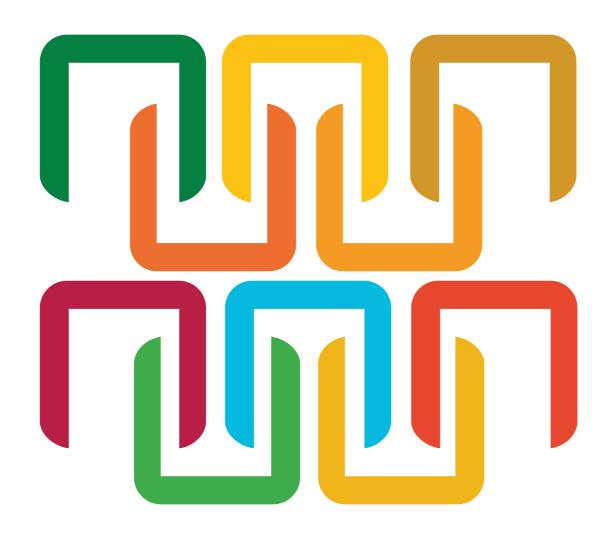


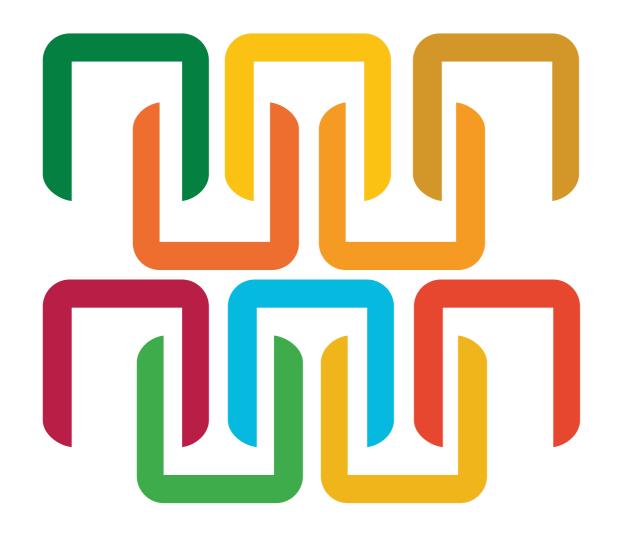
120 YEARS OF BANKING AND BEYOND



Sustainability Report 2016-2019 | Baseline Year Edition



120 YEARS OF BANKING AND BEYOND



Sustainability Report 2016-2019 | Baseline Year Edition



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Report Parameters

Throughout this report, "NBE", "the bank" or "we" refer to the National Bank of Egypt (Egypt) SAE. the National Bank of Egypt⁵ is an Egyptian joint-stock company and operates under the provisions of Companies Law No. 159 of 1981 and CBE Laws.

Editorial Policy

Driven by our leading position in the Nation as Egypt's oldest and biggest bank, established in 1898, and served the Egyptian economy and society for more than 122 years, the NBE 2019 Sustainability Report is meant to provide a benchmark in sustaiability reporting practices in the Egyptian Banking Sector. Through this report, we will present how we addressed our stakeholders' material topics and enhanced our sustainability performance, as well as our management approach to national, regional, and global risks, challenges, and opportunities.

This Sustainability Report is aimed to present the overarching report of all other NBE's Corporate Reports, through which we capitalize on and complement a number of other reports, including among others, Financial Reports, Annual Reports, Governance and Risk Reports.

Scope of the Report Period & Cycle Covered¹

This report covers three fiscal years for the period from I July 2016 to 30 June 2019. Some Information before and after these dates may be included to emphasize relevant context to the reporting period.

Referenced Reporting Guideline²

The report is prepared according to the Global Reporting Initiative Sustainability Reporting Standards: Comprehensive Option.

Date of Previous Sustainability Report:³

Forward-Looking Statements

This Sustainability Report contains forward-looking statements on various future estimations and paramount considerations that are expected to emerge in the landscape of the banking industry nationally, regionally, and globally. While NBE's proven agility allows swift adaptation, however, due to financial disruptions and the rapid dynamics of the technologies and the markets we serve, there is no assurance of the magnitude nor the pace of such changes.

