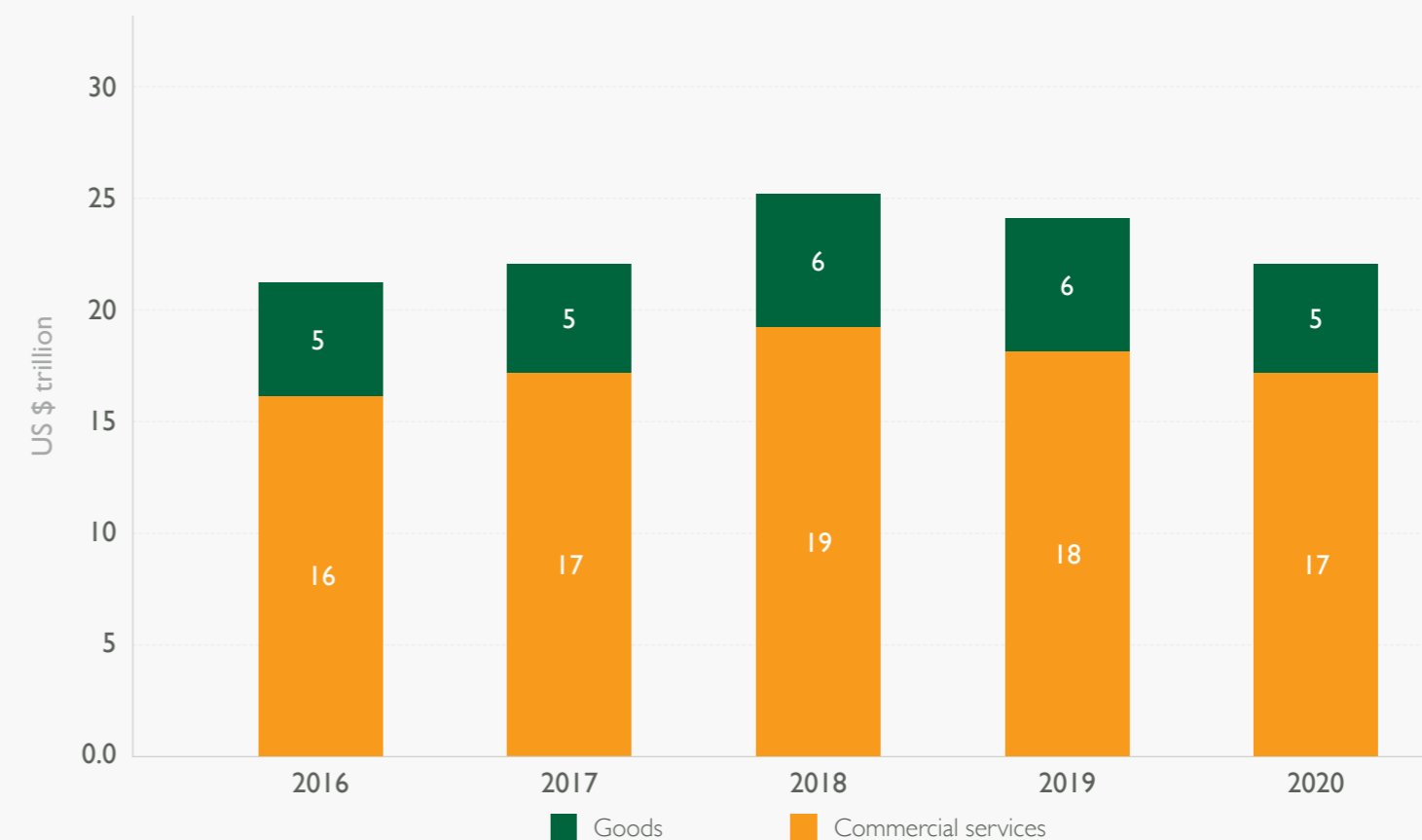
YOY percentage change



Source: WTO-UNCTAD-IT

## Highlights of global trade during 2020 and the impact of COVID-19

- The COVID-19 pandemic led to merchandise trade declining by 8% and trade in commercial services contracting by 21% YOY in 2020.
- The effect of COVID-19 on goods and services differed, with services more severely affected. Services declined by 30% in the second quarter of 2020 compared with a fall of 23% for goods in the same period. While lockdowns led to the cancellation of flights, holidays abroad, restaurant meals, and cultural/recreational activities, the demand for essential goods held up in all major economies.
- As businesses adjusted to new working conditions and vaccines began to be rolled out in the last quarter of 2020, trade in goods saw a recovery of 1% compared with its pre-pandemic level in Q4 of 2019.



World trade in goods and services amounted USD 22 trillion in 2020, an 8% decline compared with 2019

Source: WTO-UNCTAD in cooperation with ITC and UNSD

### Egypt's efforts to offset the impact of the pandemic

The Ministry of Trade and Industry has issued two decrees banning, for three months, the export of infection prevention supplies, including face masks and alcohol, as well as its derivatives, to ensure the supply of these items as part of the government's precautionary measures to protect citizens.

On June 15, 2020, The Ministry of Trade and Industry issued Ministerial Decree No. 272 extending the export ban on beans and lentils for an additional period of three months. The subject goods fall under 0708.20, 0713.40, and 2005.51. The export ban on the remaining goods is set to expire on June 28, 2020.

### NBE's contributions in supporting the trade sector

#### SMEs portfolio

NBE's SME portfolio in the Trade sector amounted to EGP 15.6bn which represent 14% of SMEs portfolio with a total number of customers 26200 as of December 2021.

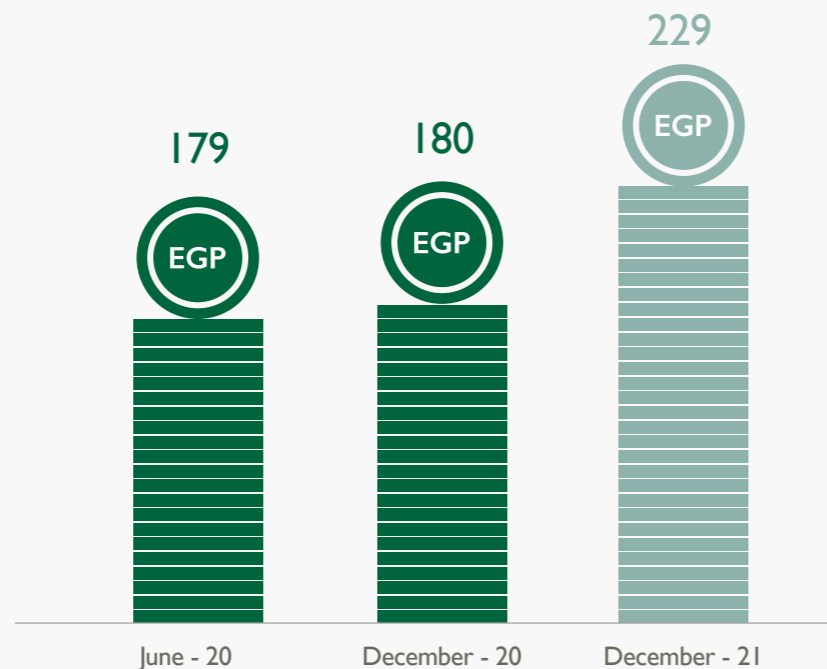
#### Trade finance

Trade finance has been a key catalyst of the expansion of the international trade in the past century and now represents more than a third of world trade.

In supporting the National Development Agenda Egypt's Vision 2030, NBE's trade finance portfolio is directed toward supporting SMEs and the corporate sector, aiming to aid in its pivotal role in creating export-oriented companies and employment.

NBE's trade finance portfolio reached **EGP 229 bn** in December 2021 compared to **EGP 179 bn** in June 2020, with a growth rate of 28%

### NBE Trade Finance Portfolio (EGP bn)



### NBE products for promoting e-trade

#### 1. Al Ahly e-shopping

A service provided to government agencies and private companies inside Egypt that wish to establish their own electronic collection portal on the Internet for purchasing products, services, paying due fees, paying bills, paying school expenses, among other things, according to its activity and whether or not the company has a website.

NBE has been providing this service since 2002 to allow your customers to buy any product/service over the Internet for organizations that request to add this service on their websites.

#### 2. NBE-Merchant Application

NBE-Merchant Application for Payment Acceptance is a fast and secure way to track the transactions made by customers at the merchant using e-wallets by scanning the QR code.



## NBE's International Relations Division: An Opportunity Hub



Over the years, our collaborations and relations have been more than mutually beneficial exchanges. They have been a driver of learning and a fundamental element in building a common understanding of how every actor's efficient and sustainable performance makes everyone else stronger, more effective, and successful over the long-term.



**Mr. Hesham Elsafty**  
Head of international facilities  
and insert its picture

### About NBE's International Relations Division

NBE's International Financial Services administration attracts short-, medium-, and long-term resources in foreign currency to meet the growing needs of our bank's credit customers, including financing various local projects, especially MSMEs, light industries, and large companies.

We operate several lines including:

- Environmental Loan Management
- International and National Loan Management
- Department of external credit lines and programs

The aim is to achieve the financing goals and meet the requirements of the loans, some of which include specific requirements for the customers who are intended to benefit from these loans, and which require the participation of more than one sector to implement the borrowing conditions contained in the agreements.

### Our Strategy

NBE's International Relations division aligns its operations with the bank's strategy and strategic sustainability pillars, as well as with the national strategies and priorities. The following pillars are of great significance to us:

- Strengthening foreign relations with different countries
- Providing foreign currency at a reduced cost
- Supporting projects across all sectors, with a focus on SMEs

The Banker  
Database

**TOP 1000  
WORLD BANKS 2021**

**World Ranking: 215  
Country Ranking: 1**

## Ongoing Programs for an Environmentally and Socially Sustainable Nation



Economic



Environmental



Social

Pillar	Program		Duration	Fund <sup>4</sup>	Description	Program
		Environmental Compliance Office (ECO) Egypt	2005 - 2033	EGP 120 Mn	A protocol signed with the Ministry of Environment to support ECO campaign for nourishing ecotourism in Egypt.	Ongoing - 67 companies
		Egyptian Pollution Abatement Program Phase II (EPAP II)	2005-2015	USD 160 mn	Assisting industrial projects to comply with environmental conditions. (providing customers with a grant with 20% of the financing amount.	25 companies & 1 cluster (36 projects)
		EPAP III	2014-2022	EUR 140 mn		Eight companies with 11 projects
		GEFF 1 – SMEs	2019-2024	USD 100 mn	Financing energy efficiency, and renewable energy projects.	11 companies
		GEFF 2 – SMEs	2021-2026	USD 100 mn		Pipeline
		UNIDO – Ship	2019-2022	USD 2 mn	Supporting industries that will convert from the use of fossil fuel and electricity to solar energy for water heating and producing steam	Pipeline
		Green for Growth Fund (GGF) I	2016-2026	USD 30 mn	Financing energy efficiency, and renewable energy projects	Seven
		GGF 2	2019-2029	USD 10 mn		One
		Agence Française de Développement (AFD)	2020-2032	EUR 100 mn	Transforming Financial Systems for Climate (TFSC) in Egypt	Four companies
	EBRD Youth in Business (YiB)	2019-2024	USD 30 mn	Providing funding and assistance for projects managed by youth, to increase the rate of youth participation in projects.	98	



Economic



Environmental



Social

Pillar	Program	Duration	Fund <sup>4</sup>	Description	Program
	 EBRD Skills in Business (SiB)	2019-2024	USD 20 mn	Providing funding and assistance for projects that address and improve the skills mismatch of the Egyptian labor market and increase the employment of youth by reducing the mismatch between the skills of workers and the requirements of employers, to increase opportunities for young people to enter the Egyptian market.	Three
	 EBRD Solidarity Package (COVID-19)	2020-2022	USD 100 mn	The Resilience Framework Address The Ramifications of the COVID-19 Pandemic.	208 companies
	 EIB SMEs & MIDCAPS (COVID-19)	2020-2028	EUR 800 mn	Supporting corporates and SMEs operating in Egypt that were affected by COVID-19.	151
<b>Total Funds</b>				<b>USD 1.66 Bn</b>	

<sup>4</sup> Fund values were converted from the original foreign currency to EGP based on an exchange rate of USD 15.5, and EUR 20.

## Responsible Lending Portfolio: Going beyond lending

The way we make decisions, the criteria we choose, and the priorities we set go far beyond risk management, responsibility, and profitability. Ultimately, it is about the society we believe in and the world we aim to create, with every decision presenting a chance

to take a step in the right direction. Therefore, NBE has been making significant efforts to develop its frameworks, criteria, decision-making methodologies, and tools to ensure that responsible and aware decisions are made on every case, every question, and on a daily basis.

### Retail Banking



The expansion of our digital offering to clients triggered by COVID-19 is starting to deliver benefits of its own. We see people becoming more aware of their financial flows, more mindful about the structure of their expenditures and more capable of dedicating time to what they care about based on the improvements across the vast range of services we have achieved.



**Mr. Karim Soos**  
Head of Retail Banking

### The People's Bank

Retail banking is a key driver for socio-economic development. For a growing economy like Egypt, there is a growing demand for retail banking products such as mortgage, personal loans, and auto loans. NBE strategically focuses on improving performance and increasing its retail banking segment toward customer attraction and retention, as well as aligning with their needs and expectations, and with the CBE's ongoing initiatives.

Being the people's bank lies in improving the standard of living for our customers and clients through facilitating accessibility to various products and services.

### NBE customer segmentation project

Great care has been taken to activate the senior customer segment classification project, which raises the level of service quality and provides the highest level of service to our customers, which increases the level of customer satisfaction and helps employees to perform their work to the fullest.

### Previous status (before launching the project):

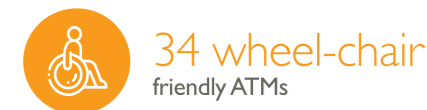
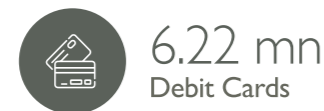
- Previously, NBE's clients were classified before the launch of the project according to the following:

- Senior clients: They are classified as clients whose account balance exceeds EGP 1.5 mn. Senior clients are served through the VIP lounges in the branches and are given some financial advantages.

### Current status (after classification):

#### The first phase of the project was launched on January 10, 2021:

- During this project, retail banking customers are automatically classified using an engine that has been developed to do so in accordance with the specified criteria, and to give the customers of each segment a system of distinct products and services that correspond to the needs of each segment's customers.
- This engine connects with the Flex cube system to show the customer segment and also connects with the CRM system to implement the work procedures and classification through it, and the CRM provides a 360-degree screen where a senior customer employee can see and follow the customer through this screen.
- A system of products and services has been developed for the customers of each segment that distinguishes the clients of these segments and is compatible with their aspirations, financial needs, and lifestyle.



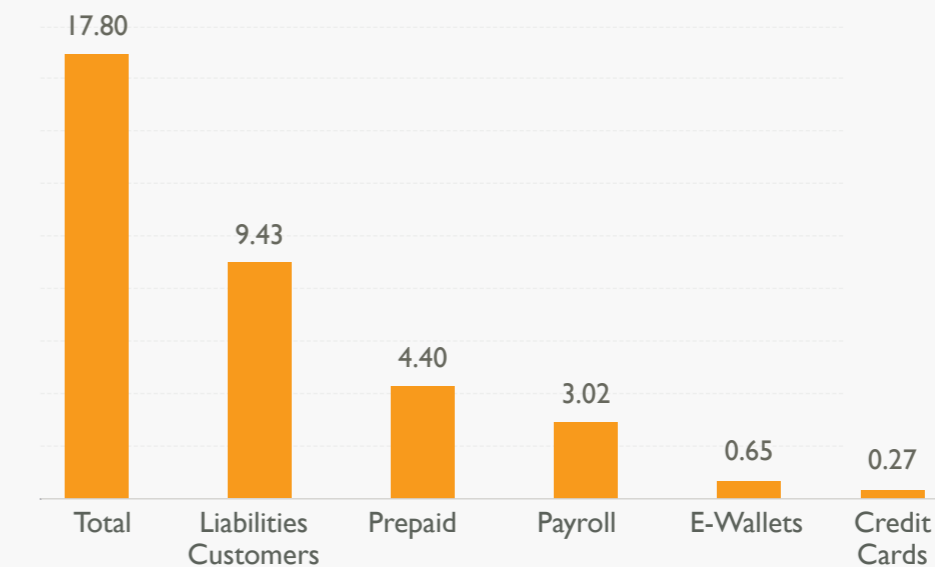
\*All figures above are as of December 2021

## Our Customers' Diversity

NBE's Customer growth from 2020 to 2021



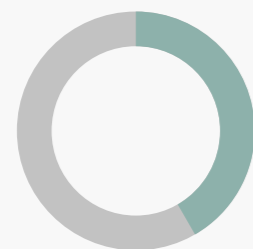
NBE's Customer segmentation in Mn



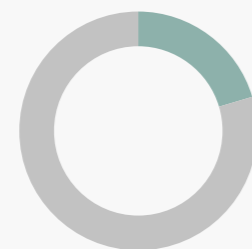




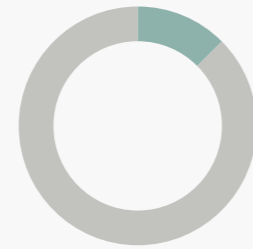
Total liabilities customers



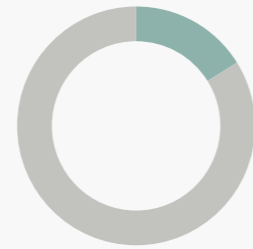
Greater Cairo



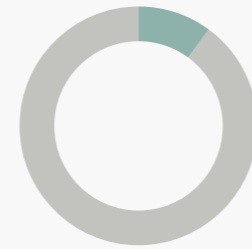
Upper Egypt



Alexandria



Delta

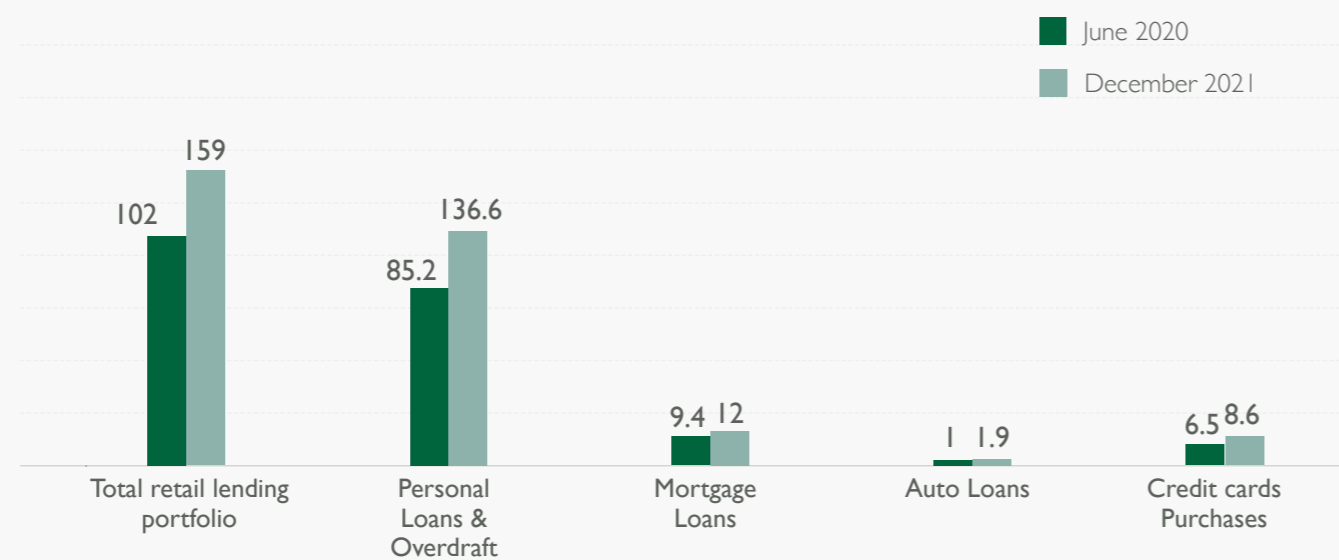


Canal & Sharqia

**Retail Loan Portfolio**

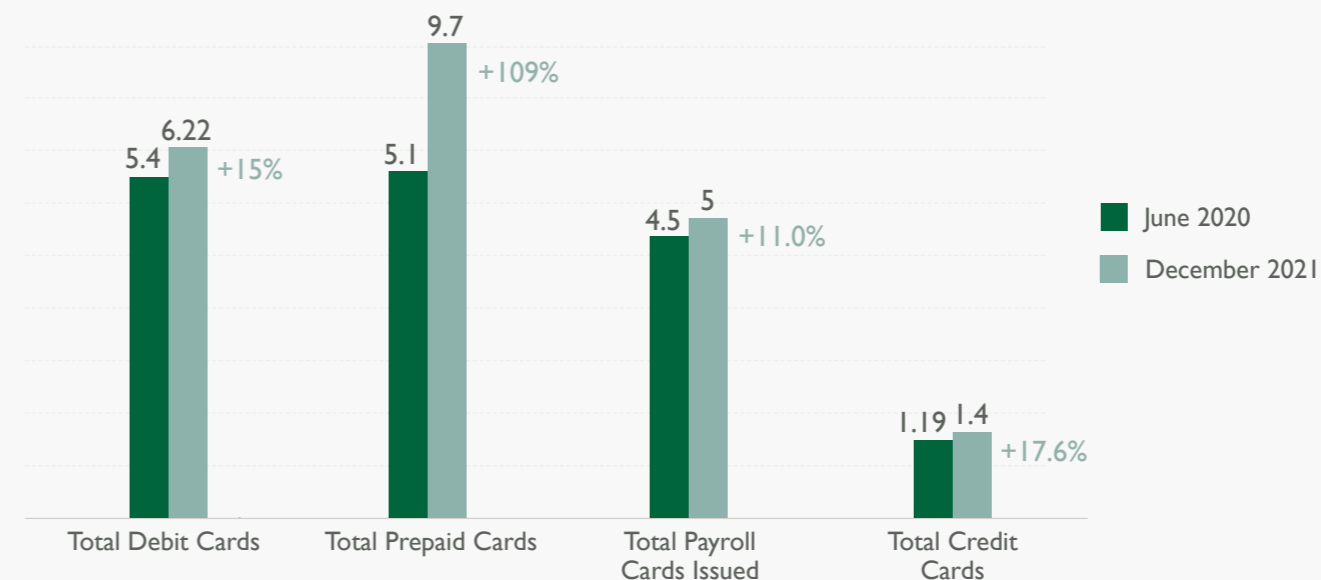
During the reporting period, NBE's retail lending portfolio has massively increased, reaching EGP 159 bn in 2021, with a growth rate of 115% compared to 2019 (EGP 74 bn), and an average growth rate of 29% compared to 2020 (EGP 123 bn).

NBE Retail Loan Portfolio by product in Bn



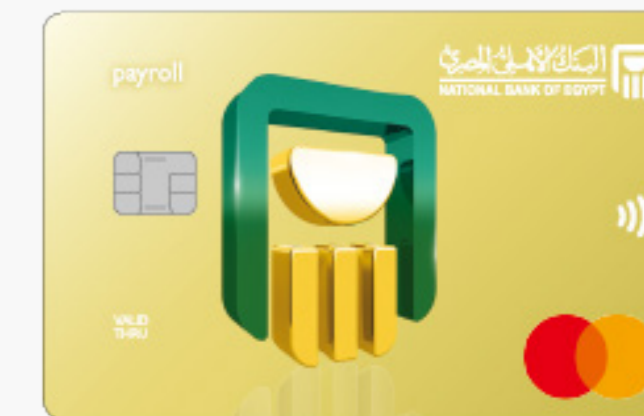
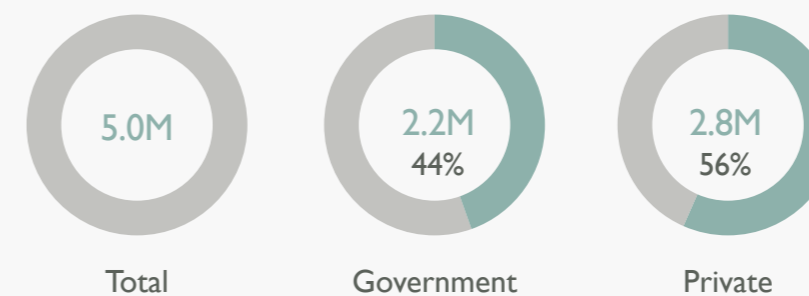
**Cards**

NBE's Number Of Cards by type (Mn)



**Payroll and MEEZA Cards**

Payroll Card Segmentation in Numbers in 2021



## Financial Inclusion at Scale

NBE approaches financial inclusion as an essential instrument in achieving a more just, equal, and capable society while contributing to a healthy and dynamic economy. NBE takes a unique approach to every customer segment and social group – from tailoring its products and services for vulnerable groups to helping SMEs scale up their businesses and leaders in their respective domains.

### Leading the Response to National Needs

Financial inclusion is a key component of poverty reduction and economic progress, with digital financial services being essential for participation in the new digital economy. NBE provides a wide scale of digital self-help and online support services to reach as many customers as possible through its website, ensuring access to all. New and innovative solutions such as AI Ahly WhatsApp, NBE PhoneCash, and AI Ahly Net are tailored to meet all client demands. The Bank's self-service portal provides easy, fast, and hassle-free daily services to all customer bases. Financial inclusion makes day-to-day life easier for families and businesses, allowing them to plan for anything from long-term goals to unexpected emergencies. People who have bank accounts are more likely to use additional financial services like savings, credit, and insurance, as well as establish and expand enterprises, invest in education or health, manage risk, and weather financial shocks, all of which can improve their overall quality of life. Hence, banking the unbanked is one of NBE's priorities. The CBE announced the four pillars to its financial inclusion strategy in 2019.

The four pillars are: strengthening the CBE's regulatory and supervisory role in the banking sector; raising awareness on financial inclusion, creating a business-friendly environment, and promoting the use of fintech.

- During the fiscal year from July 2020 to December 2021, NBE became the first bank in Egypt to launch customer onboarding through their website “□□□□ □□□□□ □ □□□ □□ □□□□□” in December 2021. This is a step forward in the transitional phase toward the digital bank concept until the implementation of the end-to-end automated digital onboarding upon issuance

of the CBE regulations in this context. Customers can now apply through NBE's website, fulfill all the required data, and to secure the wet signature, the below options are available based on customer's profile and his/her convenience.

- Doorstep banking service available for senior citizens, people with disabilities, and females (women empowerment). This is where NBE visits the customer at a convenient location for him/her to secure the signature and collect documents.
- Visit any of NBE branches; where the customer chooses a convenient appointment to visit any of NBE branches, either traditional or digital, to secure the signature and submit the documents, in addition to the privilege of issuing instant debit cards at selected digital branches.



### Empowering the Youth

NBE supports financial inclusion by cooperating and engaging with incubators and accelerators such as Flat6labs, AUC Venture Lab, Sita, Tanmia Wa Tatwer programs, and AAST. NBE also cooperates and engages with universities all over Egypt in order to deliver financial literacy and informative sessions about NBE products and services to promote and provide them. Moreover, NBE engages with relevant departments for integrity and promoting NBE products and services, such as financial inclusion initiatives for all segments. NBE constantly reaches out and tackles new market segments to promote financial inclusion. NBE scans, lists, and filters NBE products and services, financial and non-financial, in order to create fully integrated NBE bundles for SMEs. Owners of informal projects are financed through microfinance institutions and electronic exchange services are provided to this category of clients in order to include them in the official sector. The number of clients of institutions funded by our bank is about 2.5 mn clients, with plans to also provide non-financial services to this sector.

### Mentoring Local Businesses

NBE and EBRD joined forces to boost and provide digital mentoring services to local small businesses in Egypt. Together, the initiative aims at providing tailored support and mentoring services with a unique Youth in Business program. The program allows entrepreneurs to access finance, skills, and networks they need to take their business further. This initiative is financed by the EBRD in partnership with Micro-Mentor and the Mastercard Center for Inclusive Growth to increase access to mentoring services across North Africa and the Middle East.



## Spreading Financial Literacy, Boosting Inclusive Finance

### Externally



### مبادرة سابق حلمك لبناء قدرات الشباب

7,000 Youth  
Awareness Video for 7000 youth

3,000 Youth  
Webinar for 3000 youth

**Elder's Literacy**  
Preparing educational Material for  
Elder People Literacy

**20 Villages**  
Awareness for 20 villages in Asyut,  
Sohag & Qena ( Hayah Karima ).

**10 villages**  
Financial Awareness in  
coordination with WFP for 20  
villages (Luxor, Edfu and Aswan)

**Youth Forum**  
Participating in a youth forum  
organized by Cairo University.

### Internally

**22K Employee**  
Wellness Campaign to all National Bank of Egypt's  
employees in Ramadan about financial inclusion.

**320 NBE Trainers**  
Online Sessions to all National Bank of Egypt's  
internal Trainers about financial inclusion

**New Staff**  
Induction Material for New National Bank of  
Egypt's employees

**Promotion**  
NBE's strategic financial inclusion was included in  
the bank's promotion tests matrix, in coordinaton  
with HR department

**Almentor platform**  
An introductory video of financial inclusion has been uploaded to  
"Almentor platform" as a training program to be viewed by all NBE  
employees, with an approved certificate stating that the program was  
attended and its test was passed

**13K Front Officers**  
A comprehensive Training Program on Financial  
inclusion Strategies and objectives to be included in the  
Training programs for customer interface employees

## Next Generation Entrepreneurs

Entrepreneurship has never been more promising and critical to reaching society's sustainability ambitions. Over the past few years, NBE has engaged with thousands of entrepreneurs, and each personal story we witness tells a broader story of society as a whole. Next generation entrepreneurs are bold and daring yet humble and driven by purpose. They embrace change as natural and are ready to tackle some of the greatest societal and environmental challenges through elaborate business ideas and complex value chains. They see how to make the world a better place, and they know how to make this vision a reality. And sometimes, all they need is the right start and initial financial support to turn their ideas into action. This is where NBE comes in. And the success stories we hear mean that today's entrepreneurs are already making the world a better place.

### Collaborating for the Future: Our Youth

Youth social entrepreneurship is an important component of the 2030 Agenda for Sustainable Development. Young social entrepreneurs are working to improve social welfare, create job opportunities, and stimulate economic activity. Youth social enterprises enable young people to participate meaningfully in the labor market by combining values-based activities with work. It has the ability to create cost-effective solutions by leveraging creativity and bringing together available resources.

Innovative solutions that address local needs and leverage local community participation are required for inclusive and sustainable social development. Young entrepreneurs are well positioned to introduce innovative solutions that address local needs and leverage local community participation. Youth enterprises provide an alternative approach to addressing social issues and development challenges by localizing operations, involving key actors, and broadening their impact — one that complements the efforts of traditional development actors while also influencing changes in development approaches on a larger scale.



NBE collaborates with the Ministry of International Cooperation, the CBE, and the European Bank for Reconstruction and Development in the launching of a first-of-its-kind "Youth in Business" (YiB) and "Skills in Business" programs for a five-year duration (2019-2024), which aim to facilitate young business leaders' access to knowledge and tailored financing in Egypt .

**Program**

**Fund**

**Beneficiaries**

EBRD (YiB)  
EBRD (SiB)

USD 30 mn  
USD 20 mn

300  
30

<sup>5</sup> Ministry of International Cooperation. (2022). International Partnerships for Sustainable Development: Engaging for Impact towards our Common Future <https://www.moic.gov.eg/getattachment/4bbcaa4b-42d8-4f7c-8908-651ed9533cbd/english-moic-report-2021-digital-spreads-pages.pdf>

## Empowerment at Scale: Women, Youth, and MSMEs

### NilePreneurs

NilePreneurs services were provided to 8,398 clients, of which 640 are SMEs. A total of 306 SMEs have been directed to our branches for direct financing, exceeding our set target of 300 SMEs. NilePreneurs team is cooperating with the Ministry of Youth and Sports, Ministry of Planning, and Ministry of Social Solidarity, as well as re-lending associations and incubators belonging to Cairo University. NilePreneurs' team covered eight governorates (Cairo, Sharqia, Gharbia, Giza, Assuit, Aswan, Luxor, and El-Minya). NilePreneurs team generated 4,345 new leads seeking retail and financial inclusion products, and worked and engaged with 60 NBE branches, exceeding our set target of 50 branches.



## 8,398 Clients

8,398 Total Clients of which are 306 SMEs seeking access to finance



## 13673 services

were offered through NBE Nilepreneurs BDS



## 8 governorates

NilePreneurs team covered 8 governorates



## 4,345 new leads

4,345 new leads for financial inclusion and retails products generated by NilePreneurs



## 60 NBE branches

60 NBE branches engaged with NilePreneurs Exceeding the 50 branches target



# PILLAR 2: INNOVATING BANKING FOR AN INSPIRING AND ENABLING FUTURE

The future has always seemed somewhere beyond the horizon. Today, the future has already come, making bold claims about the ways of the world. Digitalization, technology and innovation bring about unseen opportunities, yet they also come with risks of yet unimaginable scale. With a lasting legacy and experience of adjusting to changing societal realities, NBE embraces the digital revolution and has turned digitalization into its flagship ambition and strength. From artificial intelligence to big data and complex process automation, NBE uses emerging opportunities best while tackling related threats and risks with utter awareness and extreme rigor. Daily, NBE keeps evolving and is ready to be the Bank for the future and generations to come.



## Awards

**gbm** Best Digital Services Banking Brand in Africa, 2020  
The Global Brands Magazine

**gbm** Most User-Friendly Banking Website in Africa, 2020 and 2021  
The Global Brands Magazine

**Global Business Outlook** Most User Friendly Mobile Banking Solutions in Egypt, 2021  
The Global Business Outlook

**THE DIGITAL BANKER** Excellence in Digital Innovation in Egypt, 2021  
The Digital Banker

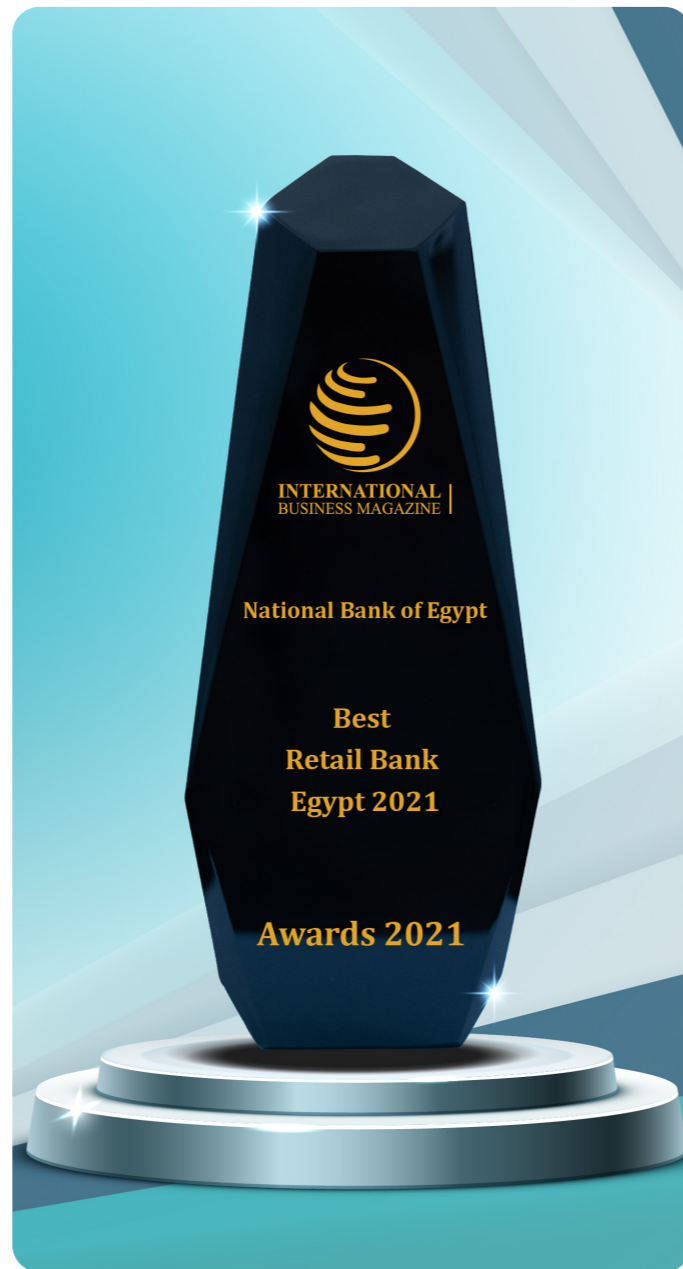
**Global Business Outlook** Best Digital Bank in Egypt, 2021  
Union of Arab Banks

**THE GLOBAL ECONOMICS** Best Digital Banking Services in Egypt, 2021  
The Global Economics Awards

**Global Business Outlook** Most User Friendly Website Design-Banking in Egypt, 2020  
The Global Business Outlook

**الائتاد الدوله العربيه للمصرفين العرب** Best Arab Bank in Digital Leadership and Innovation 2021 for launching the mobile banking unit project in 2020  
The World Union of Arab Bankers

**الائتاد الدوله العربيه للمصرفين العرب** Best Digital Bank in the Arab Region, 2021  
Union of Arab Banks



## Highlights



32  
Digital branches



1<sup>ST</sup>  
Bus Branch Launch



49.7% with +7% YOY  
Share of Fintech Investments in NBE 2021 Investment portfolio



6,183,693  
Al Ahly Net Retail Customers



74,828  
Al Ahly Net Corporate Customers



1.78 MN  
PhoneCash Wallet Customers

## The Next Phase of Digital

NBE is now on the race, making a full suite of digital services available to anyone, anywhere and anytime while unlocking capacities for collaborative digital innovation to build an interconnected digital ecosystem that enables a better future for all. Through its new

Digital Strategy, NBE synergizes all the benefits of faster and automated processes, big data and improved analytics, a new level of service and novel mechanisms and solutions to support customer sustainability and growth.

### Fintech Accelerated

Technology is no more a choice, rather it is a fundamental and integral part of all industries. It is the ultimate enabler for financial services as it results in a more efficient and innovative way of doing finance and leads to financial inclusion. Egypt is currently moving towards digitalization by the digital transformation and innovation agendas which are guided by Egypt's national vision 2030 and Egypt's Less-Cash Transformation framework. Developing the banking sector technology is the first step towards digital economy transformation.

The banking experience has become more reliable, faster and convenient, especially to youth, as a result of the digital delivery of banking services. Egypt's less cash transformation framework is one of the outcomes of the National Payment Council (NPC) which was established in February 2017 under the presidential decree No. 89. NPC has defined its objectives to reflect the national commitment towards digital transformation.

## National Payment Council (NPC) Objectives



Develop a secure, efficient, and effective national payment system, and its oversight framework, and reduce the risks associated with its operation



Progress towards financial inclusion, with more citizens from the formal and informal sectors enrolled in the banking system



Protect the rights of the payment systems and consumers of payment services



Reduce the cost of fund transfers



Achieve a competitive payment services market and oversee the existing entities in the market

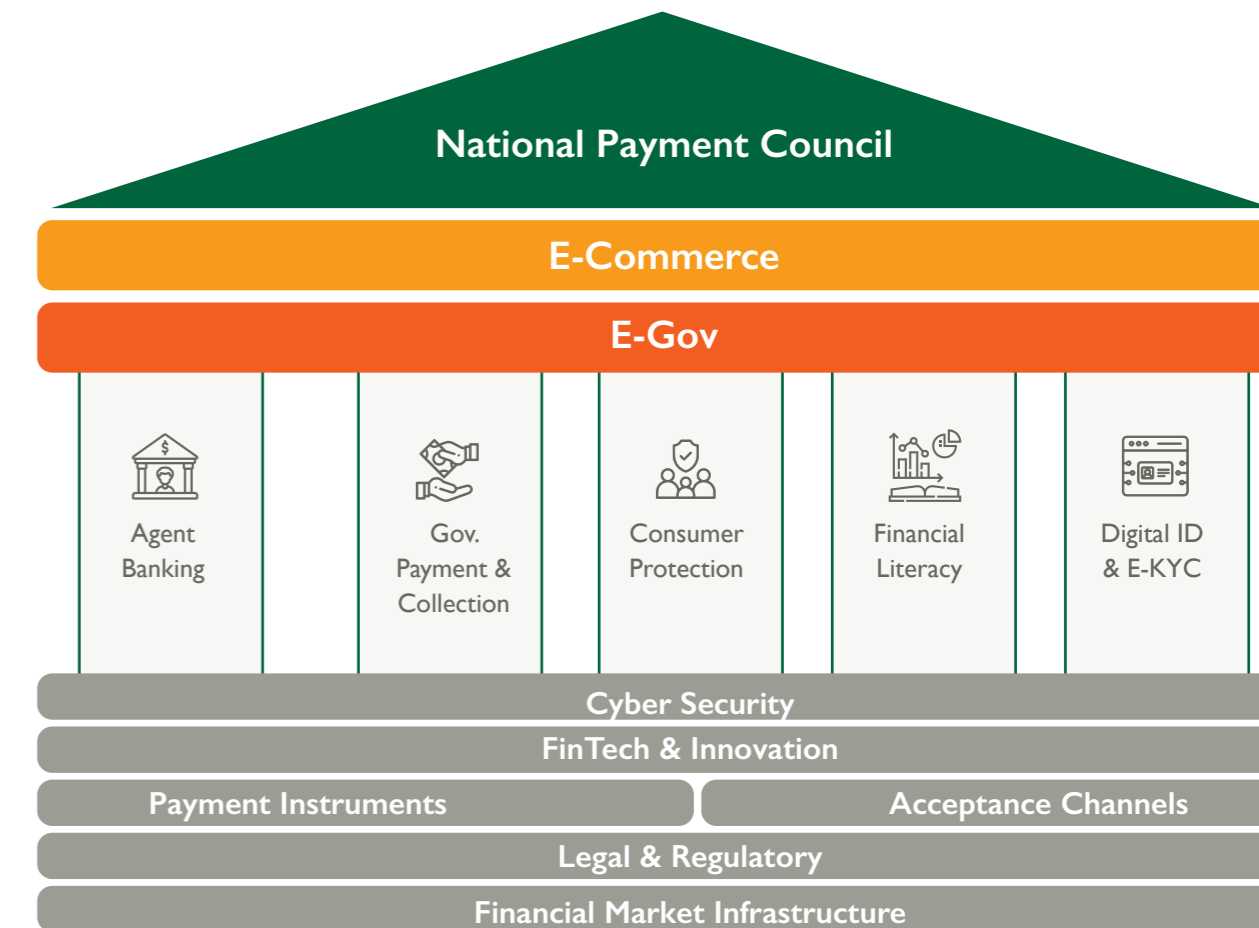


The Less-Cash Framework structured by CBE to promote Egypt's fewer cash efforts were built on nine major pillars. This framework encouraged citizens to pay for their products and services digitally which facilitated the efficient transfer of funds and contributed to increasing government receipts and state resources.

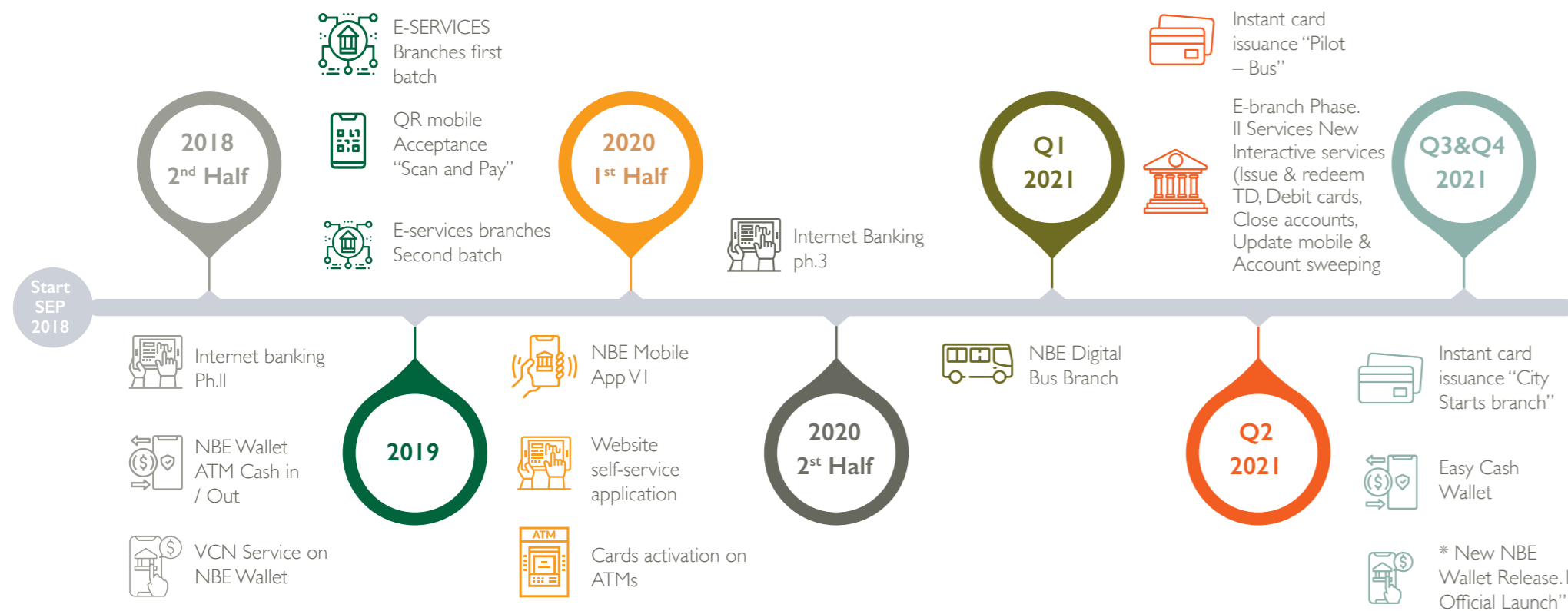
The fast spread of new and transformative technologies is exponentially accelerating as a result of COVID-19 pandemic. Major shifts in world countries' strategies to enable efficient collaboration within organizations, better customer engagement, innovation, and productivity have been imposed by COVID-19. Egypt was one of the countries that managed to combat the unprecedented challenges faced by the pandemic and accelerate the pace of digitization across all industries, especially the financial technology industry. This was a result of Egypt's resilient efforts towards promoting digital transformation and becoming a less-cash society, since 2017. As a result of these efforts and reforms, Egypt's rank in the Government Artificial Intelligence (AI) Readiness Index and the Network Readiness Index got improved as it reached to the 56th and 84th place in 2020, respectively.

NBE as one of the leading banks in digital transformation has taken a number of activities and initiatives which play a key role in Egypt's transformation into a digital economy. These include AI Ahly Net service for retail and corporate customers, Internet and mobile banking, and NBE Phonecash wallet. Besides these services, NBE was the first bank to open digital branches in Egypt in 2018, and is the first bank to introduce the bus branch in 2021. NBE's digital branches reached 32 branches across Egypt as of December 2021.

## Less- Cash Transformation Framework



## NBE 's Digital Transformation Timeline



## Going Digital, Full Speed

A time of rapid change is never a simple one. It requires choices to be made and risks to be weighed. Digitalization presents such a moment of opportunity for Egyptian society, economy and the financial system. The accelerated penetration of digital solutions into every area of life has allowed NBE to present every industry and customer segment with unseen possibilities to do more, do better, and achieve results of different quality and at a different scale. NBE has excelled in every area of digitalization, from rapidly growing its digital customer base and increasing the number of transactions to increasing awareness of the digital possibilities and bridging the digital divide.

Going digital is one of our focus areas at NBE which is driven by our key role –as one of the leading banks in Egypt- in Egypt's digital transformation agenda. This focus is reflected on our strategic pillars. Large interest and effort is put towards growing and enhancing our digital services with an eye on customer centricity, convenience and satisfaction. All departments working under the Digital Banking and Innovation Sector is following the Digital strategy and its objectives that is cascaded down from the overall Organizations Strategy. The approved NBE strategy for 2020-2023 is the reference for all activities. There are definitely adds on that could take place in accordance to the market changes, technology advancements and business needs which is then handled on case-by-case project or initiative and follows NBE projects process of approvals to be implemented if seen in alignment with the global bank direction. Digital banking strategy was approved in January 2020 and updated within the retail banking strategy 2021-2023 that was presented and approved by management January 2021.





## NBE's Digital Banking and Innovation Sector

### 1. Digital Channels Department (Internet, Mobile Banking and Self Services)

This department is responsible for the following :

- Studying market updates, competitors, & technology updates related to internet, mobile and self-services channels.
- Participating in digital strategic plan for business & making sure it's recruited to achieve bank objectives, working on growing the internet and mobile banking customer portfolios with a focus on activation to satisfy cost to serve optimization objectives. In addition, we provide and develop digital products and work on future new digital services.
- Work on the business requirements and customer experience updates with respect to the channels mentioned in terms of developing new services, features or elevate new channels as per market dynamics & customer changing patterns.
- Help Spreading the digital services' culture among our employees through training and orientation sessions in co-ordination with the organizations' Learning & development department.
- Work on all the internal preparations for business documents, drafting requirements, secure relevant bank committee approvals all the way to testing and planning go to market launch plans.
- Preparing campaigns and competitions for new and current services as well as analyzing their results with the objective of increasing channels utilization and customer digital adoption.
- Manage customers' complaints related to the services and performances of the digital channels (internet, mobile and self-services) channels to identify the root cause(s), work on global fix to avoid incidents occurring in the future in alignment with Technology Teams.

### 2. Digital Payments Department

This department is responsible for the following:

Introduce innovative digital payment solutions/services to NBE customers.

- Launch new services to support national/bank's strategies to reach out the financial inclusion and the digital transformation.

- Enhance the offered services to meet the customers' needs and provide a better digital customers' experience.
- Responsible of the portfolio growth and activation considering the CBE mandates (in the mobile wallets) in this regard and accordingly coordinate to assign the branches' targets and follow up with them to ensure achievements.
- Launch commercial activities to boost the payments' usage and activation rate and increase acquisition/penetration rates.
- Prepare and submit the required reports internally, to the management, and externally, to the regulator.
- Manage customers' complaints related to the services and performances of the digital payments channels to identify the root cause(s), work on global fix to avoid incidents occurring in the future.
- Responsible of the contractual activities with the different parties involved with the digital payment channels

### 3. Digital Transformation Management department

The department is responsible for the following:

- Study, Assess & prioritize the proposed initiatives and projects/programs in alignment with the Digital Banking Sector Plan and Organization Objectives.
- Maintain oversight across the Digital Transformation Projects/Programs and Initiatives according to the Digital Banking Sector & Organization Objectives.
- Target efficiency & seamless customer experience in alignment with Digital Banking Sector & Organization Objectives through,
- Assessing the customer Journey across interaction points
- Introducing the best practices for the potential transformation areas
- Promote for process automation to reduce TAT (Turnaround Time)
- Support business drivers to encouraging customers for using the Digital Channels
- Define and ongoing develop the Digital Transformation, and Digital Thinking awareness methodology across the Organization
- Target sustainability through continues improvement & re-engineering of processes

### 4. Digital Development and Innovation department

The department is responsible for the following:

- Carry out market researches local, in the region and global scale to capture all the potential growing opportunities which fits our customers' and local market needs to achieve the objectives of the Digital Banking Sector and Organization.
- Targeting innovation sustainability to achieve the objectives of the Digital Banking Sector and Organization.
- Dealing with different digital institutions, vendors and suppliers of electronic banking and information technology.
- Provide, define and analyze the key innovative ideas/projects/programs for a new services and digital initiatives on diversified digital channels and following-up on its implementation aiming to enhance the efficiency and quality of products to achieve the objectives of the Digital Banking Sector and Organization.
- Designing solutions that leads to achieving the locally leading standards for innovation in banking services, to provide an innovative customer experience, by cooperating with different FinTech and innovative start-up companies

### 5. Digital Branches department

The department is responsible for the following:

- Participate in the development of the strategic plan for Electronic services branch expansion through identifying different stages of development, elevating self-services and other value added services in accordance with market changes
- Studying the developments of the local and global markets, as well as studying competitors and the new technologies related to the field of branch transformation techniques.
- Work on all the internal preparations for business documents, drafting requirements, secure relevant bank committee approvals all the way to testing and planning go to market launch plans for new self-services within the digital branches context.
- Follow up the completion of construction works, equipment preparation and the setup of all e-services branches to verify & simulate the customer experience and process prior to any new branch opening.

- Responsible for following up on the productivity and performance monitoring of the e-branches through periodic branch visits and reports monitoring to ensure sustainable productivity and taking corrective actions when required.
- Follow up on the preparation of promotional campaigns for new or existing services and new opening e-branches, and display and analyze the results of the promotional campaigns.

## Digital for All: Branches Reimagined

During the past two years, NBE strategically expanded its digital branches, combining dedication to outstanding customer experience with improved safety, security and speed. The digital branches open a new spectrum of opportunities for higher quality, faster processing and streamlined resolution of issues.

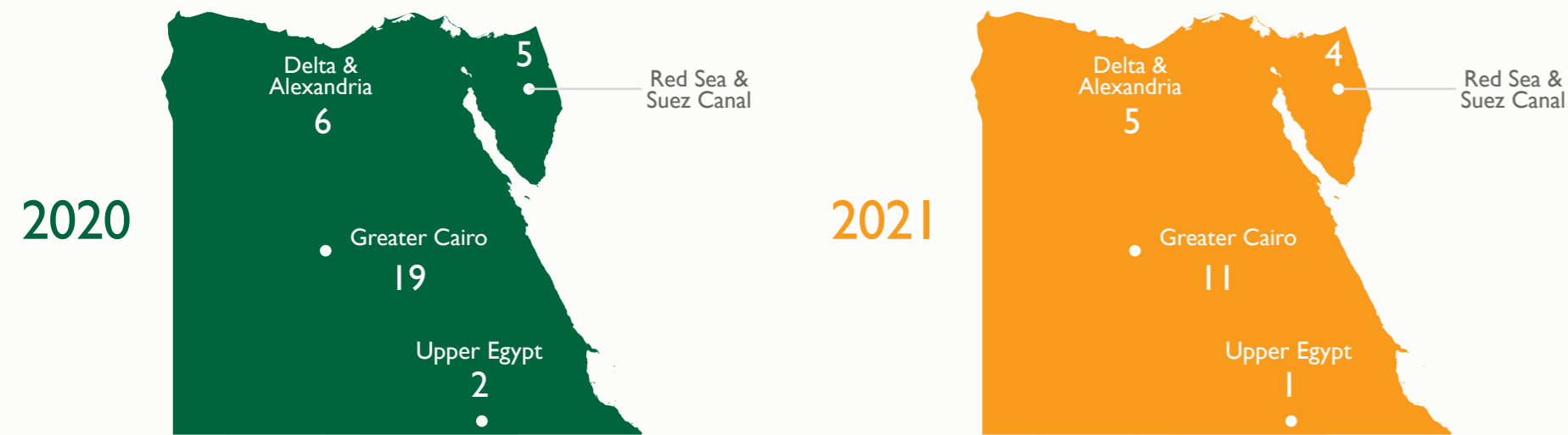
NBE successfully launched its first Digital Branch in 2019. Continuation of digitalization efforts, number of digital branches reached four in Cairo and Alexandria by mid-2019. By the end of 2019, digital branches number reached seven and continued to increase until it reached to 21 digital branches by the end of 2020. With outstanding performance, NBE's digital branches reached to 32 branches spanning the governorates of Greater Cairo, Alexandria and Delta, Red Sea and Suez Canal, and Upper Egypt. Acceptance of digital services by customers has grown exponentially during the last two years, reaching a total of 90,204 digital branches customers as of December 2021, of which 38% were females.



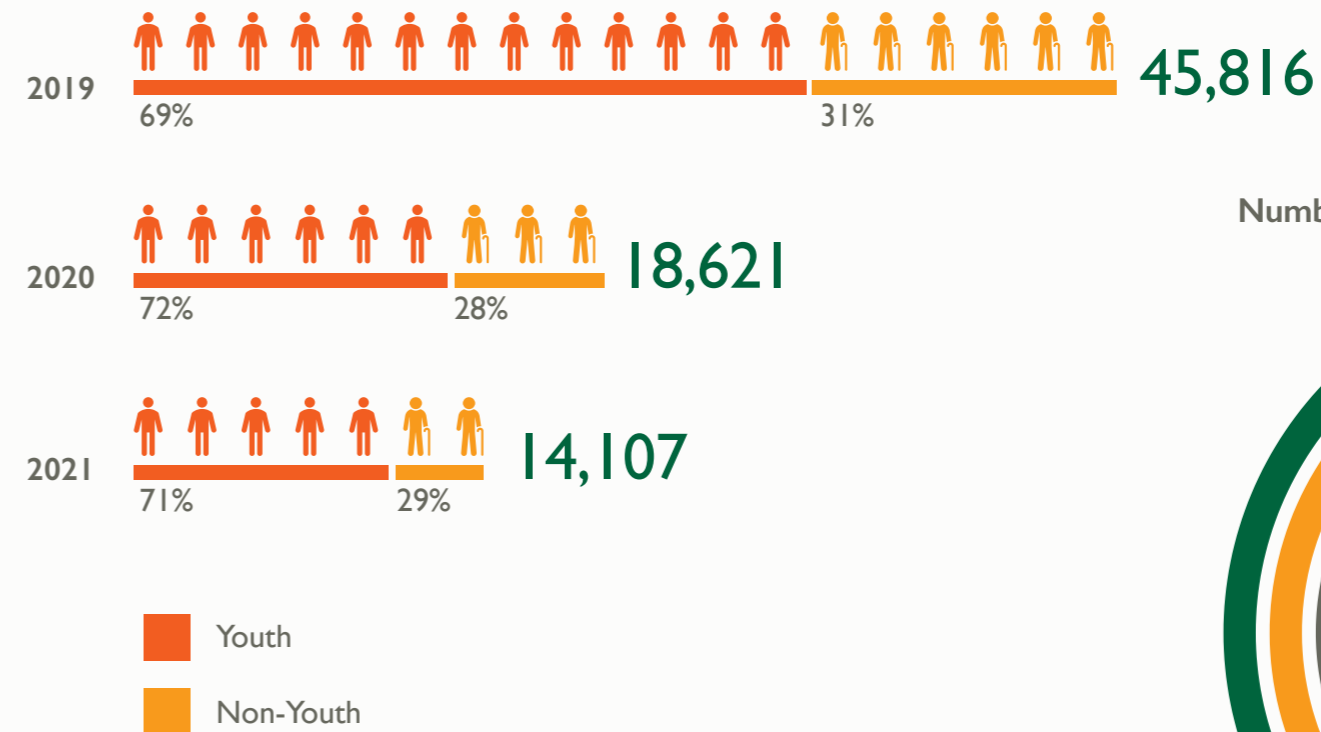
Number of Digital Branches from 2019 to 2021



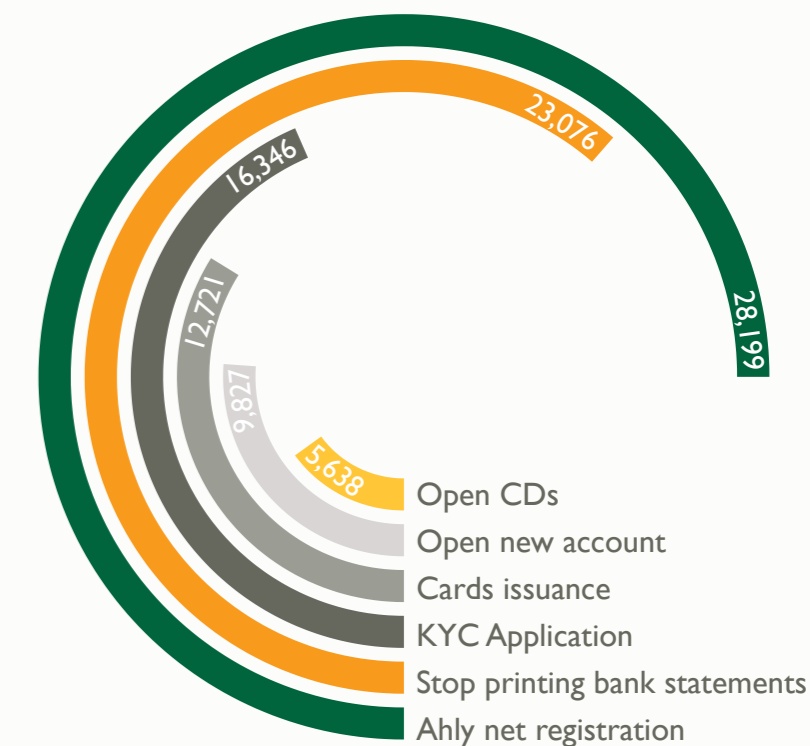
Geographical Distribution of NBE Digital Branches in 2020 and 2021



Number of Digital Visitors during 2019, 2020 and 2021



Number of Digital Branches Requests in 2021



## E-Branches - NBE Bus Branch

a new perspective on accessibility and efficiency - the First Bank in Egypt & Middle East to launch such service

NBE offers a new generation of digital bank branches which is self-service bus branch, The bus branch is an innovative leap in the bank branch concept leverages on the success of electronic branches launched in 2019. NBE Bus branch avails a diversity of self-services. Bus Branches elevate customer experience, quality of services and financial inclusion by reaching customers in remote areas and those occupied in seasonal activities.

NBE Bus branch reveals the NBE resilience to reach our customers in remote areas, and/or areas with seasonal activities/traffic, due to the mobility option.

NBE Bus Branch concept elevates the customer experience, which is aligned NBE strategic direction supporting the financial inclusion country efforts leverage on the NBE Digital banking capabilities, considering new customer segments, elevate quality of service levels at an optimizing cost.

### NBE Bus Branch Self-Service Services

- Purchase and redemption of certificates.
- Opening accounts for new and existing customers.
- Giving standing instructions with respect to cards.
- Primary/supplementary debit card issuance request.
- Time deposit issuance and redemption.
- Instant debit card issuance (for new customers)

NBE bus branches also include media screens that allow customers to watch promotional and informational videos about NBE's products. Help desk is also available in the bus branch to provide guidance and assistance for customers.



- Printing a statement of account.
- Issuing pre-paid cards.
- Information update.
- Subscription to Al Ahly Net.
- Subscription to Al Ahly PhoneCash.

## Digital banking evolution

### NBE Website - Customer Onboarding “ افتح حسابك و انت في مكانك ” the First Bank in Egypt to launch the service on Dec-21

A step forward in the transitional phase towards the Digital Bank Concept till implementation of the end-to-end automated digital on-boarding upon issuance of the CBE regulations in this context.

NBE new Customer can apply through NBE website, fulfill all the required data, and to secure the wet signature, with options available based on customer's profile and his/her convenient,

- Doorstep banking service; Such service is available for Senior citizen, people with disabilities (Social Responsibility) and Females (Empowering women), where NBE visits the customer at the his/her convenient location to secure the signature & collection the documents.
- Visit any of NBE branches; where the customer chooses the convenient appointment to visit any of NBE branches “Traditional/Digital” to secure the signature and submit the documents

### E-Branches Self-service elevation

New Interactive screens along with additional services has been added to the Self-services (Issue & redeem TD, Debit cards, Close accounts, update mobile, Account sweeping, etc...). Such service elevated the customer experience, offload burden from traditional branches with better the efficiency operation/cost.

### Phase 3 Internet Banking Services

By the launch of this phase in the second half of 2020, new financial features have been availed through the internet and mobile such as Fawry payments, activating credit cards, activating hard token and ACH transfers from account to any wallet in the market. This initiative resulted in an increase in customer utilization and adoption on the digital concerned channels. Added value of this initiative is represented on minimizing load and footprint on branches and contact center and contribute in cost saving per FTE.

### E-Branches - Instant Card Issuance

NBE Debit card instant issuance for the new to bank customers upon opening the new relation account. The service has been launched across selected Digital Branches, and currently in the rollout phase across the NBE wide network of eBranches/spots. Such service elevated the customer experience at the first touch point with NBE, saving the time/efforts of the conventional process of Debit card issuance and delivery via back office and courier; elevating the efficiency in terms of Operation and Cost, which offloaded the overhead burden activities of back office units, and courier cost, in addition to saving the paper consumption “Go Green”.

### Digital transactions bring savings

Digital services are already contributing to savings through reducing load on physical branches and contact centers, resulting in AVG Total Realized Indirect Cost Saving of 344 M during Jul-20 to Dec-21 across following areas:

- Internet & Mobile Banking Channels; Transactions (TD/CD issue/redeem, Money Transfers, Pay Credit Card, Credit card Activate/Stop/Reset, and Hard token)
- PhoneCash Wallet; P2P Transactions Money Transfers
- ATM card Activation Transactions

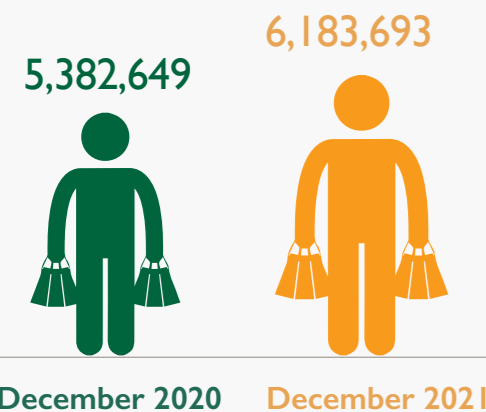
# NBE's Digital Services

## Going Forward with AI Ahly Net

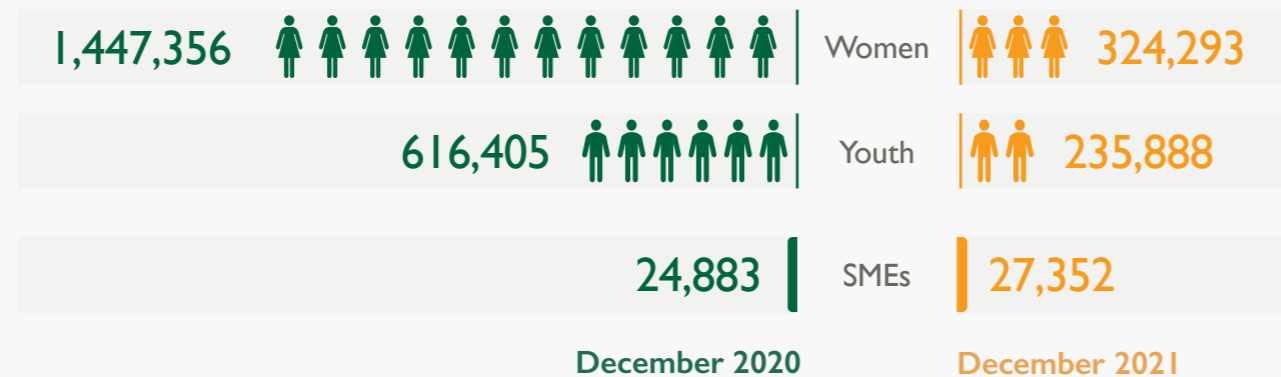
### AI Ahly Net Retail

AI Ahly net popularity has increased during the past two years as registered retail customers increased from 5,382,649 in 2020 to 6,183,693 in 2021 which represents 15% increase. Volume of AI Ahly net retail transactions in 2020 was EGP 340 bn while it increased in 2021 by 38% to reach EGP 470 bn.

### AI Ahly Net Retail Customers in 2020 and 2021



### Segmentation of AI-Ahly Net New Customers according to (Women, Youth and SMEs) during 2020 and 2021

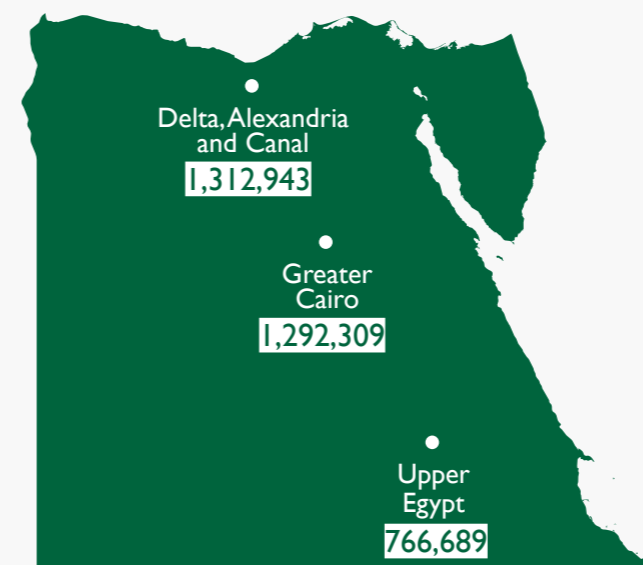


### AI Ahly Net Retail Volume of Transactions in 2020 and 2021 (EGP Billion)



### Geographical Distribution of AI Ahly Net Retail New Customers During 2020

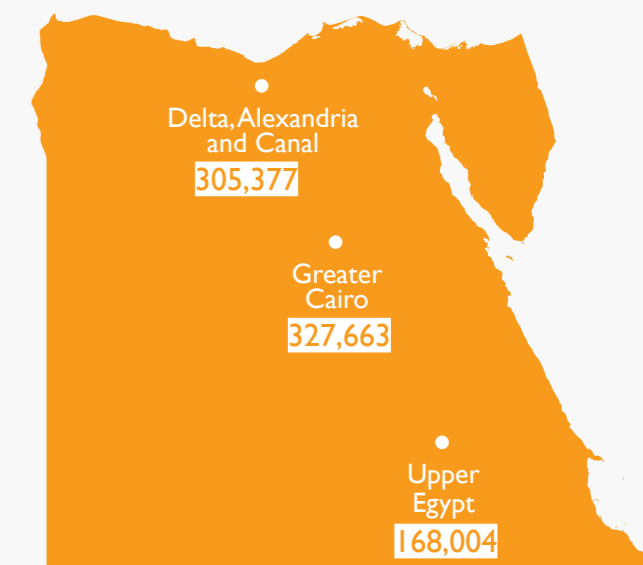
#### December 2020



**3,371,941**  
Total Customers of AI Ahly Net Retail

### Geographical Distribution Segmentation of AI Ahly Net Retail New Customers During 2021

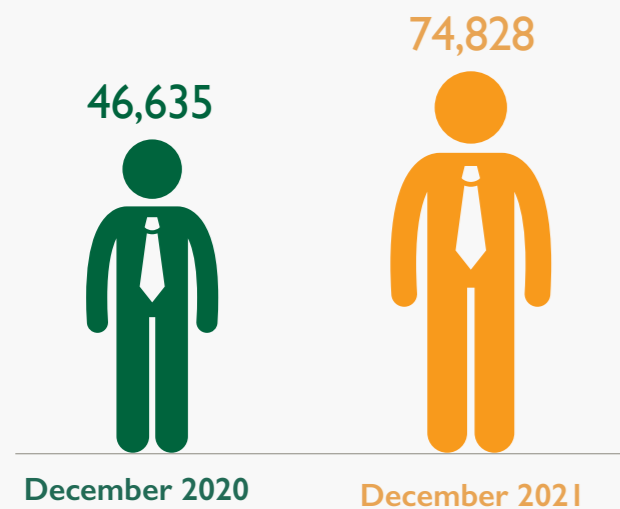
#### December 2021



**801,044**  
Total Customers of AI Ahly Net Retail

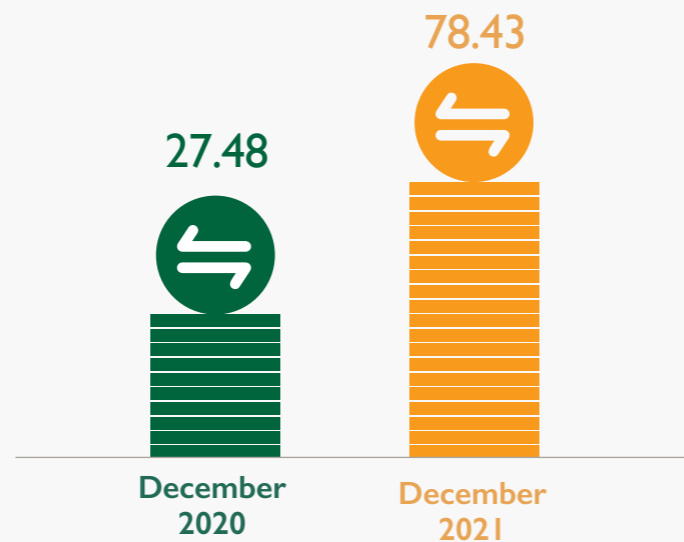
## Al Ahly Net Corporate

Al Ahly Net Corporate Customers in 2020 and 2021



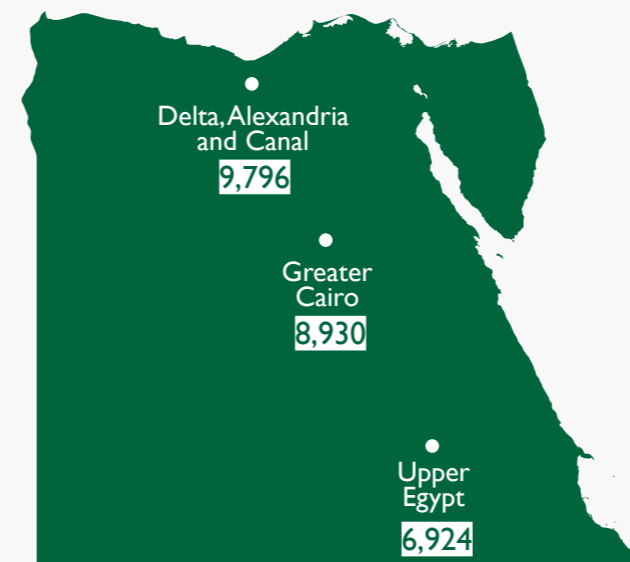
Geographical distribution of Al Ahly net corporate customers does not differ greatly from that of Ahly net retail customers. Delta governorates and Alexandria clients consist 40% of all clients, 33% of clients are located in Cairo and its suburbs, while 27% of clients are located in Upper Egypt.