Mistakes & Typographical Errors

Any errors discovered following the publication of the report will be corrected and displayed on our website. In consideration of the environment, our report is published, as a downloadable PDF file from our website.

For Further Information 4

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1 (102-50 / 102-52)



1.2 Board of Directors

1.3 The Story Of Our Legend

1.4 Strategy



About This Report

Driven by our leading position in the country as the nation's oldest and largest bank, established in 1898, we have served the Egyptian society and economy for more than 122 years. This report is the first sustainability report in Egypt presented as per the GRI Standards Comprehensive Option. Being NBE's first assured Sustainability Report, we are sharing with our readers the history of our bank and its role in Egypt since its establishment, and the major milestones achieved. This chronically narrated timeline provides a foundation that informs the readers of our position as a National Bank and our performance in the face of global trends.



ÎII

A benchmark in sustainability reporting practices in the Egyptian Banking Sector

by highlighting national priorities & areas where the banking sector - when collaborating - can support true inclusive financial services & economic growth.



An internal re-enforcement of our sustainability practices

by reporting according to the GRI Standards & setting up a more standardized governing policy for the future.



A comprehensive external communication with our stakeholders

through a set of key messages, specific to the sector & addressing global challenges, risks, & impacts.



Distinct sections of the report present our strategy, risks and outcome of stakeholder's engagements; all aimed to provide the necessary understanding of how we identify and prioritize our most critical topics that impact, or are impacted by our business.

An unmatched number of megaprojects, global and national partnerships, social investments, and our environmental/green lending portfolio are all part of our economic, social, and environmental impacts and practices. They are featured across the sections of this report to walk you through our journey towards sustainability since its inception.

Achieving those colossal duties, NBE believes and depends on the vigorous competencies of its human capital; the innovative talents behind our new products' development and an array of other advisory services aimed to educate and raise financial awareness among all Egyptians through 483 branches across the nation. The report presents NBE's commitment to the wellbeing and development of those brilliant minds behind the scene who never fail to produce and create true value to our customers.

Considered the School of Bankers, NBE's Know Your Customer, Business Conduct and Compliance are the fundamentals of its strong financial institutions, which can only be taught when employees are led by example. Governed by the highest caliber of experts on our Board of Directors, the bank's Committees, and Executive Management, NBE provide a safe and secure harbor for both its employees and customers. The report describes our robust Control Environment, that, not only, entails AML, CTF, Cyber Security and Data Privacy, but it equally provides an insight into our policies in regards of ethics, conflict of interests, critical concerns whistleblowing, and employees protection.

This report aims to present the over-arching publication of all other NBE's Corporate Reports, through which we capitalize on and complement several other reports, , including but not limited to Financial, Annual, Governance and Risk Reports.



Message To Our Stakeholders



66

Our first Sustainability Report redefines our banking purpose & performance from financial to EESG, marking our baseline year & drawing our vision for purpose-driven banking towards Economic Prosperity, Planet Conservation, & People's Wellbeing.

Hisham Okasha NBE Chairman

2020 celebrates a long and dedicated history of NBE's 122 years of sustainable banking for the prosperity of the Egyptian people. Our first sustainability report profiles NBE's performance beyond profit and in alignment with Economic, Environmental, Social and Governance (EEGS) indicators. Sustainability as a global direction for the banking industry is not a new concept for us.

As the oldest financial institution in the country, we've always been keen on being the true apparatus of the local economy, the backbone of the Egyptian community and the environment. We could not have achieved this without the meaningful partner-ships and values we create daily with our stakeholders in every business interaction. This report showcases the positive impact of our operations on our shareholders, regulators, human capi-tal, community, suppliers, environment and clients.

Sustainability is integrated within our bank's DNA and business strategy

As the largest public bank, improving the quality of life for our stakeholders across all societal segments and communities is our priority. We particularly focus on the most vulnerable communities, women, youth, low-income households and people with special needs. Our strategic sustainability framework is in alignment with local, regional and international development agendas. UN Sustainable Development Goals (SDGs) and Egypt Vision 2030 are our main pillars to guide our business lines and units and bring to the public financial independence. The estab-

lishment of our Strategic Sustainability function is distinctive as it falls under the Strategy Department, confirming our belief that sustainability is more than a peripheral or commercial activity. It is rather a part of NBE's DNA and it represents a benchmark for a new era of responsible banking in Egypt.