Al Ahly Net Corporate Volume of Transactions in 2020 and 2021 (EGP Billion)



Geographical Distribution of Al Ahly Net Corporate New Customers During 2020

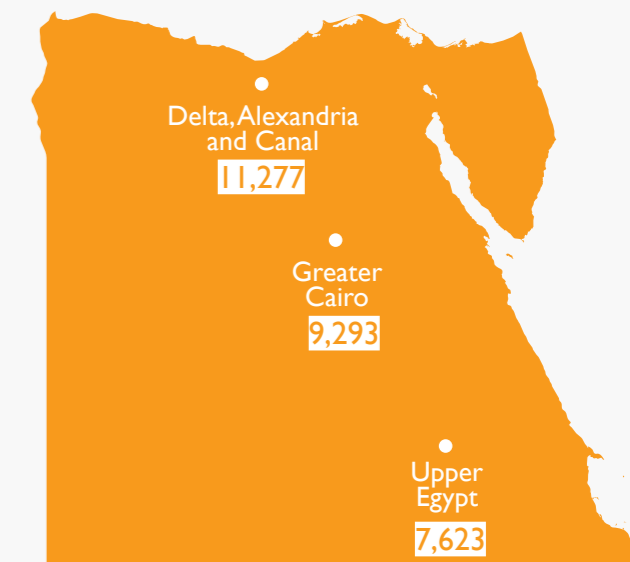
### December 2020



**25,650**  
Total New Customers of Al Ahly Net Corporate

Geographical Distribution of Al Ahly Net Corporate New Customers During 2021

### December 2021



**28,193**  
Total New Customers of Al Ahly Net Corporate

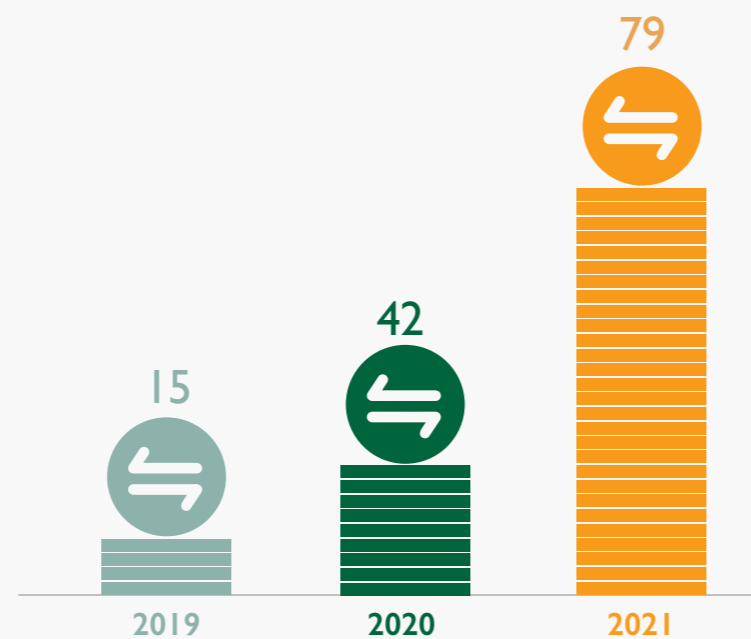
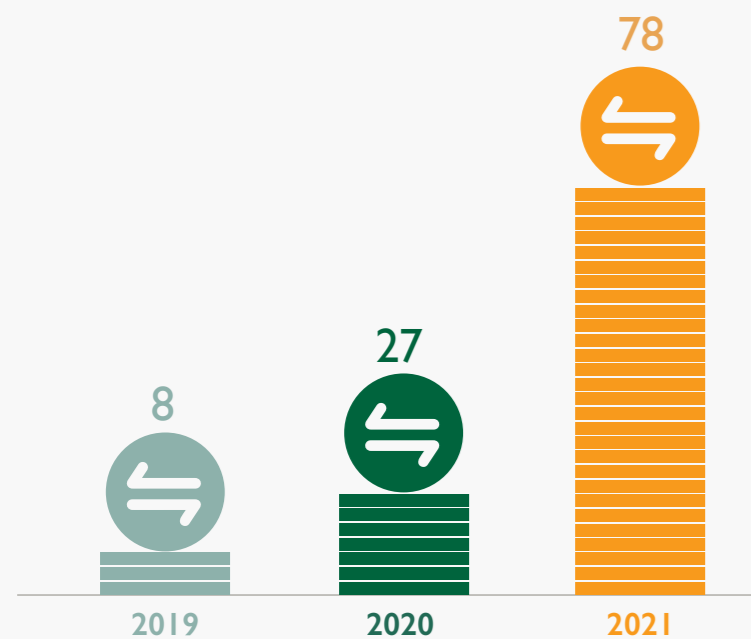
### NBE Internet and Mobile Banking Transfers:

Volume of retail transfers made by internet and mobile banking increased from 2019 to 2020 by 180% and it continued to increase during 2021 until it reached EGP 79 bn.

Corporates' transfers via NBE mobile and internet services increased by 237% during the pandemic in 2020 and it continued to increase during 2021 until it reached EGP78,4 bn by its end.

Corporate Internet/Mobile Banking Volume of Transfers from 2019 to 2021 (EGP Billion)

Retail Internet/Mobile Banking Volume of Transfers from 2019 to 2021 (EGP Billion)



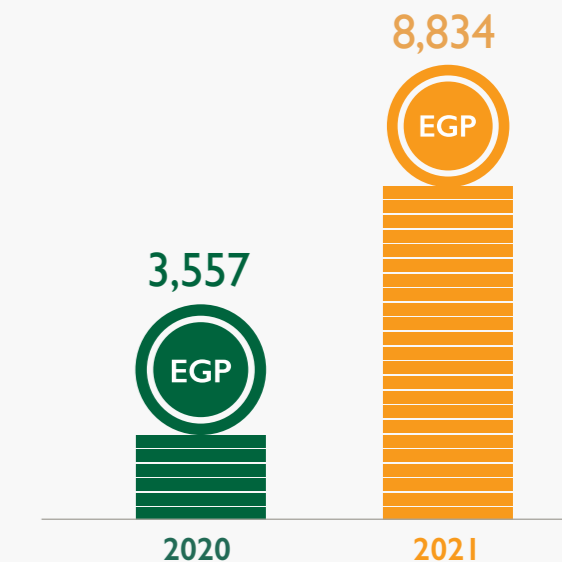
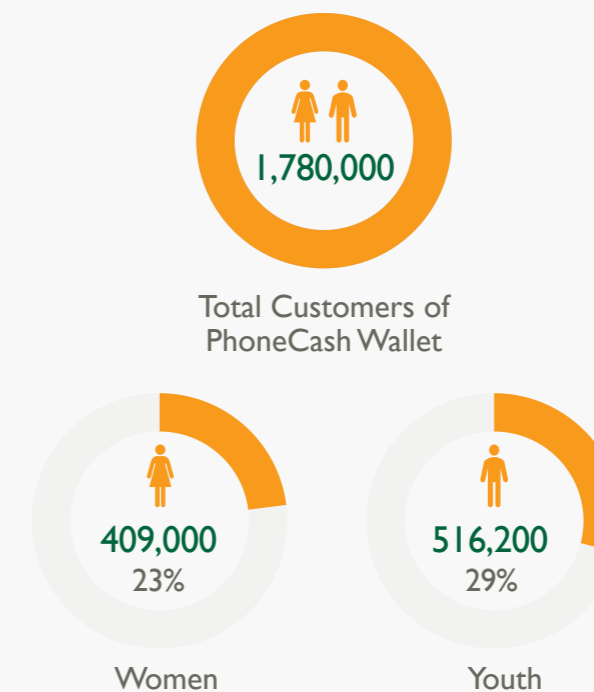
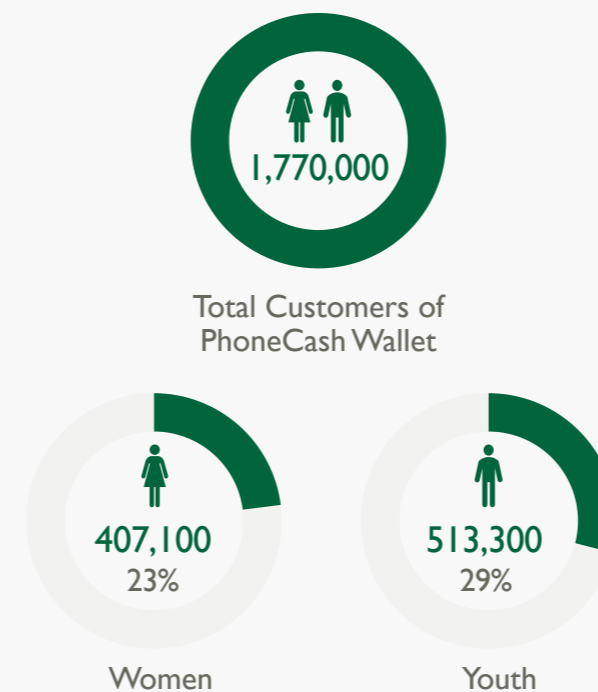
### NBE PhoneCash wallet

NBE PhoneCash wallet customers reached 1.77 mn in 2020 and reached 1.78 mn by the end of 2021. In both 2020 and 2021, women represented 23% of NBE PhoneCash wallet customers while youth represented 29%.

Segmentation of NBE PhoneCash Customers During 2020

Segmentation of NBE PhoneCash Customers During 2021

PhoneCash Wallet Volume of Transactions in 2020 and 2021 (EGP Billion)



PhoneCash wallet volume of transactions increased by 148% from 2020 to 2021 as it reached to EGP 8,834 mn by the end of 2021.

## Website Registration for Banked Customers initiative

This initiative aims to increase the registration rate of PhoneCash and Internet banking through the official website. Increment of registration requests is noticed which indicates the success of this campaign. This initiative is considered as an expansion in self-services channels.

## 1000\*1000 Campaign

The goal of this campaign is to increase the activation and usage rates which is reflected on customer's usage and awareness on PhoneCash. This campaign increases the engagement with our customers and especially the winners.

## Taktaka Initiative

This initiative aims to encourage customers to register, activate and transact through the internet banking/ mobile app by rewarding the highest transactors with a prize. This initiative resulted in a remarkable increase on registration and utilization of the service during the campaign duration and momentum sustained going forward. This campaign is of an added value for our digital channels as it increased their utilization and decreases the footprint in our branches.

## New PhoneCash Facelift

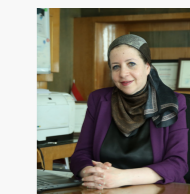
This initiative aims to offer a new enhanced application with new added value services to ensure improved customer experience.



# Cybersecurity and Data Privacy



Cyber threats pose a fundamental challenge to all benefits brought about by digitalization while eroding the security and safety of our societies. This is why NBE has made cyber security and data privacy its utmost priority. Cyber risks motivate the Bank's employees to understand the inherent fragilities of any innovation and the importance of standing by our values amid uncertainty to protect what matters and keep serving our customers with diligence, quality and confidence.



**Ms. Abeer Kedr**  
Head Of Cyber  
Security

In today's world, the value of data and the importance of its protection are impossible to underestimate. Today, NBE manages billions of data points that regard every aspect of its existence, from customer interactions to management of internal processes and complex business analytics. According to World Economic Forum, cyber threats can have "cascading physical consequences across societies". To preserve the benefits of digitalization, NBE has developed an advanced and ever-evolving and advanced approach to cybersecurity and data privacy in line with the most demanding frameworks and standards, such as ISO/IEC 27001, NIST, SANS and Forrester and PCI DSS, as well as Swift requirements. NBE's comprehensive policy architecture ensures all possible issues are prevented and addressed at their root while combining rigorous monitoring, rapid and tailored response, system resilience and prompt recovery in case of any incidents.

Digital transformation introduced a new security attack surface related to cyber and digital security risks, which needs enhanced security controls and measures to protect the environment against cyber threats. Cybersecurity sector has developed a list of comprehensive key performance indicators which covers the key and important processes and used to measure the performance of cyber security functions. Results of KPIs are analyzed on semi-annual basis to explore lessons learned and areas for improvement and they are annually presented for NBE management team to discuss the possible improvements and management insights related to cybersecurity. In addition to that, annual external and internal audits are conducted and formal reports are issued indicating areas of strong compliance and opportunities for improvement which are addressed and fulfilled. Benchmarking with global cybersecurity standards like ISO

27000, NIST and Forrester frameworks is used to assess maturity level of cyber security operations and to identify potential areas for continual improvement which enhance the maturity level of cyber security.

COVID-19 pandemic made it necessary for NBE cybersecurity sector to develop a new policy for remote access security to protect NBE assets and information during remote working. During COVID-19 pandemic, audits on cybersecurity sector have been made remotely to facilitate the audit activities and reduce pandemic risks.

Cybersecurity policies in NBE are developed in-line with both international best practices and standards like ISO 27K, NIST, SANS and Forrester frameworks and local laws and regulations related to CBE. They are also aligned with global regulations like Swift and PCI: DSS which was maintained successfully in 2021.

Cybersecurity in NBE during the reporting period has witnessed number of initiatives to enhance its performance which include ISO 27001 certification, Phishing Simulation Exercise, Customer and employee awareness program, Measure Maturity level against Forrester cyber security framework, Compliance with regulations related to CBE, Swift and PCI: DSS, Third party security risk management.

**ISO 27001 Certification** | **Phishing Simulation Exercise** | **Customer and Employee Awareness Program**



This initiative aims to ensure that NBE continues to meet the standard requirements and recertify the bank against ISO 27K.



This initiative aims to test the readiness of employees against phishing attacks and increase their knowledge about it.



The objective of this program is to increase awareness of cyber security for employees and customers.

**Measure Maturity Level against Forrester Cybersecurity Framework** | **Compliance with regulations related to CBE, Swift and PCI: DSS** | **Third Party Security Risk Management**



This initiative is made to enhance maturity of cyber security and measure its level against Forrester Cybersecurity Framework.



The objective of this initiative is to meet the requirements and ensure the compliance with CBE, SWIFT and PCI: DSS.



This initiative aims to better manage and control security risk related to third parties.

**Data Confidentiality Awareness Campaign**



In collaboration with Meeza Digital Network aims to increase customers' awareness on not sharing confidential information such as password and OTP. Success of this initiative is measured by number of fraud cases.

During the reporting period, five cybersecurity related trainings have been given to our in-charge employees.

Training Title	Training Hours	Participants	Offline / Online
C-CISO	Average 30 hours	1	Offline
CISM	Average 30 hours	5	
C-DPO	Average 30 hours	3	
CRISC	Average 30 hours	3	
ISO 27001 Lead Auditor	Average 30 hours	6	

## Putting Clients at the Center

Every customer has their story. Many of those stories start with an initial vision turning into a long-term impact journey and outstanding ESG performance. And as the Bank's customers keep growing on their own, so does the bank leverage their insights and feedback to improve its ESG alignment, offering and action in order to maintain customer satisfaction.

### Accessible Banking for All

Our Accessibility Action Plan (AAP) articulates our commitment to the inclusion of all customers and employees' segments, in line with the CBE's recent initiative. We are committed to embedding accessibility across NBE to ensure our environments, products and services and ways of working are inclusive of everyone. We have driven progress against our AAP goals, embedding accessibility considerations within:

- The design, development and review of products and services
- Our technology services and customer-facing online channels
- The design of our network and commercial buildings
- Our communications and marketing

As a result of our accessibility plan, we currently operate 55 branches with 252 sign-language trained employees. We also have 34 wheelchair ATMS and 208 ones for the visually impaired.



### Inclusive Banking: People with Determination (PwDs)

This initiative will be implemented across all new branches and will include the following:

- 1 Placing banners outside the branch to mark it as a handicapped friendly branch.
- 2 Employees will be trained to give customers the help they need to choose the banking services and products most suitable for them.
- 3 Handicapped customers will be given special waiting numbers separate from the regular ones to provide them with the most convenient banking experience.
- 4 Information about the bank's products and services will be available on the website and social media accompanied by audio reading and sign language to reach for people with visual and hearing disabilities.
- 5 Providing account opening contracts and application forms in Braille and audio formats.
- 6 Providing bank's products and services in sign language through screens inside the branches.
- 7 Providing audio recordings inside branches through a device equipped with headphones to read terms and conditions written in contracts.
- 8 Providing home visits to specially abled people.



## NBE's Customer Relationship Management (CRM)

NBE has a separate department to deal with customers' complaints. Complaints and CRM Department receives customers' complaints through various channels and also from external parties. NBE take the following actions to deal with customers' complaints after being received; examining incoming complaints, directing them, taking the necessary measures, responding and communicating with clients through various means.

All complaints received are analyzed to focus on the most frequent complaints, know their origin causes, present proposals to avoid them in the future, and coordinate with the concerned authorities to quickly examine complaints and respond to clients.

NBE interacts and respond with social media channels and take the necessary measures in coordination with the concerned departments.

NBE evaluates complaints' management performance by following up on the corrective actions, compliance with all instructions and periodic letters regulating work, the commitment to implement the code of conduct for employees, the commitment to implement all the tasks and work assigned to the employees, and the commitment to take the correct procedures for all complaints. NBE also follow up with the sectors and departments concerned to resolve customer complaints in accordance with work procedures and carefully review the responses received regarding the examination of the complaint.

NBE provides initiatives that help improve the level of service provided by the bank to clients. We also provide alternative services and solutions to clients by offering alternative products and services.

NBE puts a great amount of effort to respond to all incoming messages from clients and non-clients while following the regulations for dealing with clients. The complaints management policy and procedures were lastly updated on May 17th, 2022.



## CRM Strategy

Solving problems in the standard timings set for the examination	Solving problems at the first point of contact (FPO), if possible.	Informing the customer with escalation reason if escalation is required.	Providing regular updates on the results of the bank's investigation and ensuring that the proposed actions are communicated and recorded on the CRM system
If the customer is not satisfied with the bank's response, reasons must be clearly explained	Dealing with all aspects of the complaint	If there is financial loss for any customer, it should be discussed with the concerned department to examine the possibility of refunding	Focusing on the quality and accuracy of responses.
Enhancing the proof and recording of all complaints' details	Ensuring that all developments and customer contact information are recorded on the CRM system	Clearly record all action taken on the CRM system, reminders, approvals, etc.	Following the established call protocol
Using sound and clear sentences to communicate with customers via e-mail or any electronic system	Employees must make promises to clients that they can fulfil only.	Letters should be issued to a client only after the line manager approval.	Employees are prohibited from exchanging confidential data or information unless verified that the customer himself is the one with whom the information is exchanged.

Complaints Department reports weekly pending complaints to NBE Consumer Protection Unit which provides the support in following up with all departments / branches in the bank. Besides, the Unit properly monitors the opened complaints and escalates with all departments / branches in order to avoid exceeding the defined SLA (service level agreement). Complaints Department reports on a quarterly basis the status of all complaints recorded in CRM. In turn, the Consumer Protection Unit submits periodic reports through the Compliance Group to the Audit Committee and the Board of Directors, so that these reports are considered a means of information on the opinion of clients and work to improve performance.













Work was done following the precautionary measures organized in our bank to prevent the spread of the Corona virus infection and the recommendations of the bank's senior management regarding maintaining the safety and health of all employees in our bank without negatively affecting all the work entrusted according to the schedule of the weekly task distribution during that period, where the possibility of using a VPN device was made available to All all colleagues in the administration to examine and analyze all complaints submitted by clients and complete all assigned work in accordance with standard times.

During COVID-19 pandemic, we noticed an increase in the number of messages and comments received through social networking sites / e-mail and a link to contact us for the official website of our bank due to the application of the emergency plan in the call center to limit the role of the call center in responding to complaints and requests only without responding to inquiries submitted by Clients clients of our bank, and work has been done to increase the number of the team delegated to this task, in order to ensure the necessity of responding to all messages and comments, in order to facilitate and quickly respond to clients with all inquiries received in an adequate and clear manner.

The increase in the number of complaints resulting from the Egyptian Central Bank's initiative to postpone instalments installments for six months, and the initiative was started by the Complaints Department to quickly hold several meetings to standardize the procedures for dealing with those complaints and the speedy completion of those complaints.



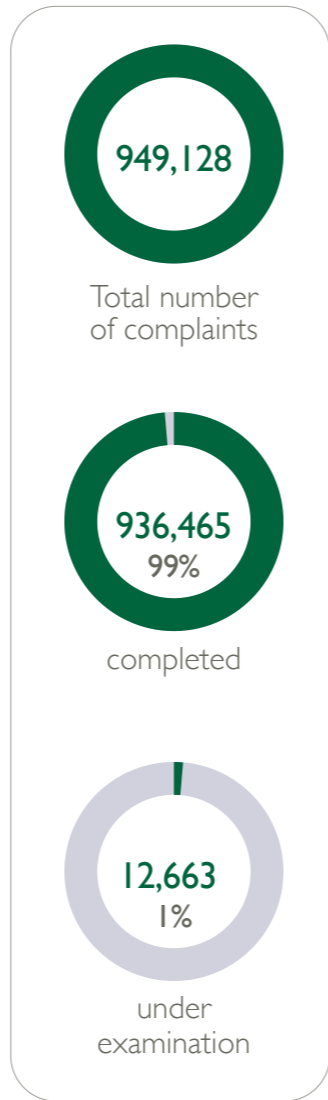
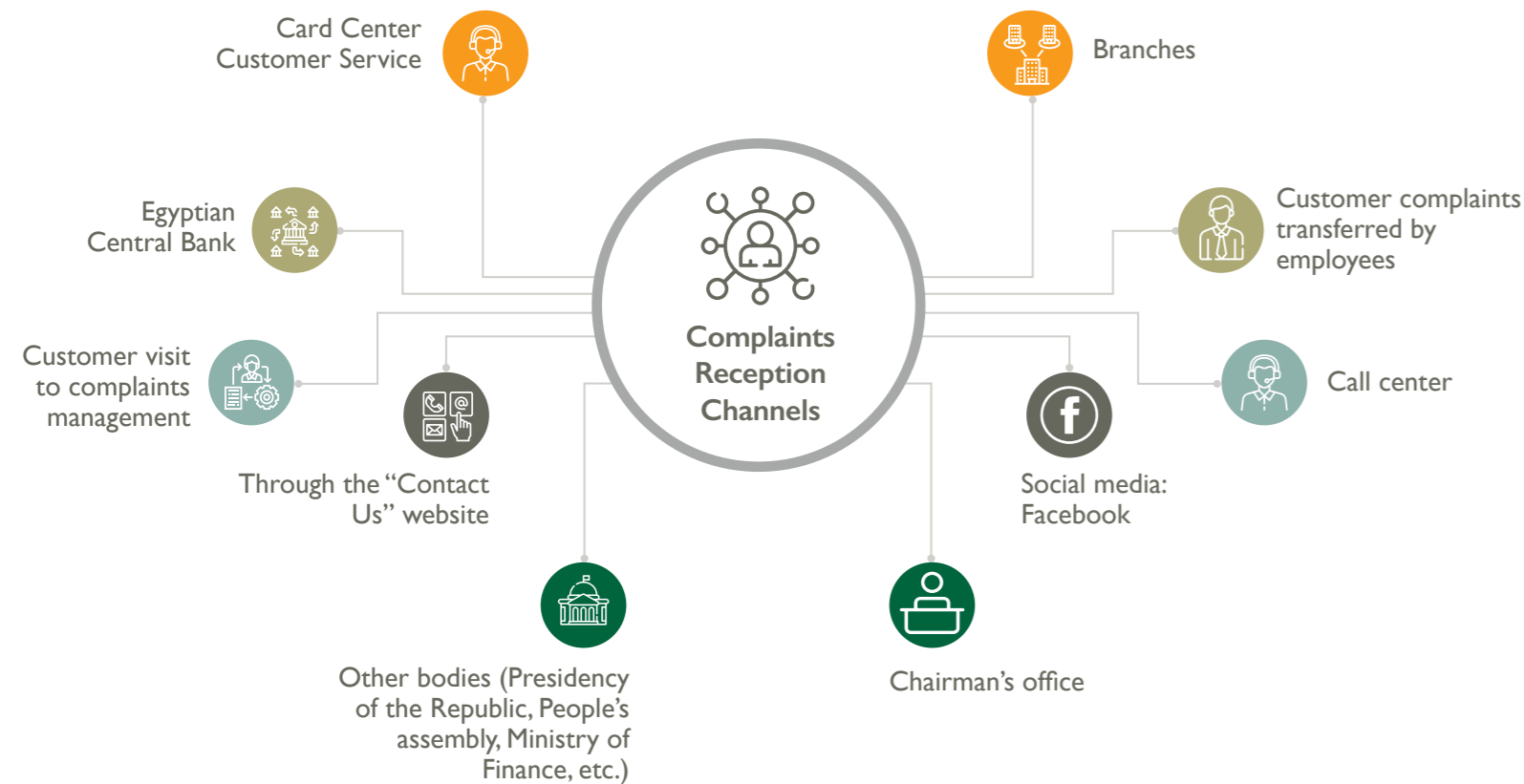
### Elevating Customer Experience

<b>Modification of Delivery Mechanism</b>  <p>Modification of replaced lost prepaid cards delivery mechanism to speed card delivery</p>	<b>Renewed Debit Cards Activation</b>  <p>Activation of renewed debit cards delivered through postal companies to ease and speed the activation process</p>	<b>Credit Card Indebtedness Letters</b>  <p>The objective of this program is to increase awareness of cyber security for employees and customers.</p>
<b>Saving Certificates</b>  <p>Availability to re-send messages for issuing savings certificates that indicate the completion of the purchase of certificates</p>	<b>Customer Requests</b>  <p>Inventory of all customer requests registered on the system to subscribe to AI Ahly Net service provided through the official website of our bank/call center</p>	<b>SCS Prepaid System</b>  <p>Updating the SCS prepaid system to add the SMS inactive field to stop the service until the customer requests data update</p>
<b>PhoneCash Service</b>  <p>Automatically update the card validity date on the PhoneCash service</p>	<b>AI Ahly Internet Service</b>  <p>Reactivating the user name of AI Ahly internet service</p>	<b>Account Opening Messages</b>  <p>Account opening messages during the period of financial inclusion</p>
<b>Complaints' Follow-up Text Messages</b>  <p>Sending text message to customer to state the status of their complaints</p>	<b>Complaints Record</b>  <p>Record all complaint on a unified system across all branches</p>	<b>Social Networking Sites</b>  <p>Attracting an intelligent system for managing social networking sites</p>

During the reporting period, the CRM system has been updated to send a text message including the complaint number automatically upon registration on the CRM system to speed up the communication process.

### Complaints Management System

Total number of complaints received during the reporting period is 949,128. Examination and closure for 936,465 have been completed, while 12,663 are still under examination, including 11,844 complaints regarding external bodies (Visa and Master Authority).



### Most Frequent Complaints

During the reporting period 487 complaints were received regarding disclosure of confidentiality data and work is being done to examine these complaints by the inspection sector and to report on the findings of the examination of complaints from their side so that we can take the necessary action towards ending the matter. Awareness brochures are published by our bank about the necessity of adhering to the code of conduct for employees and maintaining the confidentiality of the data of our bank's clients.





# PILLAR 3: EMPOWERING PEOPLE TO BE AT THEIR BEST

Every human institution is built on people, and NBE is no exception. It is built on generations and thousands of employees who dedicate their time, skill, passion, and effort to the common cause and the vision for positive impact across space and time.

الطلبة ٢٠٢١  
MORE THAN AN INT



# Highlights



9%  
Resilience through the pandemic  
9% increase in workforce (2020-2021)



24,218  
employees driving our success as of  
December 2021 (30% females)



579  
disabled employees as of December 2021  
Accessibility for the Disabled

# Governing Policies

“Knowledge and Development Policy”

Supporting Women in  
Science

22%  
Women in STEM Positions  
NBE Employee Market share  
represent 18.4% of the banking  
sector



Trainings and Turnover

91%  
of our employees  
received trainings in 2021

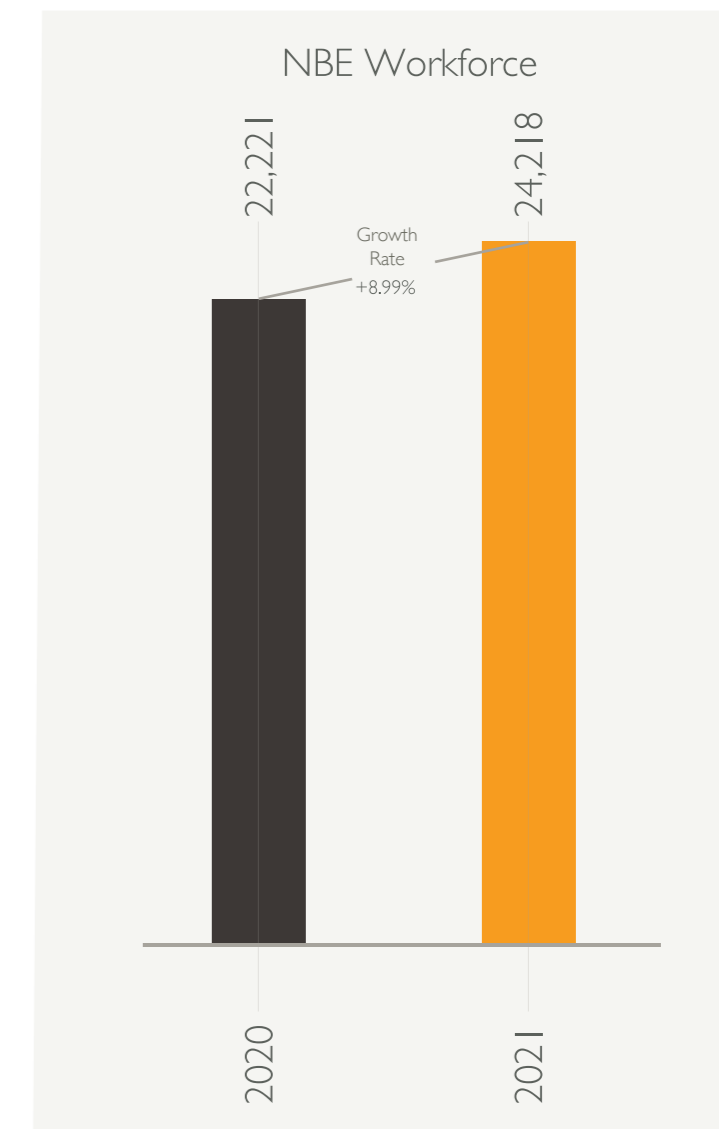
3.1%  
turnover rate in 2021



# Corporate Culture

Over the past few years, the Bank has developed a corporate culture built around common values, aspirations and vision. Daily, the Bank's people continue to be its ambassadors for a better world and changemakers with the power to shape the sustainable, efficient and resilient financial system.

The physical and psychological wellbeing of our people is critical to serve customers well and help our communities prosper. Employees who feel safe and well can perform at their best, be resilient in times of change and can focus on greater customer and community outcomes. The capability, adaptability and diversity of our people are vital in achieving our ambitions for our business. We need employees who are clear on their role, capable, motivated to deliver, representative of their diverse communities, and able to adapt to different ways of working.



## Helping People Thrive

Our employees' well-being, health, and safety is the basic and elemental aspect of NBEs operations. The Bank ensures its people get comprehensive benefits packages and have all the necessary opportunities to lead healthy, happy and fulfilling lives.

### Health and Wellbeing

We are focused on protecting our employees from natural disasters, accidents, and fire risks. HSE department is the one responsible for managing and monitoring the safety of the workplace and out from its responsibilities, it offers number of trainings to train employees on how to act in case of emergencies. Efforts of HSE department in increasing employee's awareness about emergencies actions have been increasing during the past year. Total number of trainees increased by 222% in 2021 to reach 2739 trainees compared to 850 in 2020.

We care about our employees' health so we engage in public health campaigns and provide them with healthcare programs that satisfy their needs. Out of activating our role in supporting and improving our employees' health, we encourage our employees to participate in public health campaigns such as protect them, awareness against breast cancer, diabetes, donating blood, and your health matter to us campaigns. The success of these campaigns is measured by number of influenza vaccinated employees, participants in the diabetes campaign, participants in the breast cancer campaign, COVID-19 vaccinated employees, and blood donors.

Trainings by HSE department	2020	2021
<b>Civil protection and fire prevention works training including:</b> <ul style="list-style-type: none"> <li>Ignition theory</li> <li>Extinguishing theory</li> <li>Types of fires</li> <li>Firefighting equipment</li> <li>Fixed and automatic fire extinguishing systems</li> <li>Practical explanation</li> </ul>	<b>39 sessions</b> <b>579 trainees</b>	<b>127 sessions</b> <b>1,893 trainees</b>
<b>Occupational health and safety operations training including qualifying trainees:</b> <ul style="list-style-type: none"> <li>To identify the laws and ministerial decisions</li> <li>To develop plans and strategies for the work of the occupational health and safety apparatus in the facility</li> <li>To identify the most important risks in the work environment and work to reduce them in accordance with the health and safety standards, and legal requirements.</li> </ul>	<b>15 sessions</b> <b>235 trainees</b>	<b>35 sessions</b> <b>516 trainees</b>

## The Power of Diversity

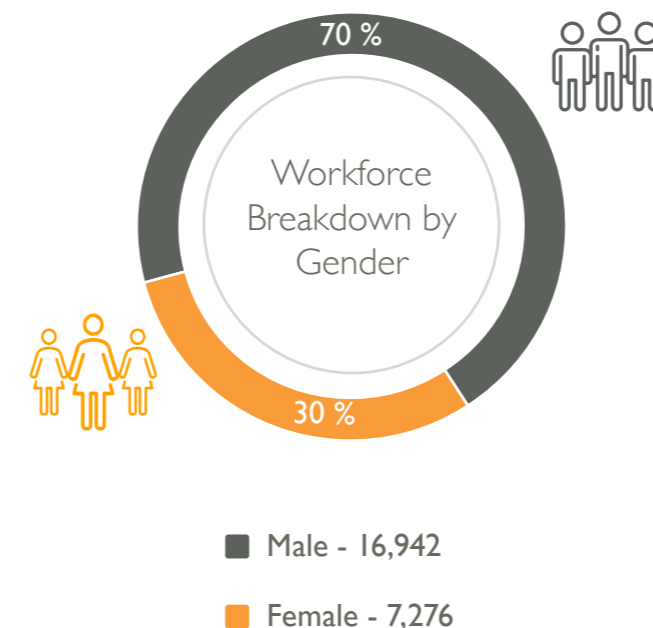
NBE employees represent a unique mix of perspectives, backgrounds and experiences that can produce innovative ideas, find solutions to any challenge and deliver beyond expectations. The individual capacity to stand out and step back when needed, paired

with an incredible collective capacity for collaboration and respect for difference, allows NBE to stand out and make an impact that considers the interests of every stakeholder.

### Our Workforce Diversity

#### Gender Diversity

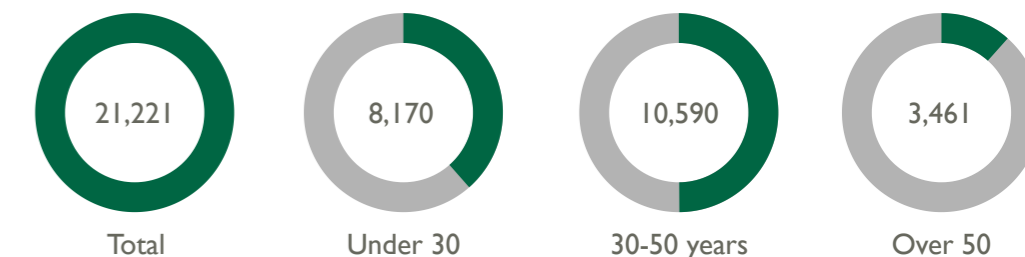
We at NBE believe in women empowerment and out of this belief 30% of our employees in 2021 are women.



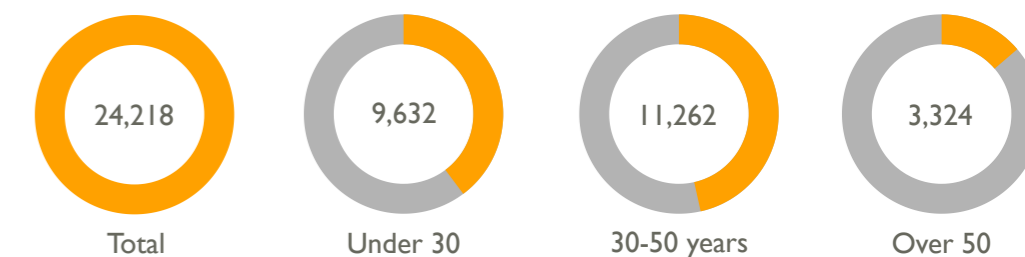
#### Age Diversity

The majority of our employees (46%) are in the age from 30 to 50 years, while the 40% are under 30 years and 14% are above 50 years

#### Workforce Breakdown by Age in 2020

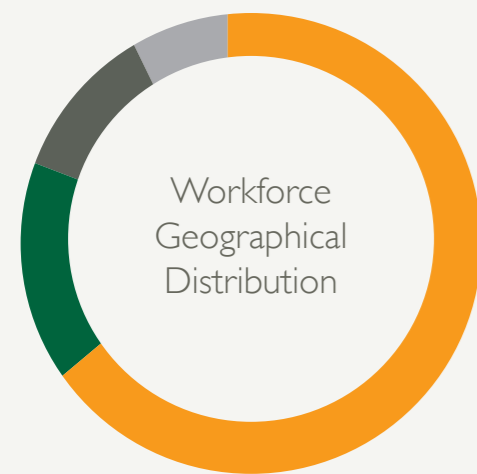


#### Workforce Breakdown by Age in 2021



## Geographical Diversity

NBE operates almost in all Egyptian governorates with the majority of employees working in Cairo as it holds the largest share of branches (46% of total branches). In 2021, employees at Cairo reached a total of 15,501 with an 8% increase compared to 2020. Cairo employees represent 64% of national NBE employees. Delta and Alexandria have the second largest employees' number in 2021 which is 3,995 representing 17% of national NBE employees, while Red Sea and Suez Canal and Upper Egypt represent 12% and 7%, respectively.

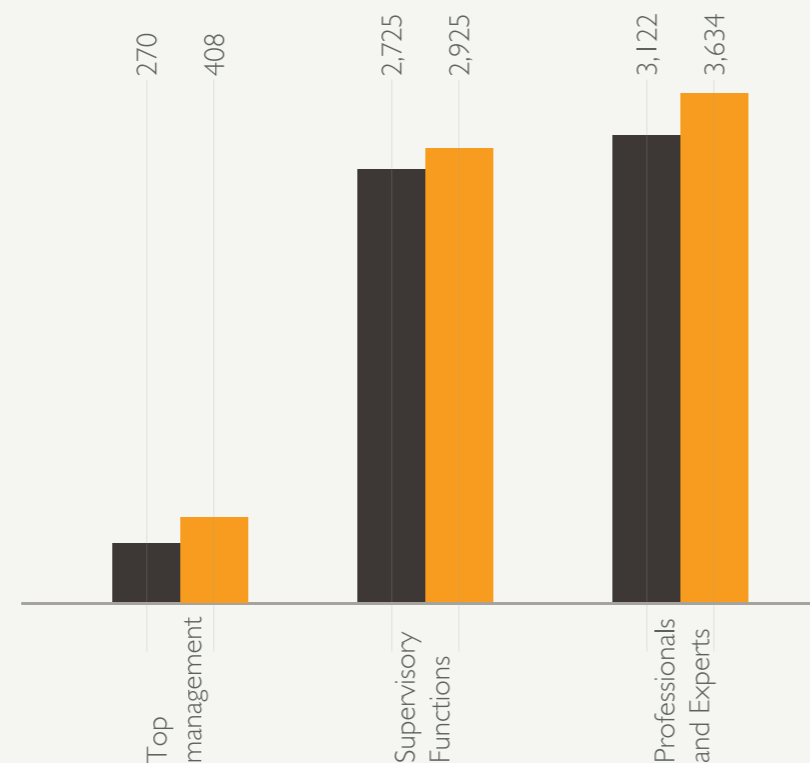


- Cairo and Headoffice - 15,501
- Delta and Alex - 3,995
- Red Sea and Suez Canal - 2,968
- Upper Egypt - 1,754

## Employee Categories

Experts Professionals and experts are the largest management category in terms of employees' number as their number reached to 3,634 in 2021 compared to 3,122 in 2020, followed by the supervisory functions category which has 2,925 employees as of 2021 compared to 2,725 as of 2020. Top management positions represent the smallest part of management positions with 408 employees in 2021 and 270 in 2020.

Distribution of Employees by Management Categories




## STEM Employees

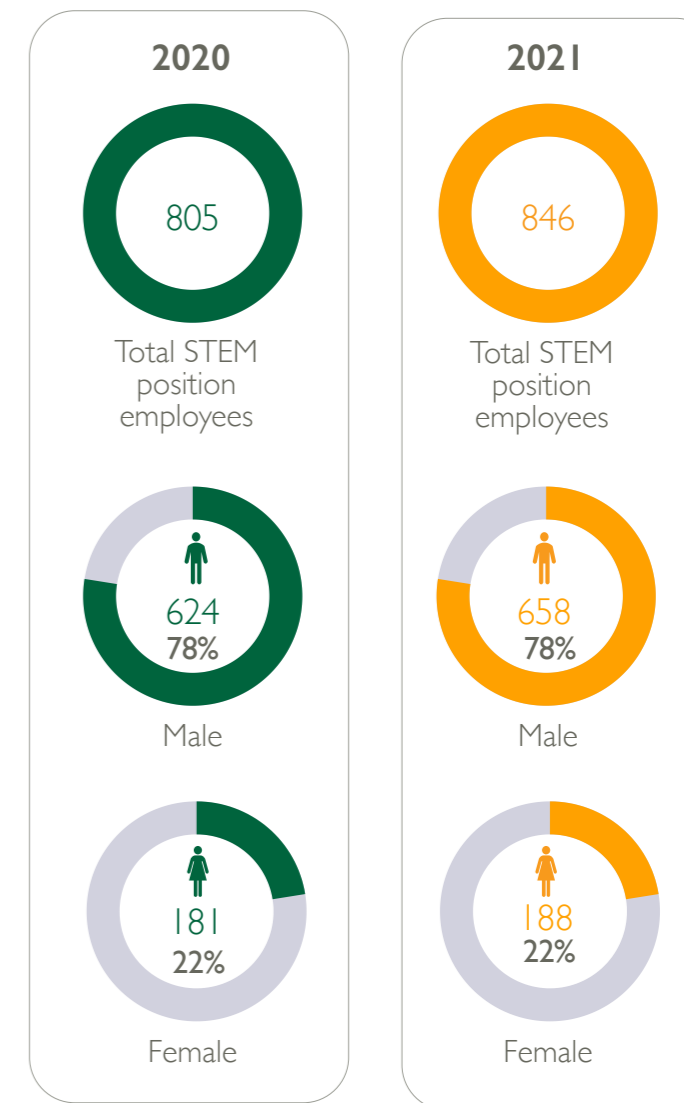
STEM employees in 2020 were 805 while it increased to 846 employees in 2021 with a percentage increase of 5%. Female employees represent 22% of STEM employees both in 2020 and 2021.

We care about cultivating female talents and we continue to increase the percentage of female employees to reinforce a diverse corporate culture. As of the end of 2020 and 2021, the current status in relation to our female employees at NBE is as follows:

Percentage of female employees from total employees for each position:

	2020	2021
 <b>Total NBE Employees</b>	29.5%	30%
<b>Top Management</b>	10%	8%
<b>Supervisory positions</b>	10%	19%
<b>Expert professionals' positions</b>	16%	29.5%
<b>STEM positions</b>	22.5%	22.2%

## STEM Employees Breakdown by Gender

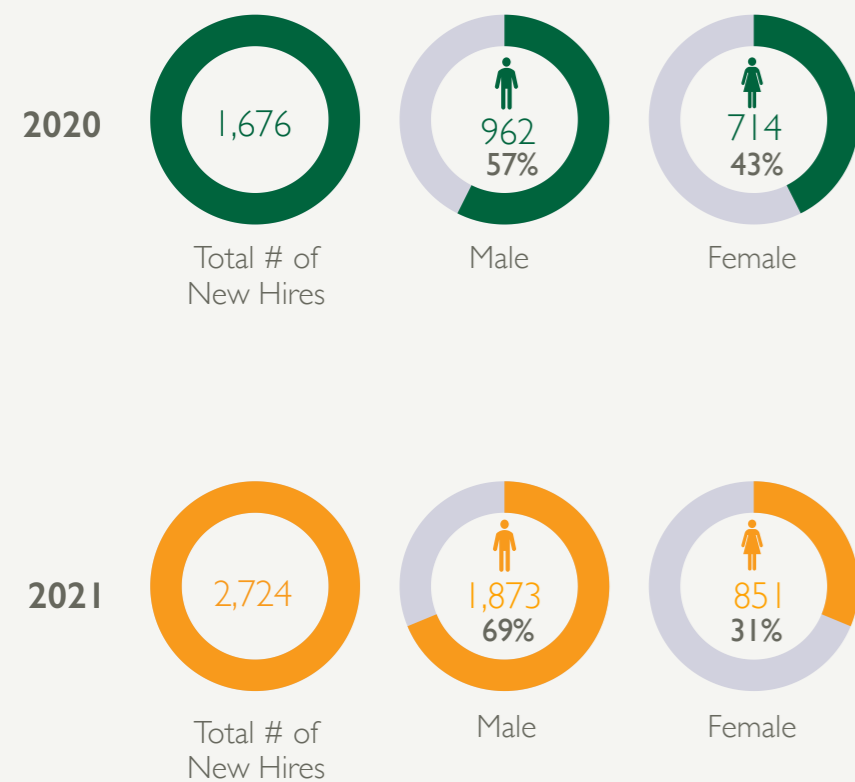


## New Hires

### Gender Diversity

We managed to maintain our workforce resilient during COVID-19 pandemic by acquiring new talents. In 2021, we hired 2,724 new employees with 31% female, while in 2020 our new hires were 1,676 which is 38.4% less than 2021.

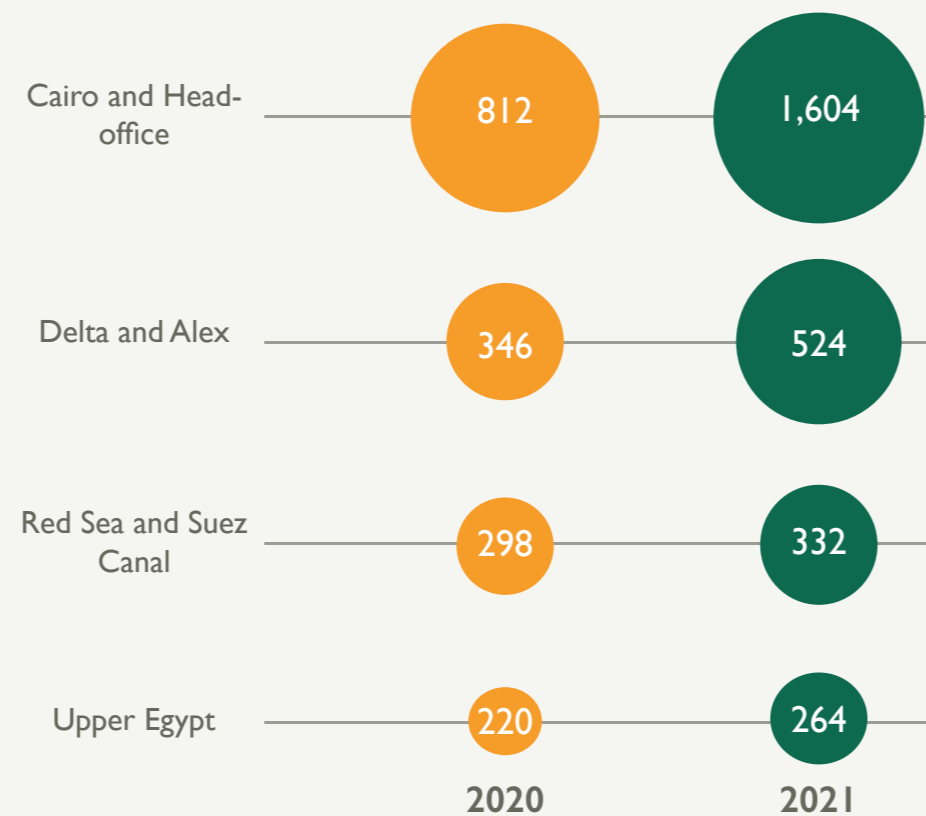
New Hires Breakdown by Gender



### Geographical Diversity

Cairo is the largest governorate in terms of new hired employees' number as it was 812 in 2020 and reached to 1,604 in 2021 with an increase of 49%.

New Hires Geographical Distribution

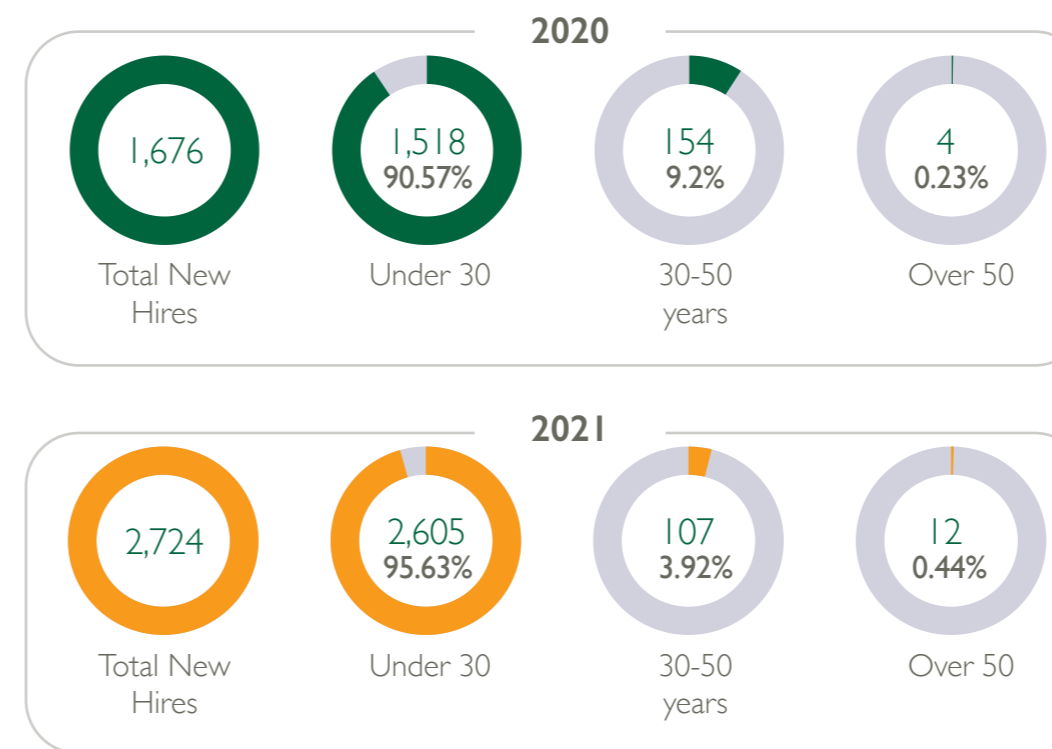


## New Hires

### Age Diversity

NBE believes that today's youth are tomorrow's leaders so we are increasing our youth employees and this is proven by our new hires age breakdown shown here. 90.57% and 95.63% of our new hires are under the age of 30 in 2020 and 2021, respectively, while less than 1% in both years are above 50 years.

New Hires Breakdown by Age





# Talent Acquisition, Retention and Growth

In the rapidly changing world, some skills get obsolete faster than others. NBE aims to equip its employees with skills that allow them to perform their functions now, successfully and in the future. Yet, even more importantly, it invests in the growing strategic capacities of its employees to thrive in the contemporary complete and rapidly changing world, helping them to develop empathic, critical and holistic worldview, lifelong learning, and the capacity to think through and proactively define their career progression and prospects.

Our HR group is the one responsible for the development and growth of NBE employees. It is subdivided into 11 operation lines so each one of them can be focused and provide the best available experience for employees.



## HR Business Partners

Act as the strategic Partner in aligning between HR departments and Business units across NBE and helps provide the proper guidance in implementing all HR activities.

## Recruitment

Responsible for developing the recruitment strategy and talent acquisition plans (internal/External candidates& (responsible for promoting NBE corporate culture and attracting new candidates through various recruitment activities and summer internships.

## Compensation and Benefits

Responsible for developing the compensation and benefits Strategy, including all tangible rewards (Incentives, allowances, and rewards).

## Medical

Responsible for developing the medical and health insurance strategy for NBE employees& their families. Provides the proper health and safety measure for all NBE employees as well as conducting all insurance coverage forms & documents.

## Talent Management

Responsible for setting Talent development plans through succession planning and job rotation as well as ensure the right career progression through performance evaluation, internal transfers and promotions.

## Learning , Development and Internal Communication

Responsible for developing and implementing all NBE learning strategies & programs to improve employees' performance and ensure NBE's productivity, sharing corporate culture awareness & employee engagement to align with NBE Strategy.

## HR Analytics & Quality Assurance

Responsible for Developing and updating all HR policies, procedures. Responsible for all extracted oracle reports for NBE's staff database as well as generate analytical insights and provide recommendations for all contracts related to HR providers. Ensure all document controls through updating the electronic archiving system.

## Organization Development

Design NBE's organizational structure to achieve HR strategic direction. Preparing & revising all NBE job descriptions. Responsible for identifying NBE's Capacity Planning & Manpower needs & classifying the scope of work for all NBE Groups & divisions.

## HR Operations

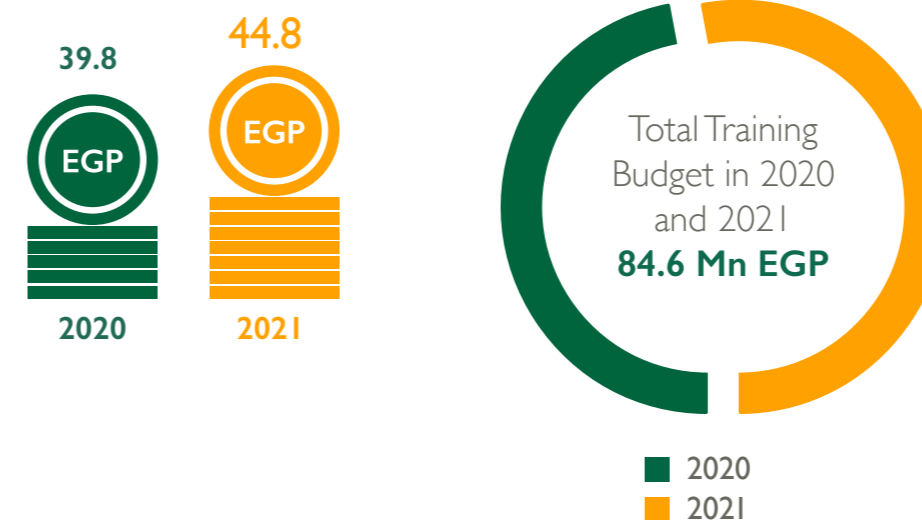
Responsible for conducting employee's worklists and ensure its approval and Maintain records for all NBE employees' electronic/ hard/archived files including (Hiring doc. – Social insurance – out of service – pensioners – leaves) and updated them regularly.

HR performance and results are evaluated at the end of the financial year through setting performance meetings and formal appraisals.

HR department invests in training our employees. Training budget in 2020 was EGP 39.8 mn, while in 2021 it was EGP 44.8 mn. 79% from our total employees received trainings in 2020 with a number of training hours of 372,038 hour. This percentage increased in 2021 as it reached 91% of NBE employees with 570,924 training hours.

Average training hours per year per employee for entry level is the largest among other categories as it reached 29 hours in 2021 with 26% increase from previous year. The second largest category is the expert professional with an average training hours per year per employee of 26, followed by management and supervisory categories with 21 hours, and lastly top management category with 18 training hours. In 2020, average training hours per male employees were only nine hours, while it increased to 27 hours in 2021. For female employees, average training hours in 2020 was 21 hours and it increased in 2021 to reach 24 hours.

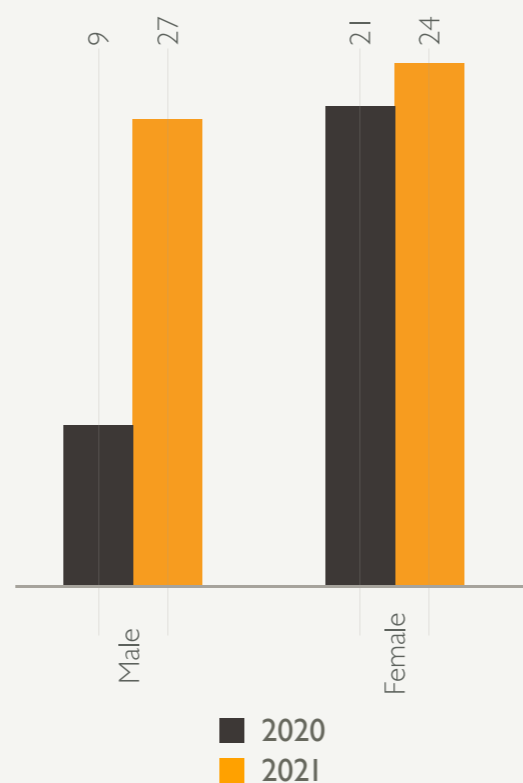
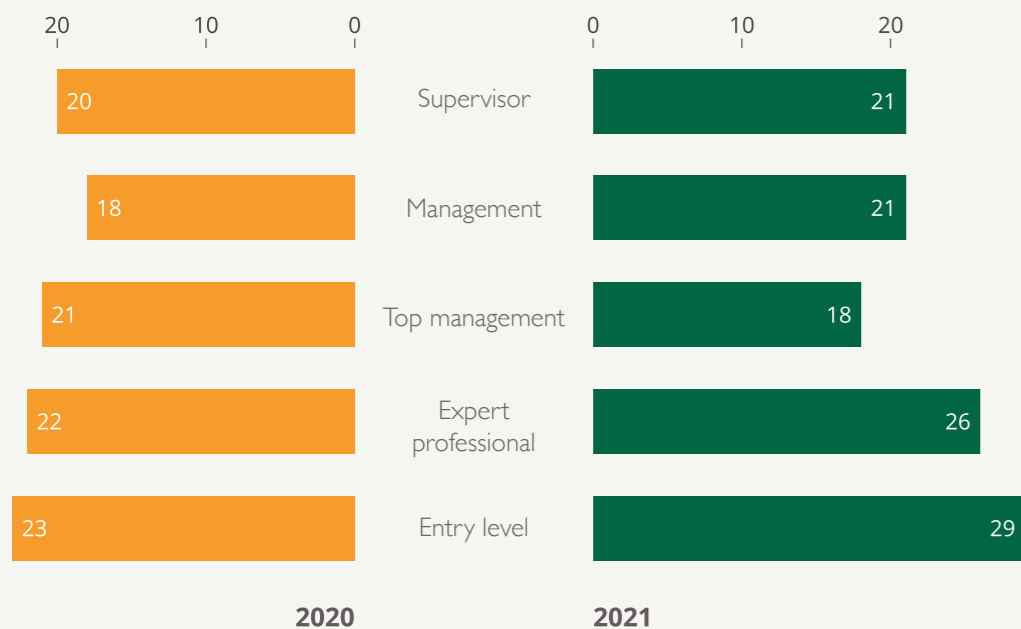
## Employee Training Budget (Million EGP)



	Year	
	2020	2021
<b>No. of trained employees</b>	17,476	22,036
<b>% from total employees</b>	79%	91%
<b>No. of training hours</b>	372,038	570,924

Average Training Hours per Year per Employee (by Category)

Average Training Hours per Year per Employee (by Gender)



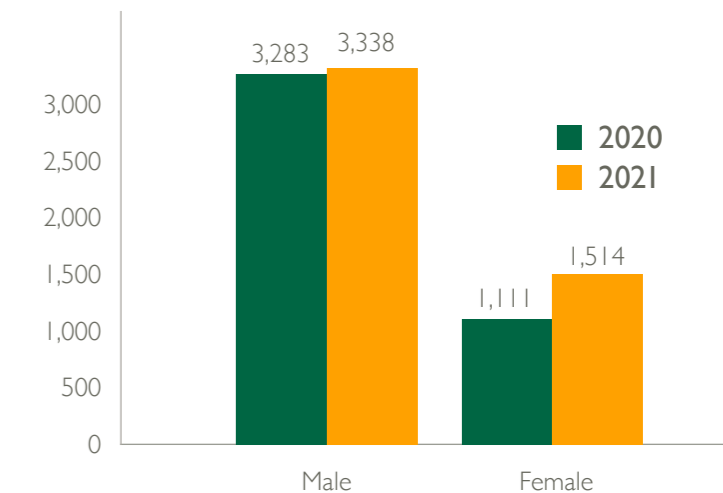
### Career Performance Reviews

NBE cares about the development of its employees, so we conduct employee performance and career development reviews regularly with our employees. In 2020, 3,283 male employees and 1,111 female employees received performance and career development reviews, while 3,338 male employees and 1,514 female employees received reviews

in 2021. By employees' categories, staff received the largest performance and career development reviews in both 2020 and 2021, followed by professionals and experts, supervisory functions, managerial level, and finally senior management.

Employees Receiving Performance Review in 2020 and 2021 (by Category)

Employees Receiving Performance Review in 2020 and 2021 (by Gender)



### Employees' Benefits

To support work/life balance, NBE offer different types of leaves for its employees, among them parental leaves. All employees from both genders at NBE are eligible for parental leaves. In 2020, 788 female employees and 235 male employees took parental leaves. Only 40% from female employees returned to work after their parental leave ended, while almost 100% from male employees returned. 870 female employees and 409 male employees took parental leaves in 2021. All male employees who took parental leave returned to work when their leave ended, while only 44% from female employees did.

## Retaining and Empowering our Employees

We have launched a set of policies in 2019 to enhance our employees' work-life balance, and maintain our workforce resilience.

### Transfer program policy

Sits the general framework regulating the use of transportation allowances, ensures the transparency and equality, and strives to provide the best services.

### Credit facilities policy

Works to find financial benefits for employees to enhance their lives and increase their loyalty

### Administration management policy

Promotes fair and disciplined people management practice, increase productivity, profitability, and talent retention, and links individual goals and results of their performance to development plans, incentives, and promotions.

### Mobile phones and lines policy

Sits the general framework of using mobile phone and lines and strives to provide the best services to employees.

### Life insurance for workers

Organizes the rules for insurance process from determining the cases of risk covered by insurance system, the process of paying the insurance premium, determining the date of payment, and disbursing compensations according to each case.

### Working atmosphere

To reach an integrated policy that is compatible with international standards and in line with NBE's identity and maintains its unification and reflects banks values.

### Travel for internal and external assignments policy

Ensures to meet the expenses incurred by the employee to complete the tasks assigned to him

### Selection and recruitment policy

Sits the general framework for proper selection of candidates and discovering their skills

### Holidays policy

Clarifies policies and controls related to the management of leave of all kinds to be followed by human resources group, management, and all employees. It strives to provide the best services to the employees to preserve their personal lives.

### Medical services

Creating a public health atmosphere within the bank, working to provide clear and fair medical services for all categories, maintaining the medical treatment system, and establishing a system to manage and follow up and sick leaves

### Career path

Defines a career path for competencies with outstanding capabilities, establishes guidelines and procedures for promotions, diversifying experiences and benefiting from the best elements and developing them, and develops a second raw leaders.

### Allowances

Establishes guidelines regulating the disbursement of allowances of all kinds

### End of service policy

This policy provides the best possible service to NBE's employees whose service has been terminated by the bank or to their heirs in the event of death during service.

## Employee Turnover

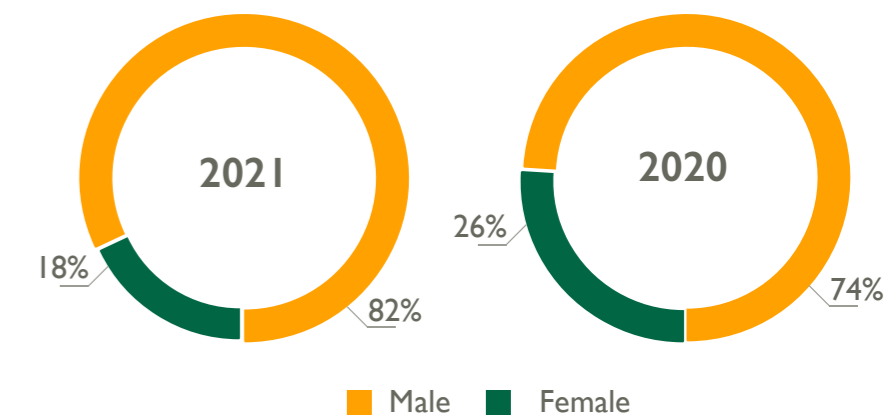
NBE is currently working on enhancing and updating some of these policies to be more efficient and sustainable. Policies under the course of update are selection and recruitment, performance management, mobile phones and lines, internal transfers and promotions, and vacations.

Out of NBE's care about employee wellbeing and retention, three new policies are currently underway. The first policy is about career succession which aims to maintain and develop competencies in the bank, while the second is about social security and aims to provide more stability for employees and their families. The third and last one is the outsourcing companies' policy aims to establish rules regulating the work of external companies providing services to the bank. All these policies are designed by NBE to ensure that they are suitable for its work nature and size of employees.

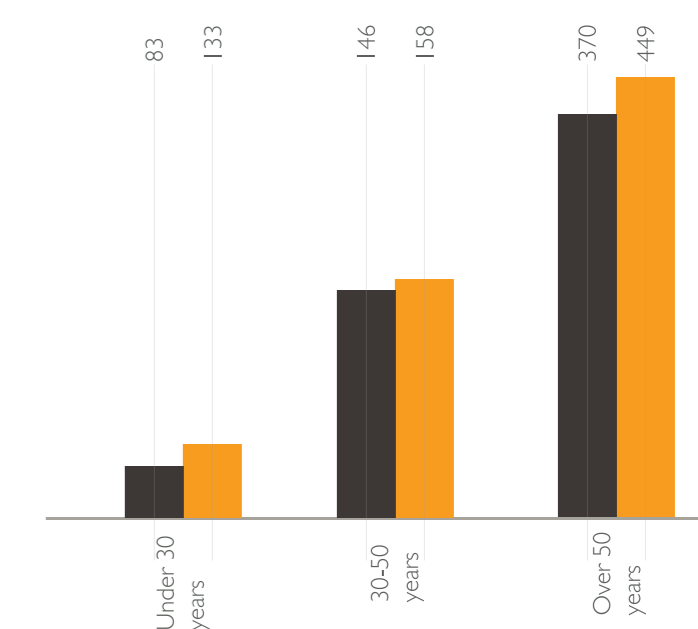
Employees' turnover in 2021 increased by almost 24% from previous year as it reached to 740 compared to 599 in 2020. In 2020, turnover rate was 2.7% of all NBE employees, from which 2.1% were turnovers for causes while the rest were voluntary. Turnover rate increased in 2021 to reach 3.1%, from which 2.3% were turnovers for causes and the rest were voluntary. Despite of this increase, turnover rate in both years is well within the acceptable limits.

Most of turnovers in both 2020 and 2021 are from males with percentages of 74% and 82%, respectively. The greatest contributor age group in turnovers is above 50 with almost a constant percentage of 61% in both years.

Turnover Breakdown by Gender



Turnover Breakdown by Age Group



## Growing a Talent Hub

NBE is known for its endless efforts in the development and growth of its employees. We offer a number of trainings to our employees under two programs; capacity building and technical and career training program. NBE has a massive training plan for its employees with a budget mounting to EGP 63.91 mn in 2021.



### Capacity Building Training Program

#### In cooperation with Prominent Training Institutions

##### The Success Leaders Programs

This program prepares the best branch managers to be regional ones.

##### The Future Executives Program

This training is given for talented employees across all branches to prepare them for the position of branch managers

#### In cooperation with the Egyptian Banking Institute (EBI)

##### Young Leadership program

This program equips young staff with the required technical skills needed for administrative supervisory positions

##### Future leaders program

This program is dedicated to promising management staff to equip them with the required skills for leadership positions. In 2020 and 2021, three employees took this training.

### Technical and Career Training Program

#### SMEs Financing

Internationally certified courses in the areas of Credit and Risk are offered for employees working in Credit lines. In 2020 and 2021 40 and 50 employees took this training, respectively.