We tailored a state-of-the-art business strategy that paired revenue-expansion goals to inclusive economic prosperity

Our inclusive growth strategy directly links between macro and microeconomic determinants of the Egyptian economy. Since 2016, Egypt has undergone a comprehensive economic reform program in which NBE was a key player for the monetary and fiscal policies constructed by the Central Bank of Egypt (CBE) and the government. Through an inclusive growth strategy, we maintained our position in leading the market share as the largest financial institution of Egypt and brought stability to the market. In times of adversity, we stood side-by-side with the Egyptian people to meet their financial needs. After the flotation of the Egyptian currency, we showed our support by offering high interest rate investment certificates with a total of EGP 545 bn. We contribute to national megaprojects by investing in large corporates in pivotal sectors of the economy, such as tourism, infrastructure, industrial and agricultural. In accordance with our endeavors for stimulating small businesses growth, we have strategically focused our enterprise banking on remote and underserved regions with 45% of our current SMEs lending portfolio directed to the Upper-Egypt region to raise its competitiveness. Our work directly contributes to employability promotion and job creation for young Egyptian men and women.

NBE is leading financial inclusion efforts by raising financial knowledge and removing entry barriers for the unbanked in Egypt

Providing equal opportunities in terms of access to markets, resources and unbiased regulatory environment is our ingredient for successful strategic growth. NBE is leading financial inclusion efforts by facilitating access to capital and removing entry barriers for the unbanked, while offering value through financial literacy. Our products bring Egyptians closer to their dreams of a better life. As a main contributor to CBE's initiatives, and through the National Mortgage Finance, we facilitated housing prospects for 68,321 families, 95% of which fall into low-income category. Our products present a new threshold of serving people's needs at an affordable cost. Women, youth, low-income individuals and persons with special needs continue to be the main strategic priorities for NBE. Personalized products and services were attentively designed to accommodate their specific necessities and enable their financial health. Today, 40% of our Retail Liabilities Customers are in the EGP 0:1000 segment, while 40% of our customer base are women and 33%

NBE is a key driver for environmental protection through stimulating the transition to green economy in Egypt

Preserving the environment is more than a business risk for NBE, we consider ourselves the drivers of Egypt's transition into a green economy. Over the last twenty years, we aligned our business with the country's climate change outlook and we voluntarily funded green initiatives for energy efficiency and renewable energy. Since 1998, NBE as the Apex Bank, has cooperated with the Egyptian Environmental Affairs Agency (EEAA) and managed the finance of the Egyptian Pollution Abatement Program (EPAP). The program focuses on combating industrial pollution and promoting the concept of cleaner technology in order to mitigate GHG emissions (reducing 670 thousand tons of CO2 in 18,000 industrial facilities) in cement, iron and chemical industries. During the program's three phases we cooperated with multiple development partners; the World Bank, the European Bank for Reconstruction and Development, the Japanese Development Bank and the German Development bank with over EUR 330 mn. NBE's carbon footprint has been improving over the years as we took tremendous steps internally towards reducing GHG emissions by building solar systems for branches with total number of 28 stations. We thrive to continue directing the market's attention towards green finance and the future of our natural resources.

Social protection, care and development are NBE's community investment mantras

We invest in the communities in which we operate through strategic philanthropy that goes beyond corporate donations. Social protection, care and development are NBE's mantras and correspond with social development national goals. We are pleased to have launched the first ever "Corporate Social Responsibility (CSR) Unit" in the Banking Sector in Egypt over

50 years ago. Since then, we have been the most impactful companion to the Egyptian community through our two arms; CSR Department and NBE Foundation. Our contribution mounting to an average of 9% of NBE's Net profit, stands at EGP 6 bn in net funding since 2014. We work with our strategic partners to ensure Quality of Life for Egyptian citizens and address the most critical issues of community needs: Education, Health, Housing, Debt Relief, Women Empowerment and Disability Integration. NBE Foundation's relief fund supported families suffering from personal debt burden (Al Gharmeen) with EGP 75 mn in tandem with Misr El Kheir NGO. Our funding is paired with an income generation program to support their life-long financial goals and to start small businesses in handicrafts. We received regional recognition for the past two years from the Arab Organization for Social Responsibility, being the only Egyptian bank with a golden excellence award in CSR.

NBE remains a responsible and inclusive employer for all Egyptians

Human capital is the driver of NBE. Our employees welfare, development and job safeguarding are at the core of our identity. As an employer of choice, we provide 360 degrees benefits to our workforce and follow a responsible growth culture. Economic wellbeing, social support, healthy working environment, transparent communication and a sense of belonging all characterize NBE's staff. Mirroring the Egyptian demographics, diversity, inclusion and equal opportunities continue to be a core value for NBE. During the reporting period (2017-2019), we expanded our workforce to be more gender inclusive and special needs sensitive. We work with 20,474 diligent men and women, 27% of whom are female, while 9.5% are under the age of 30. Our people receive continuous professional development and mentoring through the latest know-hows of SMEs financing, Information Technology and Digital Transformation, among others. Through our robust workforce, we serve a wide number of customers across Egypt and bring over 9000 daily new stakeholders closer to their financial freedom.

Sustainability will no longer be a luxury; it is rather a necessity for human survival and for doing business

This report is coming out during a disruptive time for all humankind with the outbreak of the COVID-19 pandemic. It is a time for individual, social and environmental solidarity, where everyone plays a role in how to get through this together. Sustainability will no longer be a luxury; but rather a necessity for our survival and for doing business. In that light, and with the Board of Directors backing our plans, we established our New Strategic Sustainability Agenda, as a comprehensive 5-year plan. The Board announced and mandated the first step for the preparation of this report, marking a new era of monitoring, discussing, and reporting on NBE's Sustainability efforts. This report is NBE's first assured sustainability report prepared in accordance with the Global Reporting Initiative (GRI) standards. We are looking forward that this report will be leading the way towards a new benchmark in the Egyptian banking sector.



Sphere of Impacts

NBE is a unique bank with historical footing that stems from its distinctive position, one that encompasses our responsibility to the business, our commitment to the banking sector development and our duty to national priorities.

NBE IS AN IMPARTIAL & PROFESSIONAL FINANCIAL INTERMEDIARY

WE UPHOLD OUR RESPONSIBILITY TOWARDS OUR BUSINESS' STAKEHOLDERS

TO ACHIEVE THE BEST FINANCIAL PERFORMANCE

We encounter, similar to our peers across public, foreign, investment & private banks, the traditional & emerging disruptions & challenges whether political, social, economic or technological challenges. We focus on setting forth corporate agility, risk management & business development at the forefront of our priorities. We strive to adapt to the new digital pace, new customers trends, the upcoming younger generations' aspirations & the growing needs of SMEs. Our concerns & practices on Data Privacy, Cyber Security, AML/CTF push us to preserve a strong governance of the business.

WE UNDERSTAND OUR RESPONSIBILITY TOWARDS OUR SOCIAL COMMITMENT,



TO ALIGN TO AN INTERCONNECTED & VAST NUMBER OF NATIONAL DEVELOPMENT PRIORITIES.

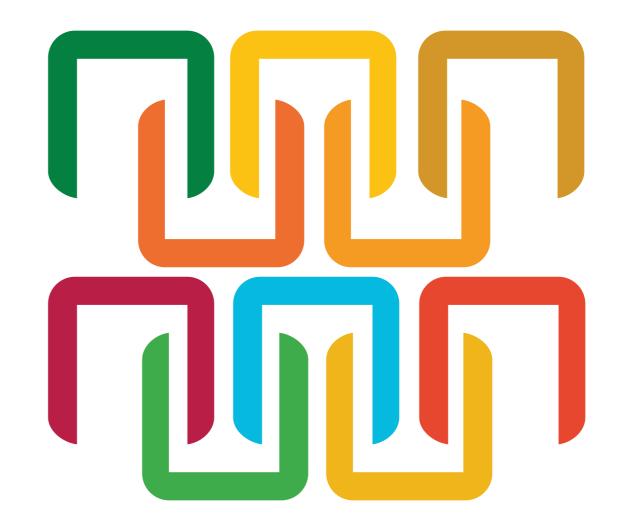
In this regard, one of our major goals is to be the facilitator of the Central Bank of Egypt's initiatives towards several national priorities such as financial inclusion for all segments & across all services. We ensure that Economic, Environmental & Social issues are considered & integrated into our decisions & practices.