#### Information Technology and Digital Transformation

In 2020 and 2021, 12,568 and 17,496 employees participated in information technology and digital transformation programs.

NBE also has an E-learning platform which is of great impact on our employees' development. The platform provides more than 136789 learning opportunities to the employees. Each employee has a unique access to the platform with detailed training history and list of all available training. HR training and development plan for each employee is linked to this platform to assess the progress.

We are also interested in preparing youth to enter the banking sector through our summer training and fresh graduates training program. Summer training aims to qualify university students to work in the banking sector. Eight hundred university students are trained annually over the course of five weeks. This training ends with a competition to evaluate trainees' innovative ideas and presentation and communication skills.

Fresh Graduate Training Program is an annual program that has a period of three months. It aims to provide fresh graduates with practical experience, technical information and skills that are necessary in the labor market. 139 trainees enrolled in this program in 2020, while in 2021 number of trainees in the same program was 117. Talented participants have priority employment opportunities at our bank.

Employees' awareness of important global events and topics is a key part of building a talent hub. Research department is the one responsible for spreading this awareness by covering the most important economic and banking events and developments, financing and investment opportunities in the local market, as well as the most important developments in local economic sectors and activities, and following up on financial technology developments and their banking implications. Research department also raises awareness among colleagues in our bank of the most important topic recently raised in the economic and banking arena locally and globally, such as Sustainable Finance, Global Inflation and the Global Supply Chain Crisis.

Program	Beneficiaries in 2020	Beneficiaries in 2021
No of interns /trainee in 2020&2021	--	800
SMEs Financing (Credit course)	40	50
Future leaders' program	3	3
Information Technology & Digital Transformation:	12568	17496
Fresh Graduate Training Program	139	117
Number of employees benefit from Covid loans	17	38

## Good Beyond Work

Every person can only fully realize themselves as part of a community, and when people meet and communicate, new ideas, meaning, and opportunities arise. This is why volunteering forms a fundamental element of NBE's corporate engagement.

At NBE, we care about engaging with our employees and strengthening their professional mentality. Banking awareness campaigns have been carried out, in which more than 10,289 employees participated. The 123 Years Leadership Campaign aimed to disseminate the Bank's strategy and history among its employees, consolidate them among all staff members, and introduce NBE personnel to the Bank's most important services and products.

The Sustainability Campaign aimed to help employees understand the meaning of sustainability, its types, its objective, and how NBE participates in supporting Egypt Vision 2030.

The third and last campaign aimed to spread cybersecurity awareness, teach employees how to identify phishing messages and how to protect their personal accounts from hacking attempts, and encourage employees to report any phishing attempts.

To encourage employees to participate in more and upcoming campaigns, symbolic and valuable gifts were awarded to 1,065 employees in those three campaigns.



## PILLAR 4: CONNECTING COMMUNITIES AND IGNITING CHANGE

NBE addresses a broad spectrum of social needs in line with the SDGs and Egypt Vision 2030. From alleviating poverty and developing slums to advancing education and healthcare and promoting a vibrant culture, we embrace the power and importance of sustaining a quantitative approach toward the Bank's CSR contribution. We never forget that real social progress is about expanding the actual capacities of people to realize their needs and lead lives full of meaning and purpose.





At NBE, we work daily to ensure that anyone entering the Bank's branch or using our mobile app can quickly find what they need. From opening the bank account and supporting individual financial decisions to running complex multilateral programs with a large budget, we want to ensure NBE leadership in customer excellence, unmatched experience and real solutions that serve the Egyptian people and economy.



**Ms. Nermin Shehab**  
Head of Marketing and Social Development

## Responding to Social Needs

Every social and community initiative at NBE is built on a fundamental premise of responding to the real needs of the local communities that will benefit from it. This is why NBE focuses on active dialogue, collaboration with local actors and careful selection of metrics for impact.

NBE CSR action contributes to multiple Egypt Vision 2030 objectives and SDGs.



## AWARDS

**THE EUROPEAN** Best Banking CSR Provider award in Egypt, 2020  
The European

**GLOBAL BANKING & Finance review** Best CSR in Egypt, 2021  
Global Banking & Finance magazine

**gbm** Best CSR Bank in Egypt, 2020 and 2021  
The Global Brands Magazine

**IBM** Best CSR Bank award in Egypt, 2021  
International Business Magazine

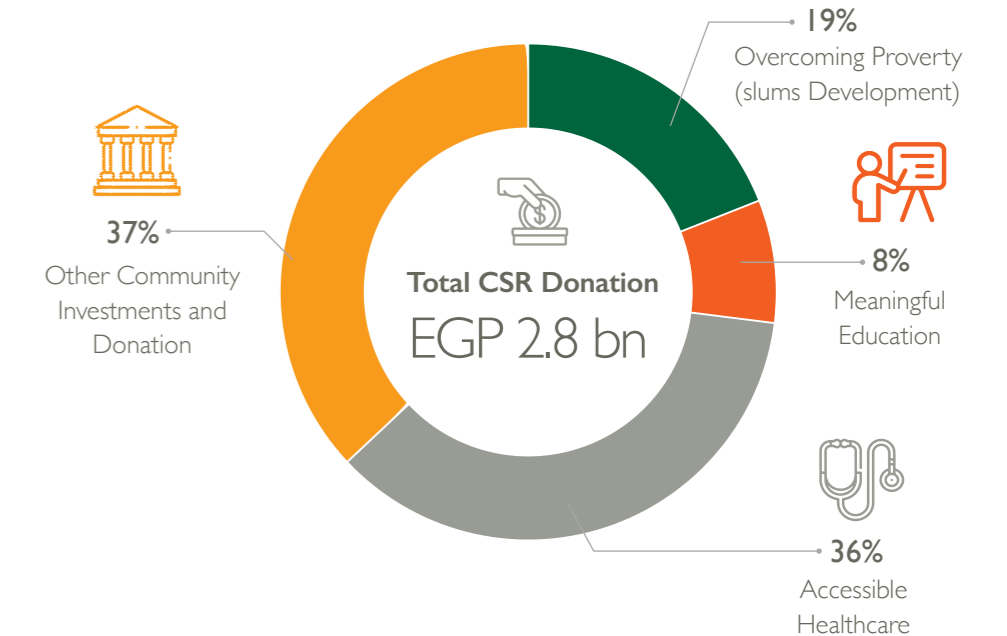
**Global Business Outlook** Best CSR Bank in Egypt, 2020 and 2021  
The Global Business Outlook

**INTERNATIONAL FINANCE** Most Innovative CSR Bank in Egypt, 2020 and 2021  
International Finance


## NBE donations to Egyptian people and communities



NBE CSR Donation 2020 - 2021



					
NBE response to COVID Pandemic	Access to healthcare	Education and Skills Development	Social Protection and Poverty Elimination	Housing/ slums development/ infrastructure	Promoting cultural heritage

 Amount  No. of projects	736.3 Mn	1 Bn	235 Mn	142 Mn	1.358 Mn	67.1 Mn
	6 Projects	29 Projects	16 Projects	7 Projects	6 Projects	4 Projects

## COVID-19: A Softer Landing

Across all areas of its CSR input, NBE has facilitated action to limit the impacts of COVID-19 on people's lives and help protect what matters most.



EGP 10 Mn

to mitigate the economic repercussions of the virus outbreak on citizens.



EGP 80 Mn

through the Federation of Egyptian Banks



EGP 50 Mn

for the Ministry of Health for hospital equipment



EGP 80 Mn

to support Tahya Misr Fund to support in carrying out its societal responsibilities under COVID-19 circumstances



EGP 16.3 Mn

for hospitals in Ain Shams, in Obour City, and Ahl Masr Hospital to support doctors and nurses



EGP 500 Mn

support the governorates of Egypt
















## Improving Healthcare







NBE aspires to help elevate the national healthcare system through targeted interventions that deliver long-term results. We develop a culture built around sustaining good health rather than continuously treating illnesses by promoting preventive healthcare. Additionally, by supporting the decentralization and development of

healthcare professionals, NBE ensures greater coverage by essential and advanced health services across governorates that need it most. And by developing the pharmaceutical sector, NBE enables better treatments, innovative solutions and another vibrant sector of the national economy.



Initiative	Initiative Description and measured results	Donation, EGP mn	Project time frame
 <b>Cairo University Hospitals:</b>	<ul style="list-style-type: none"> <li>EGP 40Mn to develop the Extra Corporeal Membrane Oxygenation (ECMO) unit</li> <li>EGP 16Mn to develop the Egyptian center for the treatment and study of inflammatory diseases, intestinal tumors, and research into the gut microbiome.</li> <li>EGP 12Mn to provide for the operating rooms' needs of devices, equipment and supplies in the Ear, nose and throat (ENT) department to serve patients free of charge and to eliminate waiting lists permanently.</li> <li>EGP 16 Mn to develop Intestinal Diseases Studies and Treatment Unit.</li> <li>EGP 21Mn for Children's University Specialized Hospital (Abu Al-Rish Al-yabani to support surgical cases development of Neonatal surgery unit serving 2100 children.</li> </ul>	105	2023
 <b>Ein-Shams Hospitals</b>	<ul style="list-style-type: none"> <li>EGP 200 Mn to develop Ein Shams Medical City, new emergency hospital, Academic Institute of Cardiac Surgery, Children's Hospital, and specialized children's surgery hospital.</li> <li>EGP 10 Mn to develop Hematology and Bone Marrow Transplant department.</li> <li>EGP 23.5 Mn to Support the renovation of the operations in Demerdash.</li> </ul>	233.5	2023
 <b>Baheya Foundation for Early detection &amp; treatment of Breast Cancer</b>	<ul style="list-style-type: none"> <li>1305 women treated through chemotherapy sessions and guided chemotherapy sessions</li> <li>10979 cases of early detection were examined through the donated mammogram devices.</li> </ul>	20	Completed
 <b>Alexandria University Hospitals (Children's Hospital)</b>	Development of cardiac catheterization unit.	23	2023
 <b>The Children's Cancer Hospital Egypt 57357</b>	Support the operations of the hospital during COVID-19 serving more than 1000 children.	20	Completed
 <b>Naval Forces Hospital in Alexandria.</b>	Hospital development	25	2023

Initiative	Initiative Description and measured results	Donation, EGP mn	Project time frame
 <b>Nile of Hope Foundation:</b>	Development of pediatric cardiac catheterization and interventional radiology unit. Nile of Hope hospital has been supported with procurement of the open-heart machine, as well as surgical supplies and machine.	44	Completed
 <b>Mabara Misr Hospital</b>	Development of Cardiac catheterization unit.	15	2023
 <b>Mansoura Kidney and Urology Center:</b>	Development of the operations sector and support of diabetes research using stems cells.	18	
 <b>National Cancer Institute:</b>	Development of new branch in new Cairo with more than 1450 patients capacity	35	Completed
 <b>Kafr El Sheikh Hospital:</b>	Shock-wave urological lithotripsy device (ESWL).	15	
 <b>Zagazig University Hospital</b>	Two Richard Wolf urological shock wave lithotripsy devices and a laparoscope for obstetrics and gynecology.	8	2023
 <b>Shifa Al-Orman Hospital:</b>	New radiotherapy device and equipment.	25	

Initiative	Initiative Description and measured results	Donation, EGP mn	Project time frame
 <b>Ahl Masr Hospital for Accidents and Burns</b>	Development of the hospital's ground floor.	17.4	2023
 <b>Hospitals of the Ministry of Health in Fayoum Governorate</b>	Tamia Central Hospital and Fayoum Central Hospital	10	2023
 <b>Assuit University Hospitals:</b>	Cell genetics laboratory devices and equipment.	13.25	2023
 <b>Sohag University Hospital</b>	Development of the Department of Cardiothoracic Surgery.	27	2023
 <b>Magdy Yakoub Heart Foundation:</b>	Open heart operations and therapeutic catheterization for more than 860 children	100	Completed
 <b>Elnas Hospital:</b>	Pediatric heart surgeries for 200 Children	20	Completed

### Protocols

NBE signed cooperation protocols with HoldiPharma and Pharma Overseas. We also signed a strategic partnership protocol with Philips Egypt and General Electric (GE) to provide all financial solutions to hospitals and medical centers.






# Meaningful Education And Employment

By providing educational opportunities to diverse social groups, NBE helps them see prospects in life and increase their chances of getting a decent job. The Bank targets a significant share of its initiatives toward the younger population and creating the necessary infrastructure, providing supporting tools and removing financial barriers

for talent so that a growing number of people can realize their potential and make a significant contribution to national prosperity. Through its dedicated interventions in local communities, NBE develops specific capacities to enable people to lead their own lives while positively impacting the world around them.









## Employment

Initiative	Initiative Description and measured results	Donation, EGP mn	Beneficiaries or measured results
 <b>Sinai women with Misr El Kheir Foundation</b>	Enabling the women of Sinai and the Bir al-Abed regions in financing their projects and activities, particularly Bedouin crafts, as continuation of lasting fruitful collaboration.	2.8	2000 Women
 <b>Tatweer with Misr El Kheir Foundation</b>	Training and rehabilitation opportunities, lectures on financial inclusion and electronic payment cards distribution improving trainees' capacity for electronic transactions.	7	7000 Youth (18-35)
 <b>Tawasol Foundation for the development of Establ Antar</b>	<ul style="list-style-type: none"> <li>• Training and workshops for young women and mothers to build skills and help them succeed and earn more</li> <li>• Establishment of the Hotel academy</li> </ul>	4.4	6000 Young women
 <b>Rally Entrepreneurship Competition of the Entrepreneurship Center</b>	The competition is organized by AAST for anyone who wants to start their own business university students and startup founders in a wide range of industries focusing on innovation and technology. Participants took part in various training events and had an opportunity to pitch their startup ideas to business leaders, investors, and members from the entrepreneurship ecosystem. The competition was initiated in 2016 to provide guidance, mentorship and investment opportunities to individuals and teams who are eager to follow their dreams and kick-off their business. It is a full pre-incubation program that takes participants from the ideation phase to generating the prototype within 6 months.	5	--
 <b>Federation of Egyptian industries</b>	The national initiative for the training and employment of youth.	1	150 Youth

## Education

Initiative	Initiative Description and measured results	Donation, EGP mn	Beneficiaries or measured results
 <b>El Nile Schools</b>	cover furniture, tools, and equipment for the laboratory and the library and necessary technical equipment such as computers and laptops	15	30 schools
 <b>Community schools with Misr El Kheir Foundation:</b>	Improving the capacity of schools to provide modern and fulfilling learning experience across 8 Egyptian governorates, as well as rebuilding and equipping 26 community schools in Matrouh Governorate.	13	100 community schools
 <b>Ahalina 2 slum</b>	Completion of Ahalina 2 slum development project to establish school and finalize project elevators.	75	Completed
 <b>Vocational Training Center in Al-Asmarat district</b>	<ul style="list-style-type: none"> <li>Raising competitiveness of key Egyptian industries, creating jobs for young Egyptians and upgrading their skills with focus on Al Asmarat District, Ready-Made Garment Sector; Handicrafts and Entrepreneurship;</li> <li>Purchasing raw materials and operating supplies</li> <li>Financial rewards for technical, administrative and financial workers and faculty members working on the project</li> <li>Financial rewards for male and female students and women registered at the Asmarat Center.</li> <li>Project partners: Bishara Textile and Garment Manufacturing company (BTM), Productivity and Vocational Training Department (PVTD), Ministry of Trade and Industry (MoTI), Central Bank of Egypt (CBE), NilePreneurs Initiative (NP).</li> </ul>	4	Completed
 <b>Zewail City for Science and Technology:</b>	Scholarships for talented students who are unable to afford study costs from all over the Arab Republic of Egypt for the academic year 2020/2021.	11.6	80 scholarships




Initiative	Initiative Description and measured results	Donation, EGP mn	Beneficiaries or measured results
 <b>Partnering for empowering Egyptian youth</b>	In partnership with the Ministry of Higher Education, NBE supported financially three new private universities (King Salman International University - Al-Jalala University - University of El Alamein International) so that each University can cover the scholarships offered to students.	15	Completed
 <b>Advance (The Egyptian Association for the Advancement of Persons with Disabilities and Autism):</b>	Advance is a civil society founded by a group of families of people with autism and similar developmental disabilities in 1997 serving around 6k people with the aim of securing the future of their children by providing them with integrated therapy, education, and training to raise the level of their independence and integration into society with focus on three projects: <ul style="list-style-type: none"> <li>Integrated electronic platform that provides the curricula of the Association digitally to help teachers, specialists and parents of people with intellectual disabilities and autism to implement "distance learning".</li> <li>Finance the preparation of life skills curriculum for people with intellectual disabilities and autism.</li> <li>Finance the cost of services for children and youth with specially abled who are not able to pay.</li> </ul>	11.6	Completed
 <b>Community schools with Misr El Kheir Foundation:</b>	Sponsoring and financing community schools, as financing the operating expenses of (100) community schools serving 1,724 students in (8) Egyptian governorates, and rebuilding and equipping (26) community schools in Matrouh Governorate	13	(100) community schools
 <b>WellSpring with Misr El Kheir Foundation</b>	Student activities, camps, and training courses for students, teachers, school workers, people with specially abled and women cancer patients.	10	24 schools in 15 villages
 <b>Supporting education through Ein Shams University:</b>	Renovation of the Mahalawy auditorium, one of the most important spaces of Ein Shams University with a capacity of 1200 persons. In addition, NBE supported the university to develop its new branch in Oboor city that will include 2 new faculties (Media center – veterinary medicine faculty) on over 150 acres with a capacity of 40000 students in 9 faculties.	25	Completed
 <b>Al-Hassan Foundation</b>	Supporting an Egyptian registered developmental organization under the Ministry of Social. Proudly a Disabled People's Organization (DPO), as more than 50% of the board members are wheelchair users, in addition to over 70% of the foundation's employees are permanent wheelchair users. It serves humans with physical challenges (mainly wheelchair users) through 8 developmental projects offered in all Egypt's 27 governorates. Al-Hassan Foundation aims to be the replicable Egyptian model of a DPO concerned with physically and financially empowering and integrating specially abled people in developing countries.	15	1200 people

# Overcoming Poverty

Over the years, Egypt has witnessed a steady reduction in poverty levels. However, inequality remains on the rise, as the growing gap between the rich and the poor undermine general improvements in quality of life. To tackle this trend, many of NBE's initiatives focus on empowering and enabling underprivileged individuals to enter

the formal economy, more actively participate in economic relations, and have their voices heard. Only when every individual has the resources and capacities to take care of themselves can we expect a lasting reduction in poverty levels and real equitable enhancements in the quality of life.





Initiative	Description	Donation, EGP mn	Beneficiaries or measured results
 <b>Gharemeen Relief Fund</b>	Social inquiries are conducted through the NBE Executive NGO arm, Masr El Kheir, to ensure that our funds are directed to the most in need and this help to release debtors from families in rural regions	18 annually / dispersed monthly	9100 debtors
 <b>Baseera Foundation for the Visually Impaired:</b>	Support was provided to assist in the new project with awareness and training of the importance of eye health and early detection of eye diseases in different governorates, orphanages, and nurseries.	5	5000 orphanage homes Approximate: 5,000 children 10,000 people from low-income villages 350 eye surgeries 3000 glasses 4000 patients
 <b>NBE Villages with Misr El Kheir Foundation</b>	The project has contributed to: <ul style="list-style-type: none"> <li>• Developing and equipping schools</li> <li>• Developing and medical equipment health units</li> <li>• Detecting the hepatitis C infection for individuals and providing free treatment to those infected</li> <li>• Organizing inclusive medical convoys (ophthalmology and people with special needs)</li> <li>• Providing services to improve the quality of drinking water</li> <li>• Extending household sewage connections</li> <li>• Improving the housing environment for the neediest families in line with human social rights</li> <li>• Providing financing for small and micro projects</li> <li>• Supporting livestock development services</li> </ul>	100	17 of the poorest villages in various governorates serving more than 63K people

# Better Homes for More People

With over a quarter of the Egyptian population living in slums, NBE contributes to the government's ambition of a slum-free Egypt where all people have access to decent housing.



Initiative	Description	Donation, EGP mn	Beneficiaries or measured results
 <b>Bashayer Alkhair 2 in Gheyt Alenab area</b>	The project includes 2000 housing units, a commercial area under the residential buildings with a total of 38000 square meters, new roads and car parks with a total of 7660 square meters, and site coordination (sidewalks - curbs - green areas) with a total of 15000 square meters.	100	10 000 people
 <b>New Valley Governorate</b>	Establishment of a model village that includes (houses, agricultural lands, projects, animal production, and industrial projects, projects in the field of manufacturing agricultural products, Implementation of a developed irrigation network in the agricultural site, and preparing 100 houses, green spaces and playgrounds.	15	Completed



## Promoting Culture and Creativity

The appreciation of cultural heritage and the dynamic development of culture in a rapidly developing world form the foundation of every successful nation and country. We are working to make culture a force for a vibrant, creative economy and a higher quality of life, helping Egyptians experience a rich and deep cultural life.



Initiative	Description	Donation, EGP mn	Beneficiaries or measured results
 <b>Arts Academy:</b>	Supporting culture and arts in the area surrounding the Academy. EGP 5M for Completing of the development of the wall of Arts Academy to support culture and arts in the area surrounding the Academy.	2.8	90 libraries
 <b>Al-Noor wa Al-Amal Orchestra / Association Music Institute</b>	The orchestra working to train blind girls and rehabilitate them to get a job opportunity and a source of income to ensure a decent life and help integrate in society. The association was supported on covering the expenses and financial needs.	2.5	--
 <b>City of Arts and Culture</b>	Purchase of various musical supplies and instruments necessary for the opening of the City of Arts and Culture in the new capital.	60	Completed

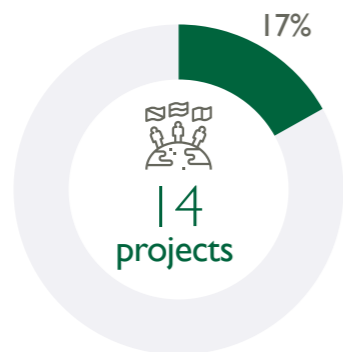


# Sponsors and Partners

Below is a list of sponsorships, investment, partners, alliances and affiliations linked to our CSR impact through specific events and programs.



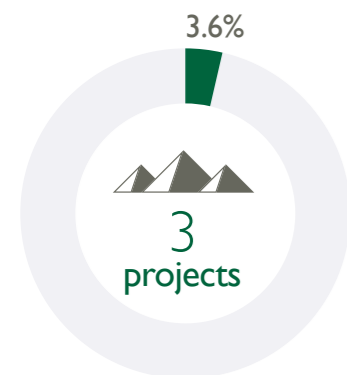
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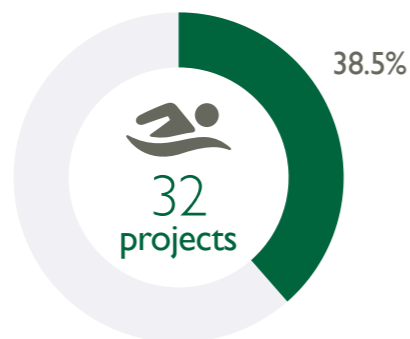
National Program Events



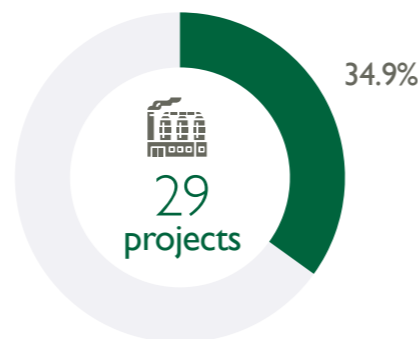
Community Events



Cultural Events



Sport events



Specific Industrial Sectors Events



## National Program Events

- The Opening of the city of Galala
- The Luxor African Film Festival
- Celebration of the Sinai Liberation Day
- The promotional campaign to activate the internal tourism movement
- Celebrating World Heritage Day and opening the Royal Mummies Hall
- Glorious October 6 Victory Ceremony for 2021
- Intra-African Trade Fair
- Al-Fayrouz project opening celebration for fish farming in East Al-Tafria, East of Port Said
- Sponsorship and contribution to the opening ceremony of the Music Theater in the City of Arts and Culture in the New Administrative Capital
- Archaeological Discovery Ceremony to support archaeological discoveries in the Saqqara area
- Organizing The Abu Simbel Sun Festival
- Walk of Egypt's People for five years to develop and pave the Nile Cornish at a distance of 1.8 km and transforming it into a park to serve the citizen
- The development of the Giza pyramids area for three years to raise the efficiency of services and infrastructure in the area
- Eco-Egypt for three years to develop natural reserves







## Community Events

- International Women's Day, honouring a number of women with special needs, female breadwinners, and girls in professional and craft fields.
- Youth Social Responsibility Forum (YSR), aiming to support the energies and capabilities of the Egyptian youth, as well as support the financial transactions of the youth.
- Upper Egypt Conference: The Land of Opportunities and the Future of Development in Egypt (Alamal Foundation), discussing the great transformations that Upper Egypt witnessed during the last period and the emergence of huge potentials for development in several fields, including agricultural, industrial, energy, mining and electricity.
- NBE's sponsorship of the Professional Women's Forum in Public Life, Leadership, and Empowerment, aiming to celebrate the achievements of Egyptian women, as well as provide a platform for women from different fields to exchange and present their different experiences and visions.
- State Award for the Young Innovator, which is an award granted annually to anyone who presents an innovative intellectual or material product, and the applicant's age is not over 18 years old, aiming for the early detection of talents.



## Cultural Events

- Samaa' Festival for Spiritual Music and Chanting, which is one of the most important activities of the Hewar Foundation for the Arts of People's Cultures, which aims to preserve the cultural and civilizational heritage in Egypt and emphasize the Egyptian identity and personality under the slogan of a message of peace to the world.
- Juba Exhibition that includes several fields, including textiles, food and beverages, furniture, handicrafts and leather, as well as the field of culture and publishing.
- A concert at the National Museum of Civilization for the instrumentalist Nesma Abd El Aziz, in light of the continuous and fruitful cooperation between our bank and the National Museum of Egyptian Civilization, as well as the growing role of our bank in sponsoring culture and arts in Egypt.



## Sports Events

- Ahmed Gaber, holder of a Guinness World Record for the deepest dive in the world, for one year
- 50m of 100 Swimmers Race, with the participation of a distinguished group of Egyptian swimmers
- Egyptian Modern Pentathlon Federation, for one year, from February 22, 2021
- Egyptian Handball Federation, for two years from July 17, 2019
- Egyptian Taekwondo Federation, for one year from February 22, 2021
- Egyptian Rowing Federation, for one year from May 20, 2020 and renewed for one year from December 2021
- Egyptian Volleyball Federation, for one year from November 23, 2020
- Egyptian Fencing Federation, for one year from March 24, 2021
- The Egyptian Sports Federation for Mental Disabilities, for one year from
- Egyptian and African Shooting Federation, or one year from March 2020
- Egyptian Canoe and Kayak Federation, for one year from March 18, 2021
- Palm Hills Squash Academy, for one year from March 23, 2021
- The World Junior Squash championships- Mospport Limited, for one year from December 23, 2021
- Cairo Opera House, for one year from June 2021



## Sports Events

- Maadi Sporting and Yacht Club MSYC, for nine years from 2014
- Smouha SC, where the duration of the sponsorship is related to the length of the presence of our bank branch in the club, and the sponsorship is renewed every three years
- Wellspring Egypt, for one year from July 28, 2021
- Cooperation protocol between our bank and the Ministry of Youth and Sports, sponsorship in exchange for the development of the Luxor Youth Center and the Youth Train Project
- Cooperation protocol between our bank and the Ministry of Youth and Sports (Squash Talented Sponsorship Project), for five years from December 22, 2019
- The World Handball Championship - Men on the side-lines of our bank's sponsorship of the Egyptian Handball Federation
- Presidential Initiative "Etkallem Arabi", for one year from February 2022
- Rawabit - The Pharaohs, for 15 months from December 2020
- Rawabit – four players, for one year from April 22, 2021
- Walid Hassan Tolba for one year from September 7, 2020 and renewed for one year from February 2022 (working children)
- Sana Mahmoud Ibrahim Mohamed for one year from September 7, 2020
- Abdul Rahman Khaled Atallah for one year from September 7, 2020
- Nada Abbas Zine El Abidine for one year from December 6, 2020
- Ibrahim Muhammad Ibrahim Muhammad Ali Naga for one year from March 9, 2021
- Ibrahim Muhammad Ibrahim Muhammad Ali Naga for one year from March 9, 2021
- Connection - Mayar Sharif for two years from December 1, 2021
- Mohamed Rabie Mohamed Said - Athletics, for one year from January 23, 2020  
The sponsorship program is valid until an achievement is achieved, as the player is a colleague in our bank
- Ramy Said Mohamed Ali for one year from September 3, 2020 and renewed for one year from February 2022 (colleague in our bank)
- Ahmed Tawheed Zaher for one year from August 25, 2021





# PILLAR 5: RESTORING BALANCE BETWEEN HUMANS AND NATURE

As a financial institution, NBE takes part in financial flows that profoundly impact the environment. The Bank's ambition is to ensure that it moves past and reverts all possible negative impacts, while powerfully supporting transition toward environmentally sustainable industries, finance, and investments.

Financial and material flows are ultimately interconnected, and no economy can exist without nature. NBE envisions an economic system where financial instruments generate desired economic benefits while enhancing the health and resilience of our ecosystems. A truly sustainable economy co-exists with nature, not despite it.

## Environmental Performance<sup>1</sup>

### NBE Environmental Footprint



29,660 Gha

Land footprint



4,238,393 m<sup>3</sup>

Water footprint



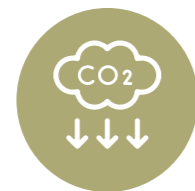
7,545 tons

Waste footprint



1,424,674 kg

Plastic footprint



4,238,393 mtCO<sub>2</sub>e

Carbon footprint



172,664 MWh

Total Energy Consumption

### Sustainable and Green Finance



EGP 2,290 MN

Total corporate Green  
financing

<sup>1</sup>All values correspond to the reporting period (1 January 2021 to 31 December 2021)

## Climate Emergency

Climate change is one of the most pivotal challenges faced by the world today. It poses a fundamental threat to livelihoods, ecosystems, water resources, infrastructure, and the global economy. Governments, companies, and societies need to collaborate to control global greenhouse gas emissions, substantially reduce the extent of future climate change, and avoid its anticipated, severe impacts that would undermine development gains.

The Paris Agreement builds upon the United Nations Framework Convention on Climate Change (UNFCCC) and—for the first time—has united all nations into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects, as well as offer enhanced support to assist developing countries. The Paris Agreement charts a new course in the global climate change action and a base to build an equitable agreement between all countries. As a member of the Non-Annex I Parties, Egypt signed the Paris Agreement in April 2015, and the Parliament ratified the agreement in June 2017.

H.E. Abdel Fattah El-Sisi, President of Egypt and Coordinator of the Committee of the African Heads of State and Government on Climate Change (CAHOSCC), gave an official speech at the UN Climate Change Conference (COP21) that was held in Paris in 2015. His excellency stressed on the seriousness of the current situation, stating that: "the African continent is the lowest contributor to climate change in the world, though it is the most affected by its negative impacts", and he invited the international community to provide the needed support to shift this course. In his speech at the COP26 in Glasgow, President Abdel Fattah El-Sisi called for urgent climate action to achieve the goal of limiting global warming to 1.5°C, voicing Egypt's keenness to host the next UN Climate Change Conference, COP27, in 2022.

Egypt's commitment to combating climate change is reflected in its Nationally Determined Contributions (NDCs), which have placed a clear emphasis on "widespread diffusion of locally-appropriate low carbon energy production technologies, with substantial reductions in energy intensity" as being key to GHG mitigation efforts and measures. Back in 2015, the NDC recognized renewable energy technologies to be highly applicable to

the local context and capable of reducing GHG emissions while supporting "sustainable and equitable economic development". The country commitments are also emphasized in Egypt Vision 2030 Sustainable Development Strategy (SDS).

According to Egypt's first Biennial Update Report (BUR) published in 2019, the industrial sector is responsible for 40.6 mtCO<sub>2</sub>e out of Egypt's total GHG emissions of 325.6 mtCO<sub>2</sub>e. Industry GHG emissions constitute 12.5% of total emissions, half of which is emitted by the sector's electricity consumption (19.8 mtCO<sub>2</sub>e).

NBE is well aware of its responsibility as the leading Egyptian Bank toward climate change mitigation, Egypt achieving its 2030 vision, and the industrial sector among other sectors achieving the global target of 1.5°C. The Bank is uniquely positioned to influence other actors through its investment and lending activities and, most importantly, as a role model. To drive Paris-aligned systemic decarbonization, it is critical to leverage shared influence and responsibility for aligning incentives, as well as eliminating barriers to emission reductions.

In 2021, and for the first time, NBE set GHG emissions reduction targets in order to show commitment, in addition, the Bank aims to align its lending and investment portfolios with the level of ambition required to achieve the goals of the Paris Agreement. This commitment, along with the strategy and actions that will be taken to achieve the targets, not only contributes to the transition to a low-carbon economy, but also brings substantial benefits to the Bank.

NBE is determined to build business resilience and increase its competitiveness. The Bank plans to perform scenario analysis and apply methodologies to help identify and capitalize on a range of opportunities, and mitigate climate risks and increase competitiveness by gaining insights into the transformations faced by the economic sectors we lend to and invest in.




## Beyond Climate: Financing Green Transition

NBE aims to develop innovative financial products and services that enable customers to reduce emissions in the real economy. By setting GHG emissions reduction targets, NBE is much better positioned to respond to future regulatory adjustments as governments ramp up their climate action and lead the way and push the market toward the most credible and practical solutions.

However, the Bank also looks at the wider environmental aspects in terms of biodiversity, circularity, and pollution prevention, and in such, NBE has been adopting a responsible investment strategy that considers environmental, social, and governance (ESG) aspects in its analysis and decision-making process.





NBE recognizes that ESG variables can affect the financial value of an investment, as well as the influence that investments have on the world around us. Long-term prosperity necessitates a shift away from short-term profit as the sole definition of value, according to a responsible investing strategy.





### Corporates' Green Financing





Activity	Sector	Financed Project	Limits (mn EGP)
 Pharmaceutical Industry	Pharmaceuticals	To contribute with 70% in the purchase of equipment and supplies to replace the electrical power consumed in the company's factory with photovoltaic cells as a source of renewable energy, and the application of environmental compatibility technology by developing the air handling unit, per the technical study of the international agreements and environmental compliance unit.	2.1
 Ceramic Industry	Materials	To finance the purchase of equipment and machines and upgrading the power station within the program scope of the Green for Growth Fund	40
 Plastics	Petrochemicals	To import the company's production lines within the loan provided by the European Bank for Reconstruction and Development (EBRD) to finance energy efficiency projects. The loan aims to contribute to purchasing production lines to replace them with others of higher efficiency in terms of production and consumption. This contributes to reducing production costs and achieving financial and electrical savings that will improve the company's competitiveness and productivity.	69

### International Partnerships for a Stronger Impact

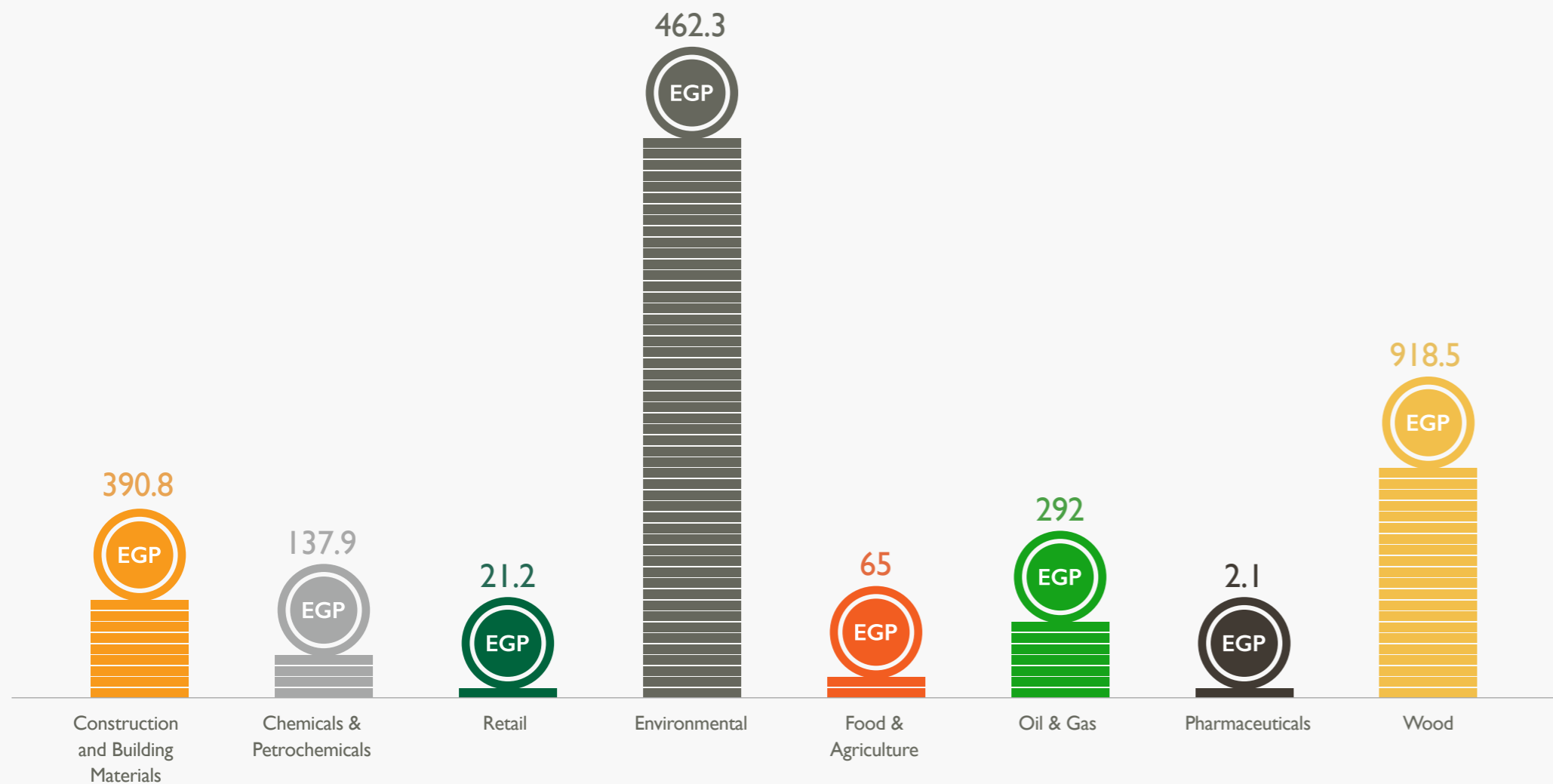
NBE has been leveling up its sustainable finance portfolio for the past decade. The Bank has set its focus on business banking, and it currently holds Egypt's largest share in corporate and SMEs lending at 41.7%. During the reporting period, NBE facilitated sustainable financing to numerous corporates in diverse sectors across Egypt, with a total amount of EGP 2,290 mn. NBE's sustainable finance activities span both social and environmental aspects through facilitating grants to finance pollution abatement projects, such as providing industrial facilities with energy efficiency equipment, wastewater treatment systems, among other pollution abatement measures. The Bank also works on financing the education and healthcare sectors across all governorates, in line with the national sustainable development strategy.

Activity	Sector	Financed Project	Limits (mn EGP)
 Food	Food and Agriculture	To import the company's production lines within the loan provided by the European Bank for Reconstruction and Development (EBRD) to finance energy efficiency projects. The loan aims to contribute to purchasing production lines to replace them with others of higher efficiency in terms of production and consumption. This contributes to reducing production costs and achieving financial and electrical savings that will improve the company's competitiveness and productivity	65
 Fertilizers	Environmental	To open letters of credit for USD 16,7 mn within the framework of the Egyptian Pollution Abatement Project (EPAP II) (Phase II) to finance part of the costs of the ammonia percentage reduction in industrial wastewater project, which aims to: <ul style="list-style-type: none"> <li>- reduce pollution percentage in seawater, where waste is disposed</li> <li>- work in line with the environmental protection system compatibility, so that the amount of disposed water is as low as possible and environmentally compatible in terms of specifications</li> <li>- rationalize the consumption of raw water and reduce waste by treating industrial wastewater and reusing it, in accordance with the national goal of rationalizing consumption of water</li> </ul>	263
 Petroleum	Oil and Gas	To open letters of credits for EGP 25 mn within the framework of the Egyptian Pollution Abatement Project (EPAP II) (Phase II) EPAPII to finance part of the project costs of modifying the aromatics extraction unit to use the NMP solvent as a substitute for the furfural solvent, to preserve the environment	25
 Petroleum	Oil and Gas	To open letters of credits for EGP 17 mn to import machines and equipment of the aromatics extraction unit to use the NMP solvent as an alternative to phenol with refinancing through an investment loan within the framework of the Egyptian Pollution Abatement Project (EPAP II) (Phase II).	267

Activity	Sector	Financed Project	Limits (mn EGP)
 Cement	Materials	To open letters of credits for EGP 35,8 mn within the framework of the Egyptian Pollution Abatement Project (EPAP II) (Phase II) EPAPII to finance the use of alternative fuels	35.8
 Woods	Woods	To contribute with a share of Euro 51 mn in a long-term syndicated loan (total of Euro 152 mn) to finance up to 70% of the investment cost of the project of establishing a factory for the production of high-quality MDF panels that are used in many applications such as the manufacture of home and office furniture, doors, decorations, kitchens, and others, depending on rice straw as the main raw material for the project.	918.5
 Durable Goods	Retail	To purchase machines, equipment, or spare parts for the company's factories, aiming at reducing energy consumption in factories to modify the energy system, aiming at rationalizing its use, through our bank's contribution to the finance of these machines and equipment within the loan provided by the European Bank for Reconstruction and Development (EBRD), to finance the energy efficiency and new and renewable energy projects.	21.2
 Electricity	Environmental	Financing available to our bank in the amount of EURO 110,68 mn within the scope of the Danish Mixed Credit Program through RBS Bank (formerly ABN AMRO) to re-lend it to the Authority for the construction of a Wind Station (Phase III) with a capacity of 120 MW.	199.3

Activity	Sector	Financed Project	Limits (mn EGP)
 Cement	Materials	Medium-term financing reports of EGP 72 mn and EGP 70 mn within the scope of the Egyptian Pollution Abatement Project (EPAP3) for financing 90% of the investment cost of the project of changing the coolant chimney filter for the company's factory	142
 Cement	Materials	Medium- term financing report of USD 11 mn within the scope of the Egyptian Pollution Abatement Project (EPAP3) for sewage treatment plant	173
 Chemicals	Petrochemicals	Medium- term financing report of EGP 16 mn within the scope of the Egyptian Pollution Abatement Project (EPAP3) for financing 90% of the industrial sewage treatment plant development project	16
 Chemicals	Petrochemicals	Medium-term financing report of EGP 53 mn within the scope of the Egyptian Pollution Abatement Project (EPAP3) for financing 90% of the development of vaporizers unit of caustic soda concentration project	53

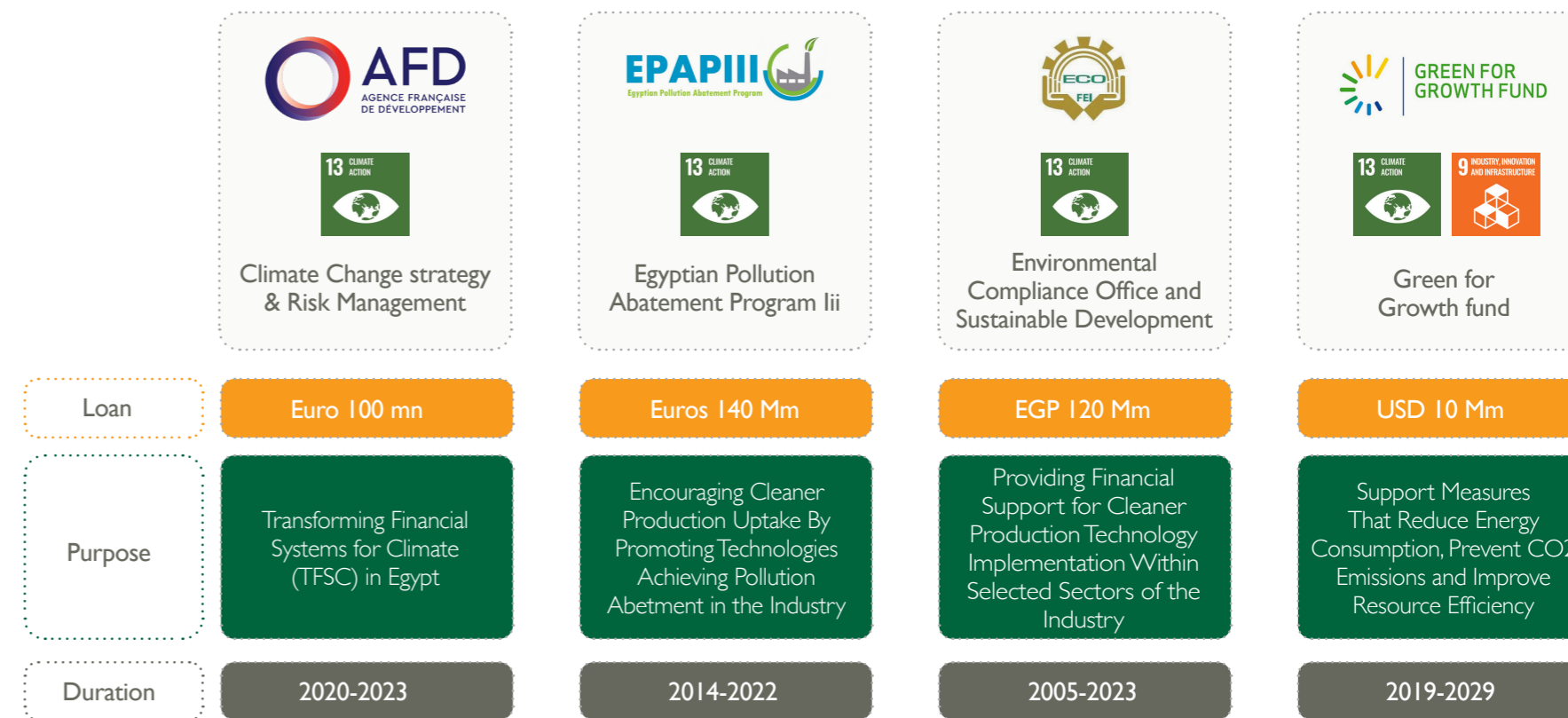
NBE corporate green Portfolio per Sector (mn EGP)  
As of December 2021



International Partnerships for a Stronger Impact

NBE's Domestic and International Loan Agreement Partnerships constitute the real umbrella for sustainable financing in Egypt, which facilitates complying with the national environmental law and reducing rates of industrial pollution, as well as maintaining a national progress toward achieving international environmental agreements, such as the

Paris Climate Change Agreement and the Montreal Protocol on Ozone Depleting Gases. NBE continues to collaborate with international financial institutions to facilitate grants to large corporates and emerging businesses, targeted at advancing energy efficiency, climate change mitigation, and pollution abatement across Egypt.



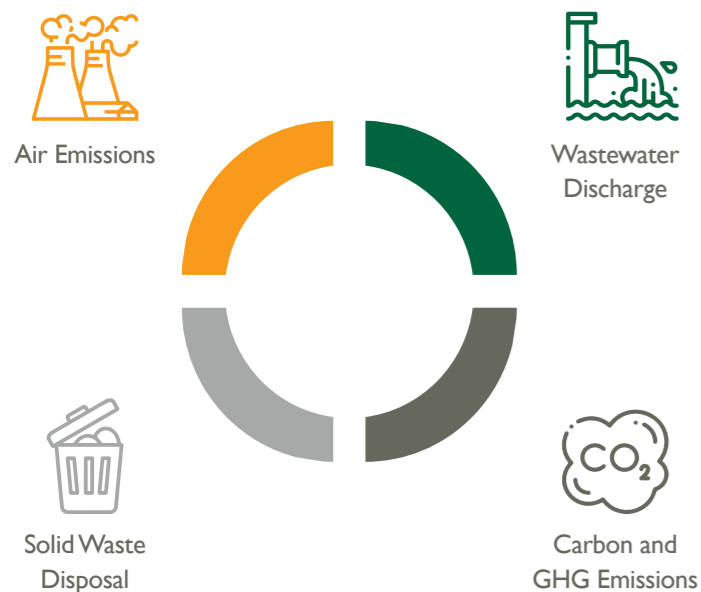
For further details on NBE's international partnerships for a stronger environmental and social impact, please refer to Pillar 1 – "NBE's International Relations Division: An Opportunity Hub".

### Egyptian Pollution Abatement Program (EPAP): Supporting the Transition to Green Economy Since 1998

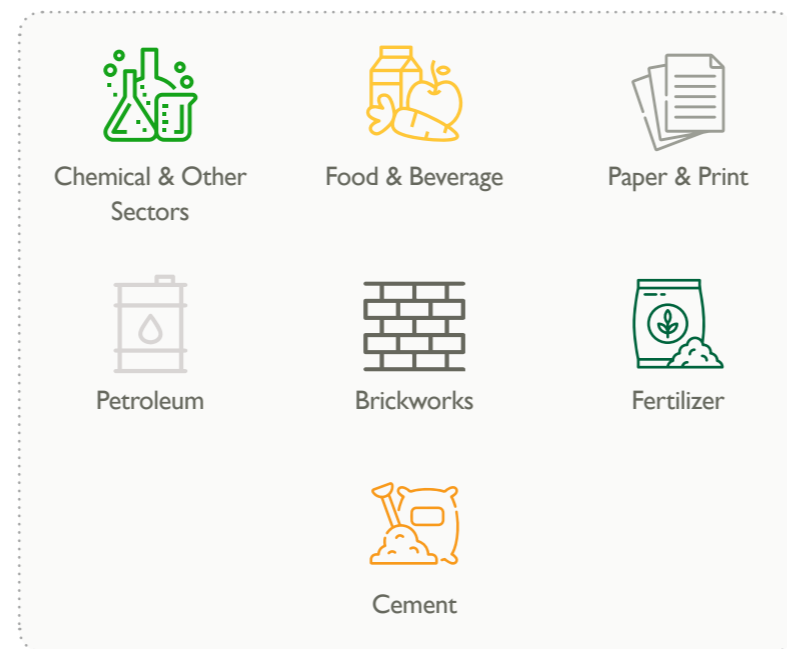
As the Apex Bank, NBE continues to finance the largest Egyptian Pollution Abatement Program in the Middle East in its third phase (EPAP III). The project encompasses industrial pollution control and the application of cleaner production technology. The program first started in 1998, and NBE has acted as the Funding Portfolio Manager in the program ever since, contributing to the successful implementation of both EPAP I and II, in collaboration with the Egyptian Environmental Affairs Agency (EEAA), as a technical arm, and in partnership with several major financial institutions.

The program targets pollution abatement across the following environmental impact areas, mainly air emissions, wastewater discharge, solid waste, and GHG emissions. The program aims to implement projects that reduce the total amount of pollutants to national compliance standards and beyond compliance levels.

#### EPAP Targeted Environmental Impact Areas for Mitigation



#### Main Impacted Sectors



### EPAP Phase II Results and Ongoing Projects Status (2005 - 2019)

The EPAP Phase II program spanned a total of 35 projects, at a total of USD 174 mn in loans, with a total potential reduction in pollutants of 119,552 tpa. Pollutants include air and wastewater discharge pollutants and GHG emissions.

Environmental audits and 12 months' post monitoring data for the sub-projects provide information on the pollution load before and after the implementation of the sub-

projects. Crosschecks are also made using online stack monitoring, emission factors, and continuous monitoring sensors installed as part of the sub-project, depending on the type of pollutant. A summary of pollution load reduction for completed, commissioned, and sub-projects still under implementation is provided below.

For further details on EPAP II projects, please refer to [NBE Sustainability Report 2016 - 2019 \(pages 173-181\)](#)



Enabling a Green Transition Across  
Egypt's Top Polluting Governorates

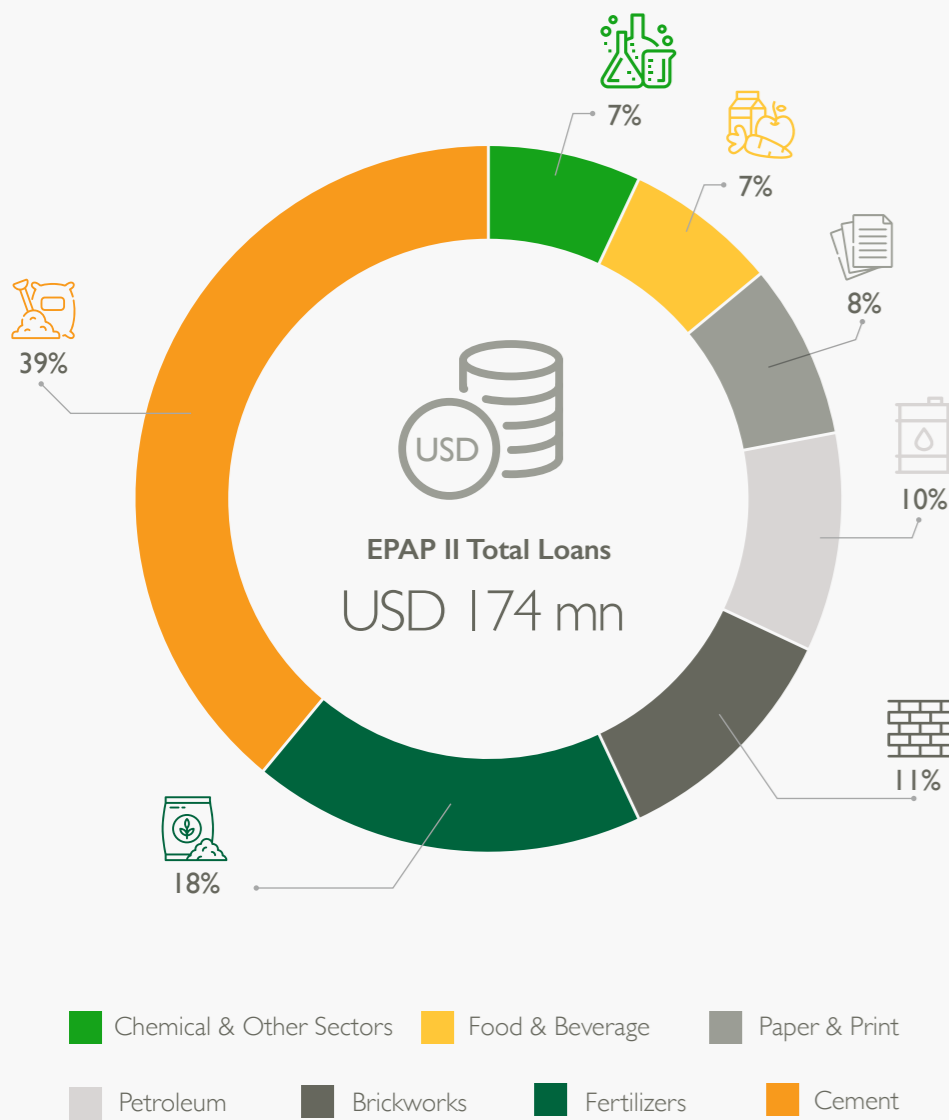
35  
Total Projects

119,552 tpa (tons per annum)  
Total Pollution Reduction

USD 174 mn  
Total Pollution Reduction



Distribution of Financing per Sector



EPAP Phase III: Sustaining the Green Transition Across the Industrial Sector

The third phase of the Egyptian Pollution Abatement Project, signed in 2014 and currently under implementation, provides a mixture of soft loans and grants to encourage public and private industrial enterprises to invest in pollution abatement technologies. The Egyptian Environmental Affairs Agency (EEAA) is responsible for overall project management, and NBE continues to be the Apex Bank responsible for the program's financial management. A total of EUR 120 mn in loans and EUR 20 mn in grants is provided from the European Investment Bank, Agence Française de Développement, KfW, and the European Union.

EPAP Phase II Main Stakeholders



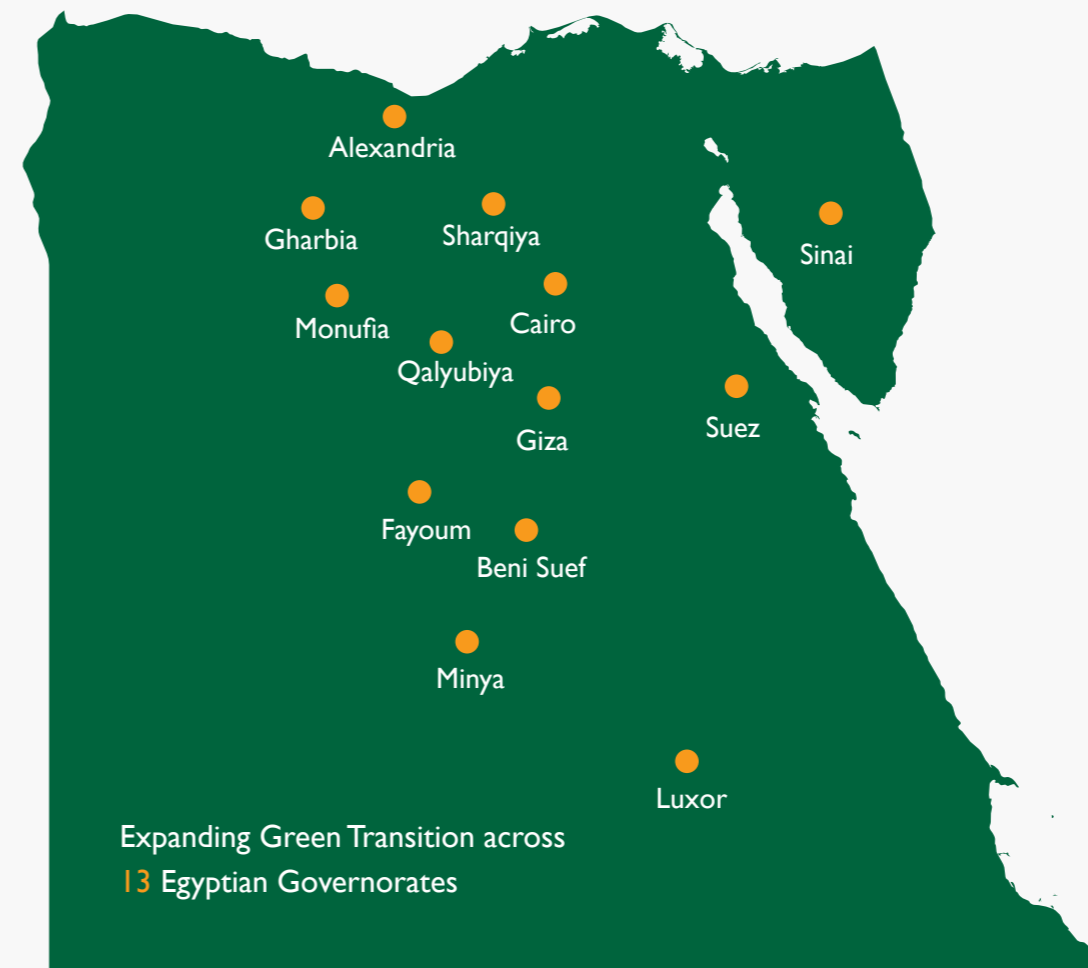
**Total Fund**  
EUR 140 mn

Under the investment component, eligible companies may apply for loans up to EUR 15 mn, and the ones that achieve the agreed environmental objectives receive a 20% grant, if the sub-project is financially non-viable, and 10% grant if it is. An SME grant only window of EUR 5 mn is available for eligible companies with an annual turnover of <EGP 50 mn (approximately EUR 2.5 mn), and they receive a grant of 20%, up to a maximum of EUR 300,000. It is expected that >30 sub-loan projects and >40 SMEs projects will be implemented.

The main EPAP III stakeholders will receive technical assistance from COWI-MWH with support spread across four components:

1. Support to the PMU and industrial enterprises to improve sub-borrower performance and comply with environment regulations.
2. EEAA capacity building on industrial inspection, monitoring, and enforcement.
3. Support to banks on marketing the EPAP III investment facility and the integration of depollution financing and environmental and social risk assessment in bank operations.
4. Communications, awareness, and media.

EPAP III Projects



Expanding Green Transition across  
13 Egyptian Governorates

**31**  
Total Projects

- 1 | completed projects
- 17 | projects under implementation
- 5 | projects in preparation phase
- 8 | projects in tender stage

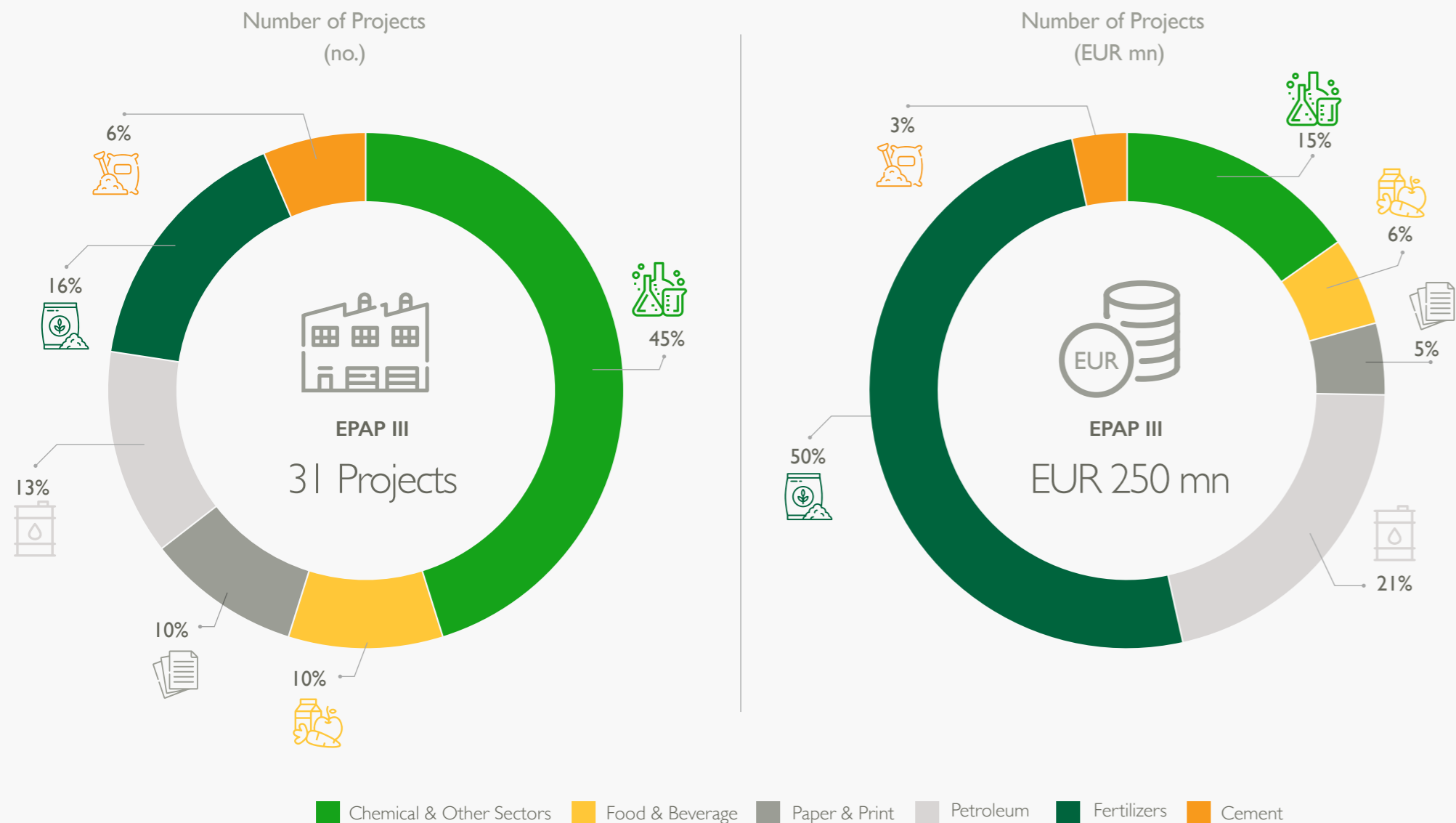
**147,939 tpa** (tons per annum)  
Total Estimated Emissions Reduction

- 1,438 tpa | projects in tender stage
- 105,247 tpa | projects under implementation

**EUR 268 mn**  
Projects Cost

- EUR 0.21 mn | completed projects
- EUR 65 mn | projects under implementation
- EUR 57 mn | projects in preparation phase
- EUR 146 mn | projects in tender phase

Distribution per Sector (%)



EPAP III Projects: Categorization by Environmental Impact Area

Category	Brief Description of Projects	No. of Projects	No. of Governorates	Project cost (EUR mn)	Total estimated Reduction in Pollutants (tpa)	Sector
<b>Air Emissions Control</b>	<ul style="list-style-type: none"> <li>Installation of gas scrubbers</li> <li>Replacement of bypass ESPs to bag filters</li> <li>Dedusting systems</li> <li>Installation of new sulphuric acid plant</li> </ul>	6	4	23.37	44,792	Chemical & Other Sectors, Fertilizers, Cement
<b>Wastewater Discharge Control</b>	<ul style="list-style-type: none"> <li>Installation of industrial wastewater treatment plants</li> <li>Installation of closed-circuit cooling tower/ water recycling plants</li> </ul>	11	6	56.01	103,147	Chemical & Other Sectors, Fertilizers, Food & Beverage, Paper & Print, Petroleum
<b>Energy Efficiency &amp; Climate Change Mitigation</b>	<ul style="list-style-type: none"> <li>Combined heat and power systems</li> <li>Replacement of old air compressors with energy efficient ones</li> <li>Installation of energy efficient CaCO3 grinding and treatment system</li> <li>Installation of energy efficient steam boiler</li> <li>Installation of CO2 capture system to produce urea</li> </ul>	8	6	143.8	-	Chemical & Other Sectors, Fertilizers, Food & Beverage, Paper & Print, Petroleum
<b>Resource Efficiency</b>	<ul style="list-style-type: none"> <li>Installation of solvent recovery plants</li> <li>Replacement of old printing machines, and laminate machine</li> </ul>	2	2	11	Recovered solvents	Paper & Print
<b>Workplace Rehabilitation</b>	<ul style="list-style-type: none"> <li>Rehabilitation of granulation units, and installation of dedusting systems</li> <li>Upgrade of caustic soda concentrator</li> </ul>	4	3	16.17	-	Chemical & Other Sectors, Fertilizers
<b>TOTAL</b>		31	13	250	147,939	

## Promoting Egyptian Farmers' Switch to Solar Irrigation Systems: Finance for Solar Irrigation

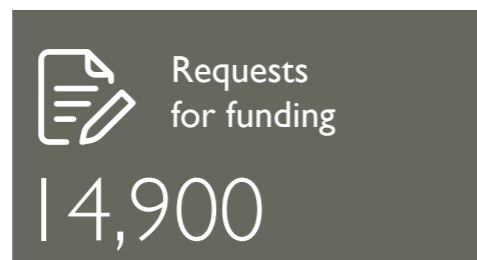
Believing in the importance of partnerships in addressing the SDGs and scaling our climate finance portfolio, NBE partnered with IFC in July 2020 to assist Egyptian farmers in obtaining finance to purchase solar irrigation systems, reduce their reliance on diesel generators, and increase their production and income. IFC provided NBE with a financial tool (a PV feasibility calculator) and capacity building, which assisted NBE in designing and developing an innovative lending scheme, with minimized required documentation, to enable Egyptian farmers, the majority of whom do not have direct access to grid electricity, to purchase and install solar irrigation pumps. Using solar power for water pumping could potentially save farmers about 30–35% of their farming expenditure, which will enhance their competitiveness in terms of improving cash flow by limiting their monthly spending, and such saving can be added as a profit to the farmers on the long run and allow them to invest in developing their production.

According to IFC estimates, adopting solar electricity for water pumping could save farmers an estimated EGP 14 bn per year in diesel fuel, improving their competitiveness and resilience while also helping reduce greenhouse gas emissions. As of December 2021, NBE supported over 30 farms, with a total loan amount of EGP 45 mn.

## Supporting the Transition to Sustainable Transportation: Aging Vehicle Replacement Initiative

Egypt<sup>1</sup> has taken significant steps to convert its vehicles to run on compressed natural gas (CNG). Among these steps is a timely presidential initiative launched in January 2021 to boost the number of automobiles that run on CNG. Egypt's natural gas production is currently self-sufficient, exceeding almost seven billion cubic feet per day. As a result, using CNG reduces the cost of importing petrol, which in turn reduces the emissions associated with importing, as well as reduces the cost of fuel by 50%. In addition to being a more cost-efficient fuel than petrol, CNG engines also offer a 90% lower sound pressure than diesel engines, as well as lesser odorant and evaporative pollutants. Furthermore, nitrogen oxide and carbon monoxide emissions are about 30–60% and up to 97% less, respectively, when compared to petroleum-based fuels.

Contributing to the initiative, NBE has led the transition to CNG vehicles, topping the list of banks that received the most requests for funding from applicants for the initiative, with a total of 14,900 applications, resulting in a share of up to 40% among all banks in Egypt. As of December 2021, NBE's contribution to the vehicle replacement initiative targeted 4,243 beneficiaries, with a value of EGP 1.013 bn.



# Quantifying Our Environmental Impact

Environmental impact quantification is key to NBE, as it helps the Bank assess the impacts of its own operations and current investments and provides insight into future ones. NBE conducted an environmental impact identification and assessment, culminating into an Environmental Footprint Report. Besides carbon footprint (GHG emissions) quantification and assessment, NBE has extended its impact assessment to cover the following priority impact areas:



Land



Water



Plastic



Waste

Based on the assessment results, ambitious targets and environmental goals have been set, including SBTs for GHG emissions reduction. Quantified impacts are presented in detail in the following sections.

## Carbon Footprint

Our GHG emissions assessment was conducted as per the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol Corporate Accounting and Reporting Standard. The operational boundaries for the NBE's carbon footprint include the following:

**Scope 1:** Transport fuel used to run fleets and vehicles owned by the Bank, and fugitive emissions resulting from the use of refrigerants in air conditioning systems.

**Scope 2:** Purchased grid electricity, calculated using a location-based approach.

**Scope 3:** Transport fuel used by air business travel and employee-owned vehicles for commuting to and from work, emissions resulting from courier shipment, emissions from waste disposal, and emissions associated with office supplies and other consumables purchased by NBE. Well-to-tank (WTT) emissions were included in the organization's emissions. These represent an average of all the GHG emissions released into the atmosphere from the production, processing, and delivery of a fuel or energy vector.