WE RECOGNIZE OUR PRESENCE IN ONE OF THE ENVIRONMENTALLY RICHEST COUNTRIES ACROSS THE GLOBE



TO PRESERVE THE WEALTH OF THE PLANET

With an unparalleled wealth of natural resources & biodiversity (land, seas & air). The impact of our actions is colossal to our business, to the environment & to our National Commitment. This might mitigate and/or reduce resulted emissions to improve our environmental impact, coupled with promoting economic activities & green practices. NBE is the first & largest lending entity to Green Projects, & our due diligence to Project Environment Assessment has become part of our underwriting process.





NBE at a Glance







WEALTH OF EXPERTISE WORKFORCE



LARGEST SMEs CUSTOMERS

45% DIRECTED TO UPPER-EGYPT



CUSTOMER BASE OUTSIDE GREATER CAIRO & ALEXANDRIA



THE EMPOWERMENT **OF WOMEN**



THE INCLUSIVE BANK **OF ALL EGYPTIANS RETAIL CUSTOMERS**



DIGITAL **BANKING**



PIONEERING GREEN FINANCE

NBE was the Apex Bank in one of Egypt's largest initiatives by the Ministry of Environment (MoE) & the Egyptian Environmental Affairs Agency (EEAA).



ADVOCATE OF CLIMATE CHANGE ACTION

financing package was secured by NBE, dedicated to SMEs in the areas of climate change & social inclusion through employment programs.



THE LENDER OF **CHOICE MARKET SHARE**



THE DEPOSITOR OF CHOICE **MARKET SHARE**



COMMUNITY INVESTMENT SOCIAL CONTRIBUTION



GOVERNANCE Employees

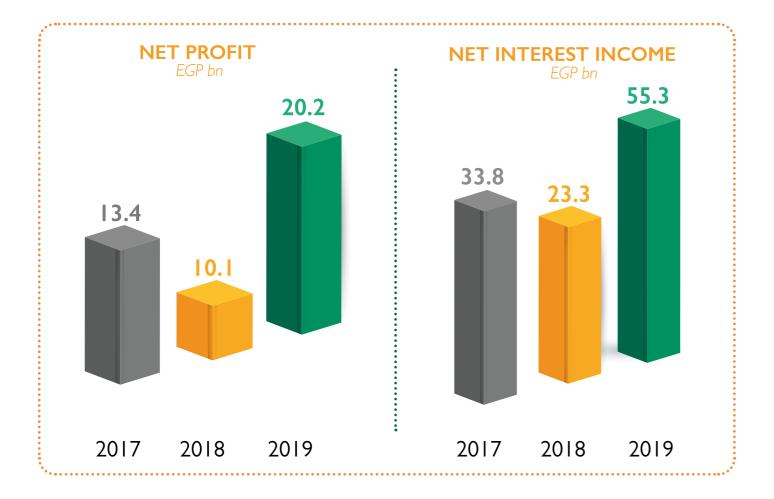
attended Anti-money Laundering compliance, corruption and governance.