## Land Footprint

Our land footprint has been assessed in accordance with the Global Footprint Network standards. The operational boundaries for NBE's land footprint include the following:

- Carbon demand on land resulting from all NBE operations
- Forest land: production of materials, such as paper
- Built Land: the total area of land of all NBE facilities and buildings

## Water Footprint (WFP)

Calculating its water footprint (WFP) has enabled NBE to accurately analyze its water consumption. NBE's WFP has been developed by including its direct (operational) footprint and its indirect (supply-chain) water footprint. The activities considered under the WFP of both scopes are as follows:

**Direct consumption:** Water consumed in NBE buildings including offices, canteens, or gardening activities.

**Indirect consumption:** Water used in the production of electricity, cooling, paper products, and debit/ credit cards used by NBE.

## Plastic Footprint (PPF)

NBE is the first bank in Egypt and the MENA region to publish its plastic footprint. The plastic footprint has been developed following the Plastic Leak Project and VERRA Plastic Standard. The categories accounted for under the plastic footprint include micro-plastics and macro-plastics.

### Environmental Performance Goals

Our environmental performance focus areas are the responsible use of materials, the efficient use of resources (water, fuel, and electricity), the sustainable management of our waste and the reduction of our GHG emissions.

**-30%**

Achieve a 30.0% reduction in scopes 1 & 2 by 2028.

**ZERO** WTL

Adopt a circular economy business model and achieve zero waste to landfill by 2030

**-30%**

Reduce our energy and water consumption by 30%

**100%**

Achieve a fully sustainable supply chain by 2030



Establish and implement a comprehensive Environmental and Social Management System (ESMS) including an ESRM and achieve ISO 14001 certification for all branches and headquarters



## Complete Environmental Footprint

NBE's first environmental footprint assessment goal, in line with the sustainability strategy, is to measure resource consumption baselines and related environmental impacts. The conclusions of the research were used to set ambitious yet achievable climate change mitigation and resource efficiency goals. Those steps will serve the long-term ambition to become a net-zero business by 2050, in alignment with Egypt's vision toward addressing climate change.

The environmental footprint assessment is conducted based on international and widely applied standards, protocols, and guidelines specifically developed for accounting and reporting the different footprints, including, but not limited to, the Greenhouse Gas Protocol Guidelines, IPCC Guidelines for Greenhouse Gas Inventories, the Global Footprint Network, the Water Footprint Network, the British Standard for Waste Management in Buildings, the Plastic Leak Project, and VERRA Plastic Standard.

### NBE's ENVIRONMENTAL FOOTPRINT



### Inventory Boundaries

#### Organizational Boundaries

The organizational boundary defines the businesses and operations that constitute a company. The operational control approach has been used for NBE's environmental footprint for its GHG emissions reporting, which includes both financial and non-financial aspects of its operations. As such, the environmental footprint assessment covers NBE's 30,486 full-time equivalent employees and 595 facilities encompassing branches, offices, and other owned facilities, including warehouses, which amount to a total area of 591,577 m<sup>2</sup>.

### Operational Boundaries

NBE's environmental footprint assessment covers the following categories per

	Land footprint	Built land
		Forest land
		Carbon demand on land
	Carbon footprint	Scope 1 – Direct emissions
		Scope 2 – Indirect emissions
		Scope 3 – Indirect emissions
	Water footprint	Direct consumption (water directly consumed in buildings)
		Indirect consumption (water used in the production of NBE used products)
	Waste footprint	Daily Office Waste
		Shredded Paper Waste
	Plastic footprint	Macro-plastics
		Micro-Plastics





### Reporting Period

To allow for future consistent annual assessments, the reporting period of this environmental footprint is split into two periods: July 1, 2020 to December 31, 2020 and January 1, 2021 to December 31, 2021. Since this is NBE's first environmental assessment, the year 2021 shall be considered as the base year to which all future years and assessments will be referenced.

<sup>1</sup> For further information on the methodologies adopted in the assessment per footprint category, please refer to the NBE environmental Footprint Report 2020-2021

## NBE's Environmental Footprint Results

The assessment of NBE's environmental footprint results amounted to the following figures, for each reporting period.

Environmental Footprint Results	2020 (1/2 year)	2021	
	Absolute	Absolute	Intensity
 <b>Land footprint</b>	15,873 Gha	29,660 Gha	0.97 Gha/FTE
 <b>Carbon footprint</b>	57,016 mtCO <sub>2</sub> e	112,341 mtCO <sub>2</sub> e	2.46 mtCO <sub>2</sub> e/FTE <sup>1</sup>
 <b>Water footprint</b>	2,045,782 m <sup>3</sup>	4,238,393 m <sup>3</sup>	139.03 m <sup>3</sup> /FTE
 <b>Waste footprint<sup>2</sup></b>	365 tons	7,545 tons	0.24 tons/FTE
 <b>Plastic footprint</b>	55,399 kg	1,424,674 kg	46.73 kg/FTE

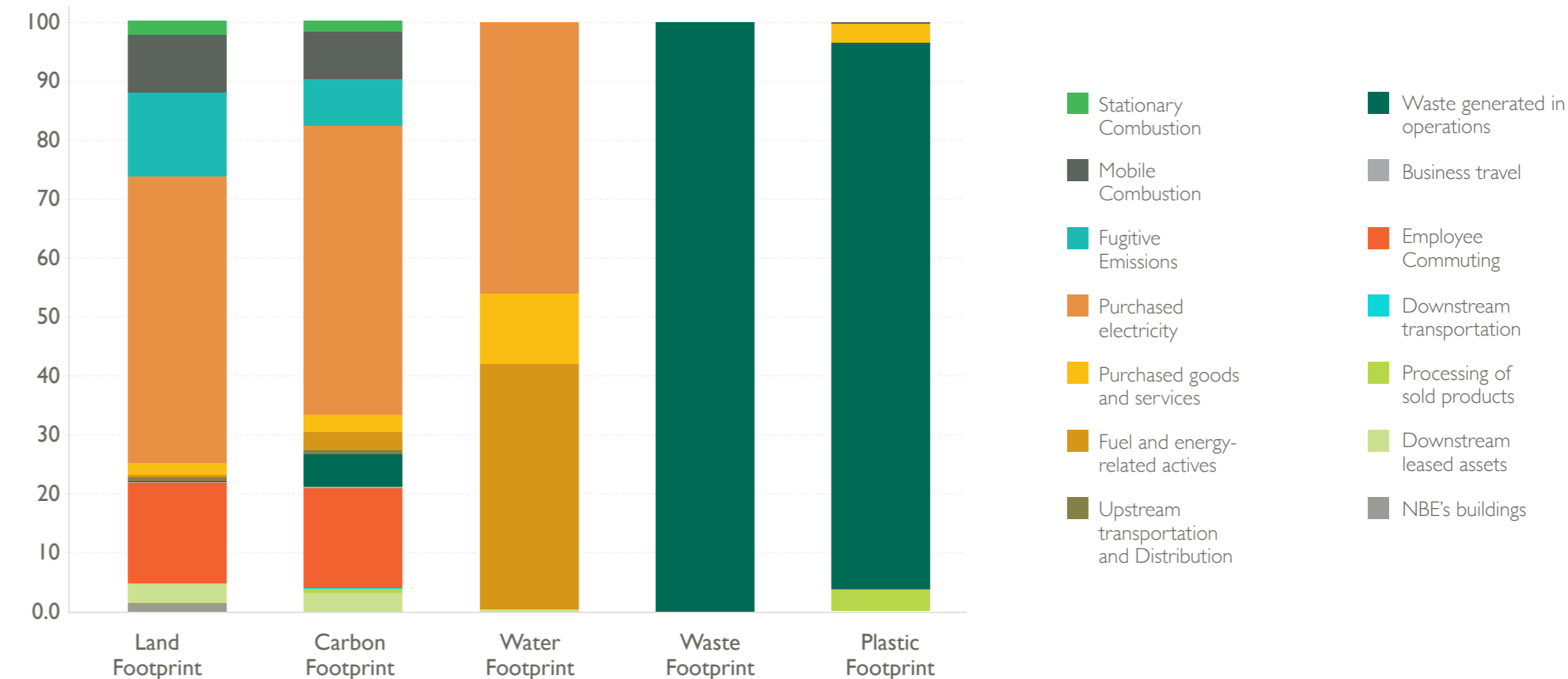
<sup>1</sup> Accounts for scopes 1 & 2 only

<sup>2</sup> Operational boundaries of 2020 included only shredded paper waste, while in 2021 boundaries included both shredded paper waste and office waste

## Comparing Footprints

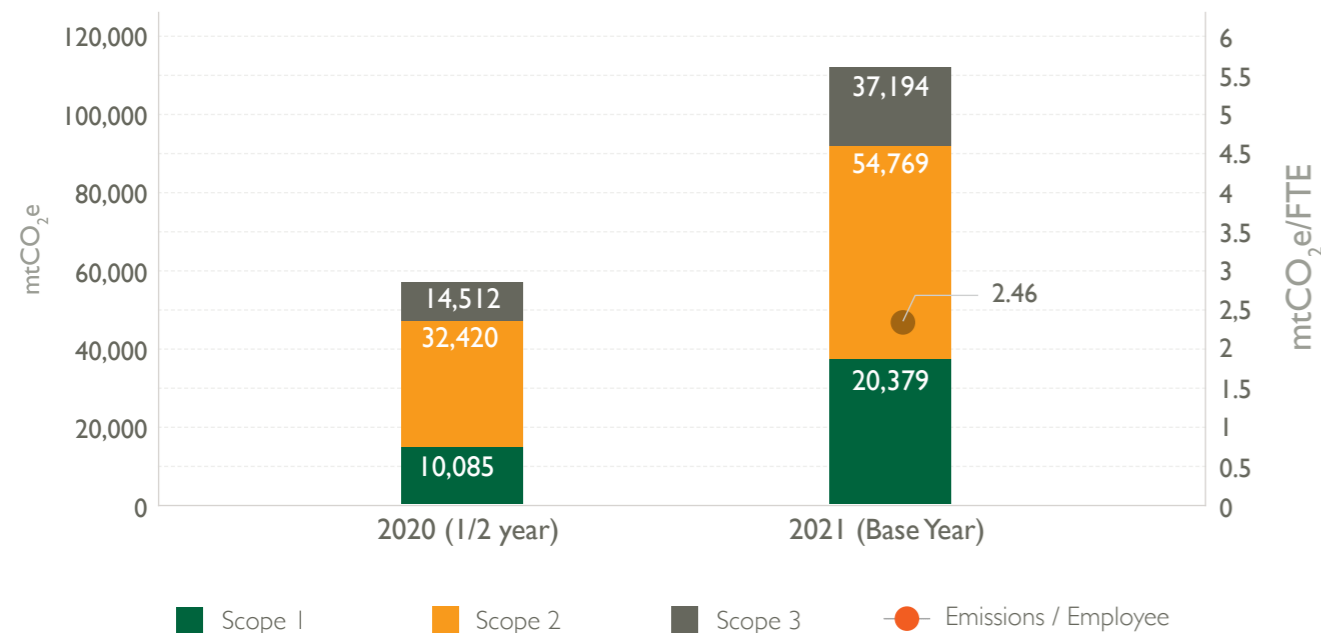
The following graph compares between all NBE footprints, for each activity, for the year 2021 (baseline year). Although the footprints cannot be compared, they may be analyzed and evaluated simultaneously.

2021 - Stacked Activity Percentage/ Footprint (%)



### GHG Emissions per Scope and Carbon Intensity

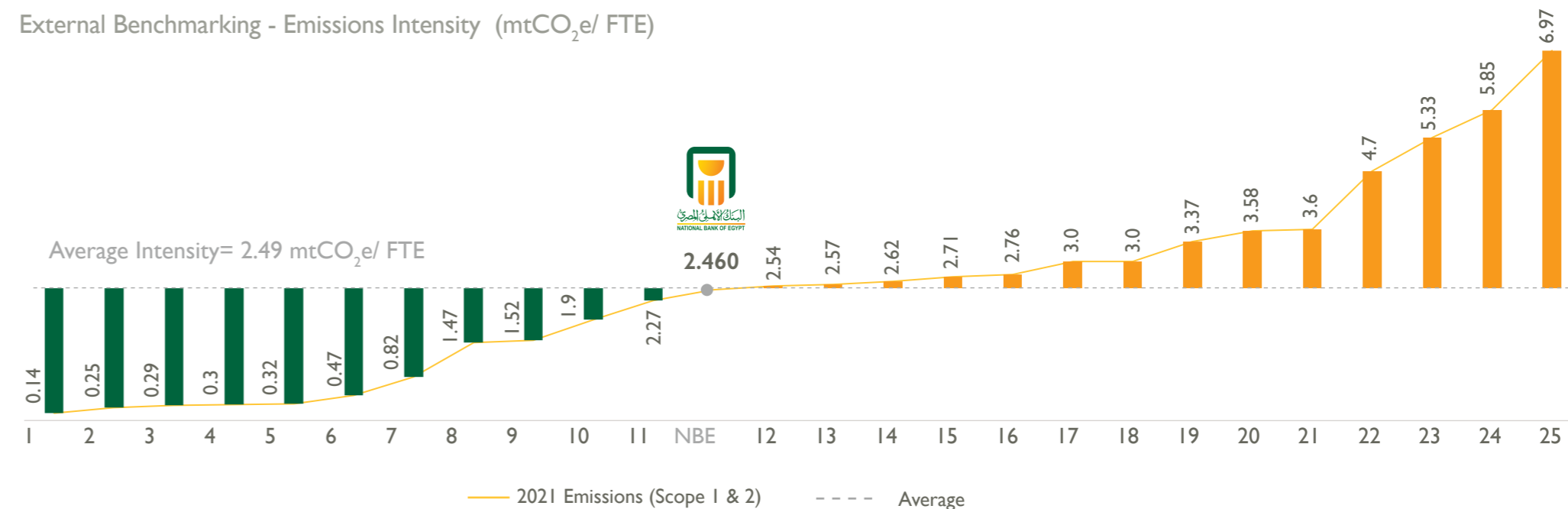
GHG Emissions Per Scope (mtCO<sub>2</sub>e)



#### 2021 Carbon Intensity



### External Benchmarking - Emissions Intensity (mtCO<sub>2</sub>e/ FTE)



### GHG Emissions Reduction Targets

Aiming to achieve the 1.5 degree temperature goal, we set absolute emissions reduction targets with 2028 as the target completion year. Since 2021 is our first year for assessing

our environmental footprint, we have set it as the fixed target base year, and we are committed to achieving the following absolute reduction targets:

SCOPE	Base year emissions – mtCO <sub>2</sub> e (2021)	Target year emissions - mtCO <sub>2</sub> e (2028)	% Reduction
SCOPE 1	20,379	14,265	30.0%
SCOPE 2	54,769	38,338	30.0%
SCOPE 1+2	75,147	52,603	30.0%
SCOPE 3	37,194	24,697	33.6%

Read more on our commitments and actions toward climate mitigation in the NBE Environmental Footprint Report 2020–2021.

## Sustainable Energy Transition

At NBE, we are fully aware of the environmental impacts caused by significant energy consumption and associated GHG emissions. We are keen on expanding our efforts to reduce our energy consumption, as well as our dependency on fossil fuel-based energy sources at all of our branches and head offices. We expect to achieve this by adopting and implementing energy management systems according to the ISO 50001 standard across all facilities and improving our energy monitoring and data collection systems. This would in turn facilitate the identification of our most significant energy users, allowing us to set rigorous action plans, including administrative policies, procedures, and responsibilities. This will also support the selection of optimized energy efficiency measures and advanced solutions to expedite the achievement of our ambitious reduction targets. We aim to certify all our sites of operation to ISO 50001 by 2027.

### Energy Management

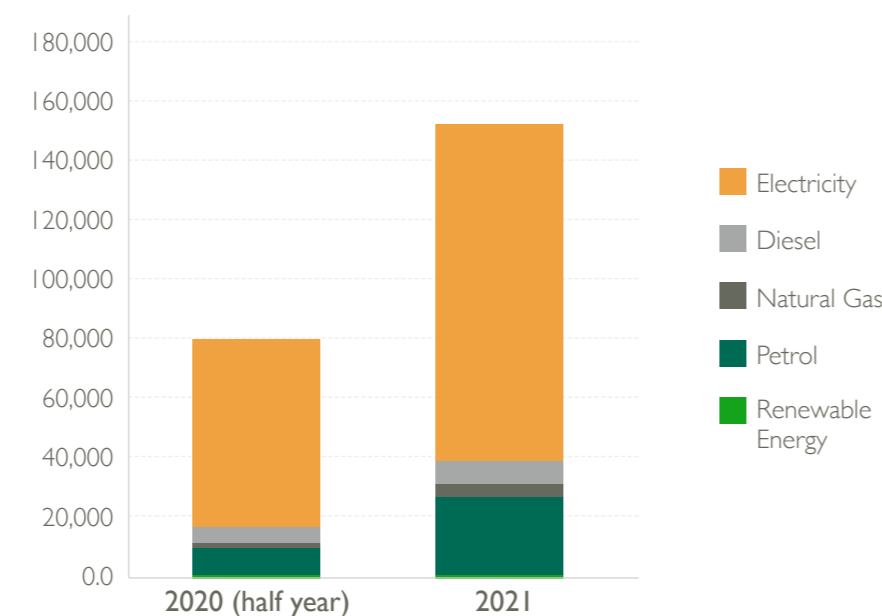
The total energy consumption in 2020 (half year) and 2021 amounted to 90,777 MWh and 172,664 MWh, respectively. The energy sources consumed in our business activities included purchased electricity, diesel to power vehicles, and electric generators in cases of power outage, as well as natural gas which is consumed across our branches and by owned vehicles, in addition to petrol.

### Renewable Energy

NBE sources part of its energy demands from solar PV panels across 28 of its branches, reducing the reliance on grid electricity and non-renewable energy sources. The total renewable energy generated and consumed by solar PV panels amounted to 531 MWh and 685 MWh in 2020 (half year) and 2021, respectively. As a result, a total estimated 4,938 mtCO<sub>2</sub>e of GHG emissions were avoided during the entire reporting period (half year and 2021).

As part of NBE's sustainable energy goals, we have already begun planning our shift to clean energy sources to supply our demand. We are targeting a 10% supply of renewable sources by 2025 across the Bank's operations.

NBE Total Energy Consumption by Source (MWh)



**28**  
Branches

Solar PV Panels Installed across 28 Branches

**4,938**  
mtCO<sub>2</sub>e

Avoided Emissions in 2020 (half year) & 2021

**10%**  
Renewable Energy

10% Renewable Energy across Bank Operations by 2050

## Circularity and Waste

Currently, over 90% of our global economy's model is linear, following the "take, make, dispose" approach, and depleting our natural resources at a much faster rate than our ecosystems are able to generate them. The emergence of the recent pandemic and its aftermath have underscored the necessity to protect our finite planet, and ensure we operate within its natural boundaries. We strive to transform and shift our business models toward complete circularity. We are planning to set a strategic zero waste-to-landfill target and have begun designing the processes and initiatives that would help us achieve our ambitions along our sustainability journey.

### Circular Impacts on Biodiversity: First Plastic Footprint Assessment

Being the largest national financial institution in Egypt, NBE understands the importance of sustainably managing, monitoring, evaluating, and consistently improving its operations across the value chain, and throughout its investment and lending practices.

The World Wildlife Fund (WWF) listed Egypt as the biggest source of plastic ending up in the Mediterranean, and one of the largest contributors to mismanaged waste in the region. Waste mismanagement is reported to be the result of insufficient waste management capacity and infrastructure, as well as uncontrolled landfill and dump sites. Building on these facts, NBE took the initiative of calculating the Bank's plastic footprint in order to promote the best practices in plastic lifecycles, contribute to the regional efforts in reducing and preventing plastic pollution in our natural environment, and to set the path toward developing and implementing a circularity strategy.

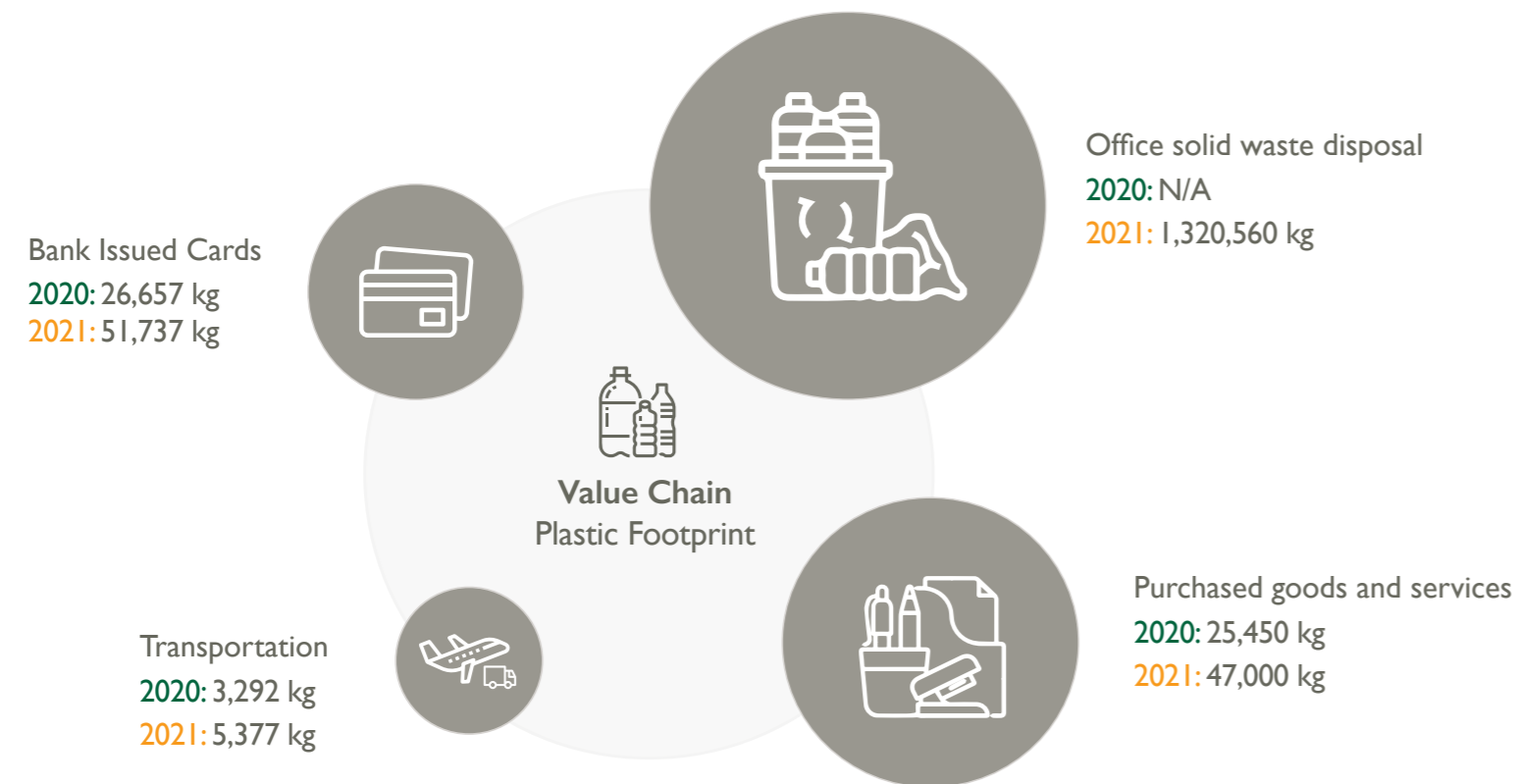
Total Plastic Footprint (kg)



## Plastic Footprint Across the Value Chain

The main plastic use is at NBE's facilities office solid waste disposal, followed by bank cards issued and purchased goods and services. This emphasizes the need for a waste management plan with recycling and circular solutions for the Bank's plastic consumption.

Regarding the bank cards issued, accounting for over 26 tons of plastic in 2020 and 51 tons in 2021, the cards are still used by the consumers. However, once these are distributed, there is no retaking of these cards by the bank, and it is up to each consumer to dispose of the plastic cards.



For further information on our Plastic Footprint Assessment, please refer to NBE Environmental Footprint Report 2020-2021.

## Sustainable Waste Management

NBE understands the significance of the environmental and community-level impacts of both hazardous and non-hazardous waste. The Bank has set clear policies and procedures to manage its waste safely and sustainably. All NBE branches and headquarters will be ISO 14001-certified by the end of 2022 and will be adopting the best environmental and waste management practices. Our strategy is based on reducing first, then reusing, recovering, and recycling our waste materials whenever feasible; otherwise, we responsibly dispose of waste materials by categories through licensed waste disposal contractors.

### Non-Hazardous Waste

NBE's waste footprint assessment accounted for the office waste generated by workers and employees, including the shredded paper waste. The waste footprint helped us identify the amount of waste generated, which is the first step toward managing those amounts and putting in place the proper system to manage them.

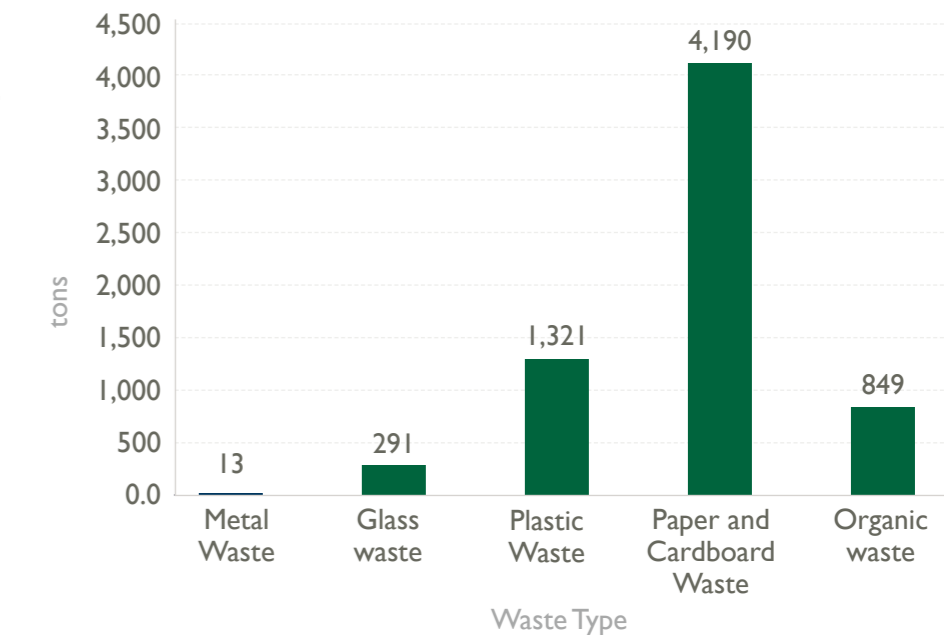
A waste survey was conducted across 60 branches and head offices located in different zones, to support in determining the total office waste generated by employees and workers. The results were analyzed and utilized as a basis for estimating the rest of the branches.

As for the shredded paper waste, recorded quantities were collected from NBE's database.

Due to the unavailability of office waste data, the British standard assisted in determining the waste types, volumes, and corresponding weight for each type of waste generated.

The total waste generated including both office waste and shredded paper waste amounted to 7,545 tons in 2021, which includes 881 of shredded paper waste. As for the 2020 (half year) reporting period, only shredded paper waste was retrieved, which amounted to 365 tons. All shredded paper quantities were collected and diverted through recycling, which resulted in an approximate 15% diversion rate for the total reporting period.

### Generated Waste Quantities for the base year 2021



### Hazardous Waste

The pandemic resulted in excessive consumption of safety face masks and gloves, in addition to other general medical waste generated at our facilities. We safely handle and store both medical and hazardous wastes across all NBE facilities, and ensure they are properly transported for safe disposal via our contracted authorized medical waste disposal company.

At NBE, we also realize the significant environmental impacts of improper management and disposal of e-waste, which often ends up with municipal waste in landfills, or remains at the source. At all NBE branches and headquarters, we ensure that all our e-waste such as broken LCD monitors, printers, circuit boards, cables, among others, is responsibly managed and reused where applicable, or disposed of by authorized companies that recycle e-waste.



## Responsible Water Use

Egypt is facing a future water scarcity challenge alongside rapid population growth (at almost 2% annually). Climate change impacts are expected to produce sharp fluctuations in water availability and rainfall. At NBE, we have embedded sustainable water consumption practices within all our worksites and encourage our employees to strive toward sustainable water consumption.

### Water Footprint

We conducted a water footprint assessment which accounted for both our direct water use across all facilities, as well as indirect water use associated with our business operations, including purchased electricity, paper consumption, and processing of sold products (issuance of bank cards). NBE's total water footprint for the years 2020 (half year) and 2021, amounted to 2,045,782 m<sup>3</sup>, and 4,238,393 m<sup>3</sup>, respectively.

The total amount of direct water consumed in NBE-owned facilities during 2020 (half year) and 2021 amounted to 925,699 m<sup>3</sup> and 1,764,495 m<sup>3</sup>, respectively, with Cairo being the largest water consuming governorate, at a 50% share of the total water consumption. NBE's water usage across all facilities is sourced from the municipal water supply.



For further information on our water footprint per governorate and calculation methodology, please refer to NBE Environmental Footprint Report 2020-2021

## Sustainable Supply Chain

A sustainable procurement and supply chain management system is a core focus area to support our ambitious targets in achieving sound environmental and social performance across our business. As the largest bank in Egypt with a footprint of over 595 facilities and a network of 495 suppliers across the nation, NBE realizes the significant impact the Bank creates by having suppliers follow its values, principles, and sustainability standards. We believe that our impact extends beyond our business operations, as we promote our sustainability standards, practices, and targets among our suppliers and ultimately our customers, aspiring to lead and drive sustainability in both the regional and global economy. In order to effectively influence our suppliers, we plan to develop, in 2022, supplier assessment procedures that include sustainability criteria, in addition to the minimum standards and specifications required for our supply chain and responsible sourcing.

We are also planning to develop a sustainable procurement strategy in which we aim to enhance our suppliers' assessment criteria in regard to sustainability requirements and specifications. This will constitute of a scoring system that is set to allow categorizing suppliers based on their performance in meeting the requirements.

### Advancing Sustainable Procurement Practices

Suppliers are currently assessed based on their behavior, previous work, relationship with the manufacturer, statement of maintenance centers, classification degree from the manufacturer, compliance with the required technical specifications, and commitments to the supply corresponding to the assigned works. This assessment is done based on the instructions of our compliance department.

To align with NBE's strategic sustainability pillars for 2020-2023, we are working on enhancing financial inclusion, consolidating the principle of sustainability, enhancing digital transformation, and optimizing the use of the Bank's resources to reduce resource consumption and costs. In addition, we are working on developing and integrating both social and environmental criteria into our current supplier assessment procedures.

During the COVID-19 pandemic, we ensured that we supported our employees by providing them with all the supplies needed to perform their work remotely in a safe, sustainable, and productive manner. Accordingly, we purchased approximately 3,000 portable PCs and VPN devices to cover the needs of our employees. As for medical supplies, we availed temperature measuring devices, face masks, hand gloves, and sanitizers across all branches and offices. Additionally, we worked closely with the Operations Department that sets the policies and procedures to ensure that all medical supplies are well managed after use and properly disposed of.

### Our Suppliers Network: 100% Local

As of 2021, our suppliers network spanned 495 suppliers, of which 99% are local. We further classify our suppliers in terms of tier one (critical/direct suppliers) and tier two suppliers. Our total procurement volume amounted to EGP 3.8 bn during the years 2020 and 2021, where almost 100% were local purchases.

	2020	2021
<b>Total number of suppliers</b>	445	495
<b>% of local suppliers</b>	99%	99%
<b>Total tier 1 suppliers</b>	250	300
<b>Total tier 2 suppliers</b>	195	195

# Way Forward

## Way Forward

Our holistic and visionary strategy positions NBE as the backbone of Egypt's transition to a sustainable economy and resilient financial system that regenerates the planet and drives sustainable economic progress. NBE is successfully treading the path of being the Bank for the future, serving every customer segment with innovative financial products and solutions delivered via secure and streamlined digital channels.

### The Future We Envision

We help Egyptians harness the best available financial knowledge and tools to become the stewards of their future and effectively navigate the emerging digital and sustainable financial system. This will be achieved by providing a number of initiatives and training programs to empower our employees and customers.

This facilitates capable communities, businesses, and individuals by creating conditions for continuous improvement in living standards across the country. We also aim for a more inclusive future, by providing banking services in Braille and sign language to reach people with visual and hearing disabilities.

### Making Change Happen

Over the next year, NBE will be going through a major transformation from ongoing ESG integration to comprehensive organization wide ESG alignment that will influence every business line, department, team, and employee. A particular focus will be placed on implementing TCFD recommendations through the implementation of the Principles for Responsible Banking and unifying operational efforts under the holistic and digital Environmental and Social Management System to improve performance, understand gaps, and track our progress toward set targets.

### What's Next

We will continue attracting the best talent while investing in the knowledge and capacities of our employees so they can effectively navigate the new landscape driven by ESG and digitalization while collaborating with our stakeholders to unlock broader positive change across our value chain. NBE aspires to make the sustainability transition feasible for every sector, every part of the country, and every Egyptian company and household, making it the new normal for Egypt.





# ENVIRONMENTAL, SOCIAL & GOVERNANCE INDEXES AND FRAMEWORKS

# APPENDIX

## Abbreviations

<b>AAP</b>	Accessibility Action Plan	<b>CSR</b>	Corporate Social Responsibility
<b>ABC</b>	Anti-Bribery and Anti-Corruption	<b>EBRD</b>	European Bank for Reconstruction and Development
<b>AI</b>	Artificial Intelligence	<b>EEAA</b>	Egyptian Environmental Affairs Agency
<b>AML</b>	Anti-money Laundering	<b>EESG</b>	Economic, Environmental, Social and Governance
<b>ATM</b>	Automated Teller Machine	<b>EGP</b>	Egyptian Pound
<b>B2B</b>	Business-to-business	<b>ESG</b>	Environmental, Social, and Governance
<b>BB</b>	Business Banking	<b>ESMS</b>	Environmental and Social Management System
<b>BCP</b>	Business Continuity Plan	<b>FATCA</b>	Foreign Account Tax Compliance Act
<b>Bn</b>	Billion	<b>FDI</b>	Foreign Direct Investment
<b>BOD</b>	Board of Directors	<b>FY</b>	Financial Year
<b>CBE</b>	Central Bank of Egypt	<b>OTP</b>	One-Time Passcode
<b>CDCP</b>	Corporate Directors Certification Program	<b>POS</b>	Point of Sale
<b>CEO</b>	Chief Executive Officer	<b>PPE</b>	Personal Protective Equipment
<b>CFT</b>	Counter Finance of Terrorism	<b>R&amp;D</b>	Research and Development
<b>CO2</b>	Carbon Dioxide	<b>SASB</b>	Sustainability Accounting Standards Board
<b>mtCO<sub>2</sub>e</b>	Metric Tons of Carbon Dioxide Equivalent	<b>SDG</b>	Sustainable Development Goal
<b>COP</b>	Conference of the Parties	<b>SLA</b>	Service-Level Agreement
<b>CRM</b>	Customer Relationship Management	<b>SMEs</b>	Small and Medium-sized Enterprises

<b>STEM</b>	Science, Technology, Engineering and Mathematics
<b>HSE</b>	Health, Safety and Environment
<b>GDP</b>	Gross Domestic Product
<b>GGF</b>	Green for Growth Fund
<b>GHG</b>	Greenhouse Gas
<b>GRI</b>	Global Reporting Initiative
<b>HSE</b>	Health, Safety, and Environment
<b>IDC</b>	International Data Corporation
<b>IFC</b>	International Finance Corporation
<b>IFRS</b>	International Finance Reporting Standards
<b>IMF</b>	International Monetary Fund
<b>ISO</b>	International Standardization Organization
<b>IT</b>	Information Technology
<b>KPIs</b>	Key Performance Indicators
<b>kWh</b>	Kilowatt-hour
<b>LOB</b>	Line of Business
<b>MENA</b>	Middle East and North Africa
<b>MFIs</b>	Microfinance Institutions
<b>Mn</b>	Million
<b>MSMEDA</b>	Micro, Small and Medium Enterprises Development Agency

<b>MSMEs</b>	Micro, Small and Medium-sized Enterprises
<b>MWh</b>	Megawatt-hour
<b>NBE</b>	National Bank of Egypt
<b>NGO</b>	Non-governmental Organization
<b>t</b>	Metric Tons
<b>TAT</b>	Turnaround Time
<b>TCFD</b>	Task-Force on Climate-Related Financial Disclosures
<b>UAB</b>	Union of Arab Banks
<b>UN PRB</b>	United Nations Principles of Responsible Banking
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNEP FI</b>	United Nations Environment Program Finance Initiative
<b>UNIDO</b>	United Nations Industrial Development Organization
<b>USAID</b>	United States Agency for International Development
<b>UNGC</b>	United Nations Global Compact
<b>WFP</b>	World Food Program

# ESG Indicators

## Environmental

Category	Unit	2020 <sup>1</sup> (half year)	2021
<b>Materials</b>			
<b>Plastic Footprint</b>			
Total plastic footprint	Kg	55,399	1,424,674
Macro-plastic <sup>2</sup>	Kg	52,107	1,419,297
Micro-plastic <sup>3</sup>	Kg	3,292	5,377
Plastic footprint intensity per full-time equivalent (FTE)	Kg/FTE	-	46.73
<b>Consumables</b>			
Paper consumption <sup>4</sup>	Tons	1,375	3,113
Purchased goods <sup>5</sup>	No. of items	12,453,408	28,494,963
<b>Energy</b>			
<b>Total energy consumption<sup>6</sup></b>	<b>MWh</b>	<b>90,777</b>	<b>172,664</b>
Purchased electricity	MWh	72,045	128,458
Diesel <sup>7</sup>	MWh	6,169	8,924
Natural gas <sup>8</sup>	MWh	1,548	4,898
Petrol	MWh	10,484	29,699
Renewable energy consumption (Solar PV)	MWh	531	685
% Renewable energy from total electricity consumption	%	0.73	0.53
% Renewable energy from total energy consumption	%	0.58	0.40
Energy intensity per floor area <sup>9</sup>	MWh/m <sup>2</sup>	-	0.29
Energy intensity per full-time equivalent (FTE)	MWh/FTE	-	5.66

<sup>1</sup> Corresponds to the period from the July 1, 2020 to December 31, 2020.

<sup>2</sup> Includes plastics used in bank cards, purchased office supplies, and office solid waste disposal

<sup>3</sup> Includes microplastics from road transportation activities, and air travel

<sup>4</sup> Includes copy paper amounts only

<sup>5</sup> Items include toners, PPEs, paper cups, plastic bags, etc.  
National Bank of Egypt Sustainability Report 2020-2021

<sup>6</sup> Does not include energy from employees commuting in their private vehicles or by public transport

<sup>7</sup> Includes diesel consumption on-site by emergency generators, and fuel consumption by owned vehicles

<sup>8</sup> Includes consumption on-site across NBE's branches, and by owned vehicles (for 2021)

<sup>9</sup> Includes total energy consumption from all sources

Category	Unit	2020 <sup>1</sup> (half year)	2021
<b>Water</b>			
<b>Total water footprint</b>	m <sup>3</sup>	<b>2,045,782</b>	<b>4,238,393</b>
Direct water usage <sup>10</sup>	m <sup>3</sup>	925,699	1,764,495
Indirect water usage <sup>11</sup>	m <sup>3</sup>	1,120,083	2,473,898
Water footprint per FTE	m <sup>3</sup> /FTE	-	139.03
<b>Waste</b>			
<b>Total non-hazardous waste generated</b>	Tons	<b>365<sup>12</sup></b>	<b>7,545</b>
Office waste	Tons	-	6,664
Shredded paper	Tons	365	881
Waste per FTE	Tons/FTE	-	0.24
<b>GHG Emissions</b>			
Scope 1 (direct emissions)	mtCO <sub>2</sub> e	10,085	20,379
Scope 2 (indirect emissions)	mtCO <sub>2</sub> e	32,420	54,769
Scope 3 (other indirect emissions)	mtCO <sub>2</sub> e	14,512	37,194
Total Scope 1+2	mtCO <sub>2</sub> e	42,505	75,147
Total Scope 1+2+3	mtCO <sub>2</sub> e	57,016	112,341
Emissions Intensity (scope 1+2) per FTE	mtCO <sub>2</sub> e/FTE	-	2.46
<b>Scope 3 Categories</b>			
Purchased goods and services	mtCO <sub>2</sub> e	1,473	3,409
Fuel and energy-related activities (not included in scope 1 and 2)	mtCO <sub>2</sub> e	1,412	3,003
Upstream transportation and distribution	mtCO <sub>2</sub> e	-	754
Waste generated in operations	mtCO <sub>2</sub> e	8 <sup>13</sup>	6,252

<sup>10</sup> Water directly consumed in buildings

<sup>11</sup> Water used in the production of NBE used products

<sup>12</sup> Includes shredded paper waste only

<sup>13</sup> Includes shredded paper waste only

Category	Unit	2020 <sup>1</sup> (half year)	2021
<b>GHG Emissions</b>			
<b>Scope 3 Categories</b>			
Business travel	mtCO <sub>2</sub> e	37	245
Employees commuting	mtCO <sub>2</sub> e	9,845	19,215
Downstream transportation	mtCO <sub>2</sub> e	19	38
Processing of sold products	mtCO <sub>2</sub> e	402	779
Downstream leased assets	mtCO <sub>2</sub> e	1,315	3,499
<b>Avoided Emissions</b>			
Total avoided emissions from renewable energy (Solar PV) generation	mtCO <sub>2</sub> e	1,433	3,505

## Social

<b>NBE Employees at a Glance</b>					
	Headcount	FY 2020	FY 2021		
<b>Employees</b>	<b>Total Employees</b>	<b>22,221</b>	<b>24,199</b>		
	Total Full Time Equivalentents (FTE)	21,637 (97.4%)	23,553 (97.3%)		
	Permanent Employees	22,211	24,199		
	Male	15,667 (70.5%)	16,925 (69.9%)		
	Female	6,546 (29.5%)	7,274 (30.1%)		
	Temporary Employees	10	19		
	Male	8 (80%)	17 (89.5%)		
	Female	2 (20%)	2 (10.5%)		
	<b>Breakdown by Gender</b>		Male	15,675 (70.5%)	16,925 (70%)
			Female	6,546 (29.5%)	7,274 (30%)

<b>NBE Employees at a Glance</b>				
	Headcount	FY 2020	FY 2021	
<b>Breakdown by Age</b>	Age under 30	8,170 (36.77%)	9,632 (39.772%)	
	Age 30-50	14,020 (63.09%)	14,548 (60.149%)	
	Age above 50	31 (0.14%)	19 (0.078%)	
<b>Breakdown by Category</b>	STEM positions	805	846	
	Male	624 (77.5%)	658 (77.8%)	
	Female	181 (22.5%)	188 (22.2%)	
	Total Management Positions	6117	2947	
	Male	5,310 (86.8%)	2,599 (88.2%)	
	Female	807 (13.2%)	348 (11.8%)	
	Top management	270	408	
	Male	243 (90%)	375 (91.9%)	
	Female	27 (10%)	33 (8.1%)	
	Board of Directors	9	9	
Male	7 (77.8%)	7 (77.8%)		
Female	2 (22.2%)	2 (22.2%)		
Supervisory positions	2725	2925		
Male	2,454 (90.1%)	2,371 (81.1%)		
Female	271 (9.9%)	554 (18.9%)		
Expert Professionals positions	3122	3634		
Male	2,613 (83.7%)	2,561 (70.5%)		
Female	509 (16.3%)	1,073 (29.5%)		
<b>specially abled people</b>	<b>Total</b>	<b>559 (2.5%)</b>	<b>579 (2.4%)</b>	

**NBE National Employees (Breakdown by Region)**

Headcount	FY 2020	FY 2021
<b>Total Egypt</b>	<b>22,221</b>	<b>16,942</b>
Delta Region & Alexandria	3,611 (16.3%)	3,995 (16.5%)
Male	2,612 (72.3%)	2,894 (72.4%)
Female	999 (27.7%)	1,101 (27.6%)
Headquarters And Cairo	14,302 (64.4%)	15,501 (64%)
Male	9,902 (69.2%)	10,566 (68.2%)
Female	4,400 (30.8%)	4,935 (31.8%)
Red Sea Suez	2,761 (12.4%)	2,968 (12.3%)
Male	2,043 (74%)	2,197 (74%)
Female	718 (26%)	771 (26%)
Upper Egypt	1,547 (6.96%)	1,754 (7.2%)
Male	1,118 (72.3%)	1,285 (73.3%)
Female	429 (27.7%)	469 (26.7%)

**NBE Global Employees (Breakdown by Region)**

Headcount	FY 2020	FY 2021
<b>Total Global</b>	<b>13</b>	<b>12</b>
UAE	3	3
Male	3	3
Female	0	0

**NBE Global Employees (Breakdown by Region)**

Headcount	FY 2020	FY 2021
Sudan	7	6
Male	7	6
Female	0	0
UK	1	1
Male	1	1
Female	0	0
Ethiopia	1	1
Male	1	1
Female	0	0
South Africa	1	1
Male	1	1
Female	0	0

**NBE New Hires**

	Headcount	FY 2020	FY 2021
<b>New Hires</b>	Total	1,676	2,724
<b>Breakdown by Gender</b>	Male	962 (57.4%)	1,873 (68.8%)
	Female	714 (42.6%)	851 (31.2%)
<b>Breakdown by Age</b>	Age under 30	1,518 (90.6%)	2,605 (95.6%)
	Age 30-50	154 (9.2%)	107 (3.9%)
	Age above 50	4 (0.24%)	12 (0.44%)



## NBE New Hires

	Headcount	FY 2020	FY 2021
Breakdown by Region	Egypt total	1,676	2724
	Alex and Delta	346 (20.6%)	524 (19.2%)
	Headquarter and Cairo	812(48.4%)	1,604 (58.9%)
	Red Sea and Suez	298 (17.8%)	332 (12.2%)
	Upper Egypt	220 (13.1%)	264 (9.7%)
	UAE	0	0
	China	0	0
	UK	0	0
	USA	0	0
	Ethiopia	0	0
	South Cairo	0	0
	Sudan	0	0
	Total	347 (20.7%)	32 (1.2%)



## NBE Employee Turnover

	Headcount	FY 2020	FY 2021
Employee Turnover	Total	599	740
	Voluntary Turnover %	0.6%	0.8%
	Turnover for Cause %	2.1%	2.3%
Breakdown by Gender	Male	446 (74.5%)	609 (82.3%)
	Female	153 (25.5%)	131 (17.7%)
Breakdown by Age	Age under 30	83 (13.9%)	133 (18%)
	Age 30-50	146 (24.4%)	158 (21.4)
	Age above 50	370 (61.8%)	449 (60.7%)



## NBE Employee Turnover

	Headcount	FY 2020	FY 2021	
Breakdown by Region	Egypt total	599	740	
	Alex and Delta	94 (15.7%)	107 (14.5%)	
	Headquarter and Cairo	412 (68.8%)	505 (68%)	
	Red Sea and Suez	60 (10%)	94 (12.7%)	
	Upper Egypt	33 (5.5%)	34 (4.6%)	
	UAE	0	0	
	China	0	0	
	UK	0	0	
	USA	0	0	
	Ethiopia	0	0	
	South Africa	0	0	
	<b>specially abled people</b>	Total	15 (2.5%)	13 (1.8%)
	%Y-O-Y change for full-time employees	%	2.7%	3.1%



## NBE Parental Leave

	FY 2020		FY 2021	
	Male	Female	Male	Female
<b>Employees entitled to a parental leave</b>	All NBE Employees			
<b>Employees who took a parental leave during reporting period</b>	235 (23%)	788 (77%)	409 (32%)	870 (68%)
<b>Employees who returned to work after parental leave ended</b>	234 (42.5%)	316 (57.5%)	409 (51.5%)	385 (48.5%)



## Governance

### Governance, Compliance and Risk

Indicator	FY 2021
<b>Board of Directors</b>	
Number of members	9
Executive members of the board of directors	3
Non-executive/independent members of the board of directors	6
% of female members	22%
<b>Compliance</b>	
Total number of hours of completed NBE's compliance related trainings	68,658 hours
Total number of hours of completed NBE's completed code of conduct & governance principles	13,750 hours
<b>Data Security Breaches</b>	
Number of data security breaches	NIL
Number of account holders affected by data breaches	NIL
Percentage of employees who completed AML e-learning program	8,762 (2020)

## GRI Content Index

<b>Statement of use</b>	National Bank of Egypt (NBE) has reported in accordance with the GRI Standards for the period from July 1, 2020 to December 31, 2021.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard</b>	None

Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
<b>GRI 2: General Disclosures 2021</b>							
The organization and its reporting practices							
2-1	Organizational details	Legal name: National Bank of Egypt Ownership: State-owned joint stock company Headquarters: NBE Tower, 1187 Corniche El Nile St., Boulak, Cairo, Egypt	About the Bank (p. 21)				
2-2	Entities included in the organization's sustainability reporting		Scope and Reporting Period (p.4)				
2-3	Reporting period, frequency and contact point		About the Report (p.4)				
2-4	Restatement of information		About the Report (p.4)				
2-5	External assurance		Limited Assurance Statement (p.276)				
Activities and workers							

Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
2-6	Activities, value chain and other business relationships		Our Subsidiaries (p.26) Towards a Sustainable Financial System (p.90-93) Sustainable Supply Chain (p.241)				
2-7	Employees		ESG Indicators (p.250-253)				8.5, 10.3
2-8	Workers who are not employees						8.5
<b>Governance</b>							
2-9	Governance structure and composition		Board of Directors (p. 32-34), Board Committees (p. 35)				
2-10	Nomination and selection of the highest governance body		Board of Directors (p. 32) Board Committees (p.35)				
2-11	Chair of the highest governance body		Board of Directors (p. 32)				
2-12	Role of the highest governance body in overseeing the management of impacts		Compliance and Audit (p. 40-41)				
2-13	Delegation of responsibility for managing impacts		Compliance and Audit (p. 40-41)				
2-14	Role of the highest governance body in sustainability reporting		Board Committees (p. 35)				
2-15	Conflicts of interest		Our Code of Ethics (p.30-31)				
2-16	Communication of critical concerns		Our Code of Ethics (p. 31)	b.	Information Unavailable	These requirements are being integrated within NBE's data management system and shall be considered in future reports.	
2-17	Collective knowledge of the highest governance body		Board of Directors (p. 32-34) Board Committees (p. 35)				

Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
<b>Governance</b>							
2-18	Evaluation of the performance of the highest governance body		Compliance and Audit (p. 40)				
2-19	Remuneration policies		Governance Manual Board Committees (p.35) <a href="https://www.nbe.com.eg/AssetsManager/b99baf39-0fe3-439e-b7c3-46487f28ef32.pdf">https://www.nbe.com.eg/AssetsManager/b99baf39-0fe3-439e-b7c3-46487f28ef32.pdf</a>				
2-20	Process to determine remuneration		Governance Manual Board Committees (p.35) <a href="https://www.nbe.com.eg/AssetsManager/b99baf39-0fe3-439e-b7c3-46487f28ef32.pdf">https://www.nbe.com.eg/AssetsManager/b99baf39-0fe3-439e-b7c3-46487f28ef32.pdf</a>				
2-21	Annual total compensation ratio			a, b, c.	Information Unavailable	These requirements are being integrated within NBE's data management system and shall be considered in future reports.	
<b>Strategy, Policy and Practices</b>							
2-22	Statement on sustainable development strategy		Chairman's Letter (p. 6-7)				
2-23	Policy commitments		Policies and Procedures (p. 36-39)				16.3
2-24	Embedding policy commitments			a.	Information Unavailable	This requirements are being integrated within NBE's data management system and shall be considered in future reports.	
2-25	Processes to remediate negative impacts		From Assessment to Action (p. 77-82)				

Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
2-26	Mechanisms for seeking advice and raising concerns		Our Code of Ethics (p. 30-31)				16.3
2-27	Compliance with laws and regulations		Our Code of Ethics (p. 30-31), Compliance and Audit (p. 40-41)				
2-28	Membership associations		NBE Sustainability Journey and Milestones (p.60)				
<b>Stakeholder Engagement</b>							
2-29	Approach to stakeholder engagement		Connecting to Our Stakeholders (p. 64-67)				
2-30	Collective bargaining agreements	NBE does not engage in any collective bargaining agreements; however, it provides room for communicating all types of feedback through its grievance mechanism					8.8
<b>GRI 3: Material Topics 2021</b>							
3-1	Process to determine material topics		Materiality Assessment (p. 68)				
3-2	List of material topics		Materiality Assessment (p. 69-76)				
<b>GRI 201: Economic Performance 2016</b>							
3-3	Management of material topic		Pillar I: Building Inclusive Prosperity (p.84-134)				
201-1	Direct economic value generated and distributed		Our Economic Value Distributed and Market Share (p.87-89)				8.1, 8.2, 9.1, 9.4, 9.5,
201-2	Financial implications and other risks and opportunities due to climate change		Impact Assessment (p. 69), From Assessment to Action (p. 77), Climate Change Transition Strategy (p. 83)				13.1

Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
201-3	Defined benefit plan obligations and other retirement plans			a., b., c., d., e.	Information Unavailable	These requirements are being integrated within NBE's data management system and shall be considered in future reports.	
201-4	Financial assistance received from government	None					
<b>GRI 202: Market Presence 2016</b>							
3-3	Management of material topic		Talent Acquisition, Retention and Growth (p. 176)				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage			a., b., c., d.	Information Unavailable	These requirements are being integrated within NBE's data management system and shall be considered in future reports.	1.2, 5.1, 8.5
202-2	Proportion of senior management hired from the local community	100% (All Egyptians)					8.5
<b>GRI 203: Indirect Economic Impacts 2016</b>							
3-3	Management of material topic		Pillar I: Building Inclusive Prosperity (p.84-134)				
203-1	Infrastructure investments and services supported		Our National Role (p. 100-117) Responding to Social Needs (p.188-190)				5.4, 9.1, 9.4, 11.2
203-2	Significant indirect economic impacts		Our National Role (p. 100-117) Responding to Social Needs (p.188-190)				1.2, 1.4, 3.8, 8.2, 8.3, 8.5
<b>GRI 205: Anti-corruption 2016</b>							
3-3	Management of material topic		Our Governance (p.28) Policies and Procedures (p.36-39)				

Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
205-1	Operations assessed for risks related to corruption			a., b.	Information Unavailable	These requirements are being integrated within NBE's data management system and shall be considered in future reports.	16.5
205-2	Communication and training about anti-corruption policies and procedures		Compliance and Audit (p. 40-43)				16.5
205-3	Confirmed incidents of corruption and actions taken	There have been no confirmed incidents of corruption during the reporting period.					16.5
<b>GRI 206: Anti-competitive Behavior 2016</b>							
3-3	Management of material topic		Our Code of Ethics (p. 30-31)				
206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	No cases have been filed or recorded during the reporting period.					16.3
<b>GRI 301: Materials 2016</b>							
3-3	Management of material topic		Circularity and Waste (p.237-238)				
301-1	Materials used by weight or volume		Circularity and Waste (p.237-238)				8.4, 12.2
301-2	Recycled input materials used			a	Information Unavailable	This requirement is being integrated within NBE's data management system and shall be considered in future reports.	8.4, 12.2, 12.5
301-3	Reclaimed products and their packaging materials			a., b.	Not Applicable	NBE is a service provider and doesn't have products to reclaim.	8.4, 12.2, 12.5

**GRI 302: Energy 2016**

Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
3-3	Management of material topic		Sustainable Energy Transition (p.236)				
302-1	Energy consumption within the organization		Sustainable Energy Transition (p.236) ESG Indicators (p.248)				7.2, 7.3, 8.4, 12.2, 13.1
302-3	Energy intensity		ESG Indicators (p.248)				7.3, 8.4, 12.2, 13.1
<b>GRI 303: Water and Effluents 2018</b>							
3-3	Management of material topic		Responsible Water Use (p.240)				
303-1	Interactions with water as a shared resource		Responsible Water Use (p.240)				6.3, 6.4, 6.A, 6.B, 12.4
303-2	Management of water discharge-related impacts		Responsible Water Use (p.240)				6.3
303-3	Water withdrawal		Responsible Water Use (p.240) ESG Indicators (p.249)				6.4
<b>GRI 304: Biodiversity 2016</b>							
3-3	Management of material topic		Materiality Assessment (p.76) Beyond Climate (p.216) Circular Impacts on Biodiversity (p.237)				
<b>GRI 305: Emissions 2016</b>							
3-3	Management of material topic		Carbon Footprint (p. 229)				
305-1	Direct (Scope 1) GHG emissions		GHG Emissions per Scope and Carbon Intensity (p.234) ESG Indicators (p.249-250)				3.9, 12.4, 13.1, 14.3, 15.2

Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
305-2	Energy indirect (Scope 2) GHG emissions		GHG Emissions per Scope and Carbon Intensity (p.234) ESG Indicators (p.249-250)				3.9, 12.4, 13.1, 14.3, 15.2
305-3	Other indirect (Scope 3) GHG emissions		GHG Emissions per Scope and Carbon Intensity (p.234) ESG Indicators (p.249-250)				3.9, 12.4, 13.1, 14.3, 15.2
305-4	GHG emissions intensity		GHG Emissions per Scope and Carbon Intensity (p.234) ESG Indicators (p.249-250)				13.1, 14.3, 15.2
305-5	Reduction of GHG emissions		GHG Emissions per Scope and Carbon Intensity (p.234) ESG Indicators (p.249-250)				13.1, 14.3, 15.2
<b>GRI 306: Waste 2020</b>							
3-3	Management of material topic		Sustainable Waste Management (p.239)				
306-1	Waste generation and significant waste-related impacts		Sustainable Waste Management (p.239)				3.9, 6.3, 6.6, 11.6, 12.4, 12.5
306-2	Management of significant waste-related impacts		Sustainable Waste Management (p.239)				3.9, 6.3, 8.4, 11.6, 12.4, 12.5
306-3	Waste generated		Sustainable Waste Management (p.239) ESG Indicators (p.249)				3.9, 6.6, 11.6, 12.5, 12.4, 15.1

Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
306-4	Waste diverted from disposal						3.9, 11.6, 12.4, 12.5
306-5	Waste directed to disposal		Circularity and Waste (p. 143)	a,b,c,d,e	Information unavailable	NBE is currently working on developing a corporate-wide environmental and social management system (ESMS), and as part of the ESMS, the bank shall enhance its waste management system and reporting, and disclose related data in upcoming reports.	3.9, 6.6, 11.6, 12.4, 12.5, 15.1
<b>GRI 308: Supplier Environmental Assessment 2016</b>							
3-3	Management of material topic				Information Unavailable	NBE is currently working on developing a corporate-wide environmental and social management system (ESMS), and as part of the ESMS, the bank shall enhance its supplier environmental assessments and disclose related data in upcoming reports.	
308-1	New suppliers that were screened using environmental criteria			a.	Information Unavailable		
308-2	Negative environmental impacts in the supply chain and actions taken			a., b., c., d., e.	Information Unavailable		
<b>GRI 401: Employment 2016</b>							
3-3	Management of material topic		Corporate Culture (p.169)				
401-1	New employee hires and employee turnover		New Hires (p.174-175) Employee Turnover (p. 181) ESG Indicators (p.253-255)				5.1, 8.5, 8.6, 10.3

Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Talent Acquisition, Retention and Growth (p. 176)				3.2, 5.4, 8.5
401-3	Parental leave		Employees' Benefits (p.179) ESG Indicators (p.255)				5.1, 5.4, 8.5
<b>GRI 403: Occupational Health and Safety 2018</b>							
3-3	Management of material topic		Health and Wellbeing (p.170)				
403-1	Occupational health and safety management system		Health and Wellbeing (p. 170)				3.3, 3.4, 3.9, 8.8, 16.1
403-2	Hazard identification, risk assessment, and incident investigation		Health and Wellbeing (p.170)	a., b., c., d.	Information Unavailable	These requirements are being integrated within NBE's data management system and shall be considered in future reports.	8.8
403-3	Occupational health services		Health and Wellbeing (p.170) Retaining and Empowering our Employees (p.180)				8.8
403-4	Worker participation, consultation, and communication on occupational health and safety			a., b.	Information Unavailable	These requirements are being integrated within NBE's data management system and shall be considered in future reports.	8.8, 16.7
403-5	Worker training on occupational health and safety		Health and Wellbeing (p.170)				8.8
403-6	Promotion of worker health		Health and Wellbeing (p. 170), Retaining and Empowering Our Employees (p. 180)				3.3, 3.5, 3.7, 3.8

Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			a.	Information Unavailable	These requirements are being integrated within NBE's data management system and shall be considered in future reports.	8.8
403-8	Workers covered by an occupational health and safety management system	All employees and workers at the Bank are covered by an OHS management system.	Health and Wellbeing (p.170)				8.8
<b>GRI 403: Occupational Health and Safety 2018</b>							
403-9	Work-related injuries			a., b., c., d., e., f.	Information Unavailable	These requirements are being integrated within NBE's data management system and shall be considered in future reports.	3.6, 3.9, 8.8, 16.1
403-10	Work-related ill health			a., b., c., d.	Information Unavailable	These requirements are being integrated within NBE's data management system and shall be considered in future reports.	3.3, 3.4, 3.9, 8.8, 16.1
<b>GRI 404: Training and Education 2016</b>							
3-3	Management of material topic		Talent Acquisition, Retention and Growth (p. 176)				
404-1	Average hours of training per year per employee		Talent Acquisition, Retention and Growth (p. 177-178)				4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
404-2	Programs for upgrading employee skills and transition assistance programs		Growing a Talent Hub (p. 182-183)				8.2, 8.5
404-3	Percentage of employees receiving regular performance and career development reviews		Career Performance Reviews (p.179)				5.1, 8.5, 10.3
<b>GRI 405: Diversity and Equal Opportunity 2016</b>							
3-3	Management of material topic		The Power of Diversity (p. 171)				

Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
405-1	Diversity of governance bodies and employees		The Power of Diversity (p. 171-173) ESG Indicators (p.250-253)				5.1, 5.5, 8.5
405-2	Ratio of basic salary and remuneration of women to men	Median hourly pay Male: EGP 95 Female: EGP 60					5.1, 8.5, 10.3
<b>GRI 406: Non-discrimination 2016</b>							
3-3	Management of material topic		Our Code of Ethics (p. 30-31)				
406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination were recorded during the reporting period					5.1, 8.8
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>							
3-3	Management of material topic			1.1	Not applicable	NBE doesn't engage in collective bargaining agreements.	8.8
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			a., b.	Not applicable		
<b>GRI 408: Child Labor 2016</b>							
3-3	Management of material topic			1.1	Information Unavailable	NBE is currently working on developing a corporate-wide environmental and social management system (ESMS), and as part of the ESMS any critical data related to child labor across the supply chain shall be disclosed.	5.2, 8.7, 16.2
408-1	Operations and suppliers at significant risk for incidents of child labor			a., b., c.	Information Unavailable		
<b>GRI 409: Forced or Compulsory Labor 2016</b>							

Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
3-3	Management of material topic			1.1	Information Unavailable	NBE is currently working on developing a corporate-wide environmental and social management system (ESMS), and as part of the ESMS any critical data related to forced or compulsory labor across the supply chain shall be disclosed.	5.2, 8.7
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor			a., b.	Information Unavailable		
<b>GRI 413: Local Communities 2016</b>							
3-3	Management of material topic		Pillar 4: Connecting Communities and Igniting Change (p.187-211)				
413-1	Operations with local community engagement, impact assessments, and development programs		Pillar 4: Connecting Communities and Igniting Change (p.187-211)				
413-2	Operations with significant actual and potential negative impacts on local communities		Pillar 4: Connecting Communities and Igniting Change (p.187-211)				1.4, 2.3
<b>GRI 414: Supplier Social Assessment 2016</b>							
3-3	Management of material topic				Information Unavailable	NBE is currently working on developing a corporate-wide environmental and social management system (ESMS), and as part of the ESMS, the bank shall enhance its supplier social assessments and disclose related data in upcoming reports.	5.2, 8.8, 16.1
414-1	New suppliers that were screened using social criteria			a.	Information Unavailable		
414-2	Negative social impacts in the supply chain and actions taken			a., b., c., d., e.	Information Unavailable		5.2, 8.8, 16.1





Disclosure No.	Description	Direct Response	Location	OMISSIONS			SDG Mapping
				Requirement Omitted	Reason	Explanation	
<b>GRI 415: Public Policy 2016</b>							
3-3	Management of material topic			I.1	Not Applicable	No political contributions have been made directly or non-directly by the Bank.	16.5
415-1	Political contributions			a., b.	Not Applicable		
<b>GRI 416: Customer Health and Safety 2016</b>							
3-3	Management of material topic		Putting Clients at the Center (p. 159-160)				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents were reported during the reporting period.					16.3
<b>GRI 418: Customer Privacy 2016</b>							
3-3	Management of material topic		Cybersecurity and Data Privacy (p. 157-158)				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Cybersecurity and Data Privacy (p.157-158) Complaints Management System (p.164)				16.3, 16.10

## UNGC Content Index




Principle	Description	Report Section(s)	Page no.
<b>Human Rights</b>			
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Our Code of Ethics Sustainable Supply Chain	30, 31, 241
Principle 2	Businesses should make sure they are not complicit in human rights abuses.		
<b>Labor</b>			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	GRI 2-30 - Collective bargaining agreements	260
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor	GRI 409: Forced or Compulsory Labor 2016	268
Principle 5	Businesses should uphold the effective abolition of child labor.	GRI 408: Child Labor 2016	268
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Our Code of Ethics	30-31
<b>Environment</b>			
Principle 7	Businesses should support a precautionary approach to environmental challenges.	Beyond Climate: Financing Green Transition Quantifying our Environmental Footprint	216-228, 229-230
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.		
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	International Partnerships for a Stronger Impact	221-228
<b>Anti-corruption</b>			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Policies and Procedures Compliance and Audit	36, 40-43





## TCFD Content Index

TCFD Recommendation	Report Section(s) (or direct answer)	Page no.
 <b>Governance</b>		
a. Describe the board's oversight of climate-related risks and opportunities.	NBE Sustainability Journey and Milestones	59, 83
b. Describe management's role in assessing and managing climate-related risks and opportunities.	Climate Change Transition Strategy	
 <b>Strategy</b>		
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	NBE Sustainability Journey and Milestones Climate Change Transition Strategy	59, 83
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.		
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		
 <b>Risk Management</b>		
a. Describe the organization's processes for identifying and assessing climate-related risks.	ESG & Climate Risk Adoption NBE Sustainability Journey and Milestones Climate Change Transition Strategy	49, 59, 83
b. Describe the organization's processes for managing climate-related risks.		
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.		
 <b>Metrics and Targets</b>		
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	ESG & Climate Risk Adoption NBE Sustainability Journey and Milestones Climate Change Transition Strategy	49, 59, 83
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	GHG Emissions per Scope and Carbon Intensity ESG Indicators	234, 249, 250
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	From Assessment to Action GHG Emissions Reduction Targets	77, 235

## SASB Content Index

SASB Standard – Commercial Banks				
Accounting Metric	Category	Unit of Measure	Code	Report Section(s) or Direct Response
 <b>Data Security</b>				
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Quantitative	Number, %	FN-CB-230a.1	ESG Indicators (p.256)
Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	FN-CB-230a.2	Cybersecurity and Data Privacy (pg. 157-158)
 <b>Financial Inclusion and Capacity Building</b>				
(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	EGP	FN-CB-240a.1	Towards a Sustainable Financial System (p.91-93) Aligning with the CBE (p.98-99) Empowerment at Scale (p.116-117)
(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Quantitative	EGP	FN-CB-240a.2	
Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	Number	FN-CB-240a.3	
Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	Number	FN-CB-240a.4	Financial Inclusion at Scale (pg. 130-134)
 <b>Business Ethics</b>				
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Quantitative	EGP	FN-CB-510a.1	These requirements are being integrated within NBE's data management system and shall be considered in the future ESG reports.
Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	FN-CB-510a.2	Cyber security and data privacy (157-158)

## SASB Standard – Commercial Banks

Accounting Metric	Category	Unit of Measure	Code	Report Section(s) or Direct Response
 <b>Systemic Risk Management</b>				
Global Systemically Important Bank (G-SIB) score, by category	Quantitative	Basis points (bps)	FN-CB-550a.1	Information unavailable. These requirements are being integrated within NBE's data management system and shall be considered in future reports.
Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	n/a	FN-CB-550a.2	Managing Risks and Opportunities (pg. 44-48)
 <b>Activity Metrics</b>				
(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Quantitative	EGP	FN-CB-000.A	Towards a Sustainable Financial System (p.92-93) Retail Banking (p.125-129)
(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Quantitative	EGP	FN-CB-000.B	Towards a Sustainable Financial System (p.92-93)



## Limited Assurance Statement

### Independent Auditors' Report on the National Bank of Egypt Sustainability Report 2020-2021

#### To the National Bank of Egypt's Board of Directors,

We have been appointed to perform a limited assurance engagement on the National Bank of Egypt Sustainability Report 2020-2021 for a reporting period covering from July 1, 2020, to December 31, 2021.

#### Board of Directors' Responsibility

The National Bank of Egypt's Board of Directors are responsible for preparing the report according to the Global Reporting Initiative (GRI) Sustainability Reporting Standards. The Directors are responsible for ensuring sufficient internal control to prepare a report that is free from material misstatements caused by fraud or error. Their responsibility includes the definition of methodology, reporting scope, assumptions and estimations, stakeholder engagement, materiality assessment, and the contents of the final report.

#### Auditors' Independence and Quality Control

We adhere to integrity, objectivity, competence, due diligence, confidentiality, and professional behaviour. We maintain a quality control system that includes policies and procedures regarding compliance with ethical requirements, professional standards, and applicable laws and regulations.



#### Auditors' Responsibility

It is our responsibility to ensure the compliance of the report with the requirements of the GRI Sustainability Reporting Standards. We conducted a limited assurance engagement based on our professional judgment, inquiries, document analysis, recalculations, and other relevant procedures, to obtain evidence sufficient to the assurance scope.

We have performed the following procedures based on data and documentation provided by the National Bank of Egypt:

- Review and analysis of the National Bank of Egypt's strategies, guidelines, policies, procedures, reports, and statements.
- Auditing stakeholder engagement process and outcomes, including channels, frequencies, and topics.
- Review of the final report and the featured indexes in regard to compliance with the Universal Standards 2021 as listed in the report.

#### Conclusion

Based on the aforementioned procedures, nothing has come to our attention that would cause us to believe that the National Bank of Egypt Sustainability Report 2020-2021 has not been prepared in all material topics in accordance with the requirements of the GRI Sustainability Reporting Standards.

We do not assume and will not accept responsibility to anyone other than the National Bank of Egypt for the provided assurance and conclusion.

*Dr. Abdelhamid Beshara*

*Founder and Chief Executive Officer*

*Abdelhamid Beshara*



**MASADER, Environmental & Energy Services S.A.E**

environmental & energy services  
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#### About MASADER

Masader is an innovative interdisciplinary consulting, design and engineering sustainability firm based in Cairo, aiming at leveraging positive impact across the MENA region and globally. It specializes in Resource Efficiency, Sustainable Management of Natural Resources and Integrated Sustainability Solutions. Since 2015, Masader has led 100+ projects across the areas of energy, environment, climate change & carbon footprint, circular economy, green building (LEED), as well as corporate sustainability strategies, reporting and certification.

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