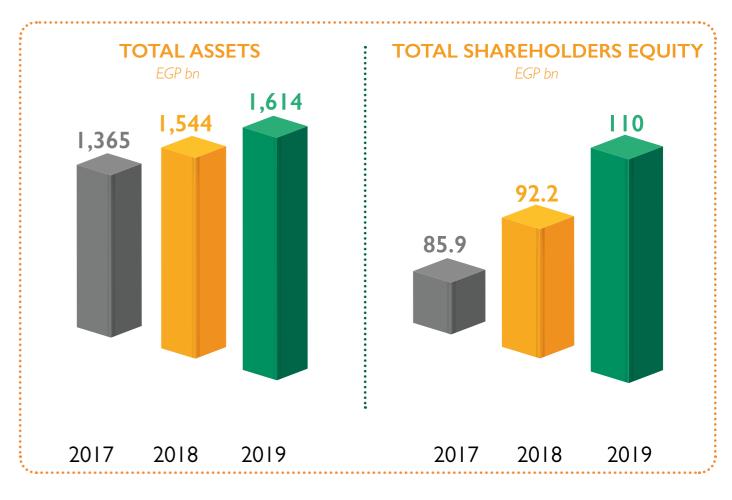
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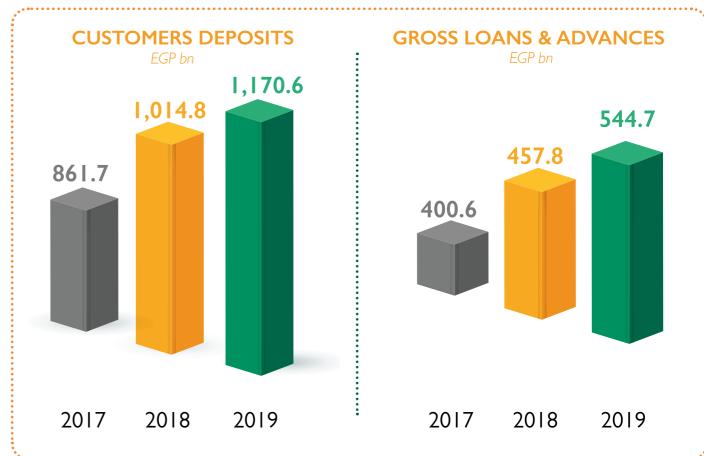


Performance & Key Financial Highlights

The bank's financial position witnessed an improvement during the reporting period, where the bank assets increased by about 9%, and recorded at the end of the FY 2019 about EGP 1.6 trillion. NBE shareholders' equity increased during the period (2017-2019) by 13%, supported by an increase in the bank Paid-up capital and retained earnings.







1 102-7



NBE'S SUBSIDIARIES ¹	NBE SHARE
I- National Bank of Egypt – NBE (UK)	100%
2- NBE-Dubai International Financial Centre	100%
3- Al Ahli Exchange	99.20%
4- Al Ahli Mortgage Finance	99.08%
5- National Bank of Egypt Khartoum	99.00%
6- Al Ahli Capital Holding Co.	98.95%
7- Al Ahli Leasing	98.50%

NBE'S ASSOCIATES

Our subsidiaries are the companies NBE has an equity share less than 50% They are companies diversified over different sectors.



1 102-45



Awards & Recognition

THE ASIAN BANKER

BEST RETAIL BANK

2017-2018-2019

STRONGEST BANK IN EGYPT

2017/2019

BEST BANK IN TRADE FINANCE

2018

BEST TRANSACTION PROVIDER IN EGYPT

2017-2019



·····• Bloomberg •

BEST BANK IN SYNDICATED LOANS

2017

BEST BANK IN SYNDICATED LOANS (4 QS)

2017-2019





BEST RETAIL BANK

BEST DIGITAL BANK



O AFRICAN BANKER Linked in Linked in

BEST BANK

BEST CSR



RECRUITER OF CHOICE IN THE BANKING INDUSTRY **IN EGYPT**



15 AWARDS SYNDICATED LOANS





GC POWERLIST THE LEGAL 500'S











PCI DSS

THE SAFEST BANK







BEST RETAIL BANK -ISO 22301- 2012 **BEST COMMERCIAL BANK**









A Legendary History

Presence through Time and Space

Our Historical Branches

Being a deep-rooted Bank, our branches represent more than just our daily operations.

They speak of our heritage and our history. Our iconic branches are considered the oldest banking branches in Egypt, serving customers since 1909. With great pride in the history held within our walls, NBE has established its Building Renovation Plan, particularly for the network of Historical Establishments. Those branches were re-conditioned to house the latest banking facilities without compromising their heritage.



OUR HISTORICAL DOWNTOWN BRANCH (ELSHERIF STREET)

The branch was restored to its old glamor.



OUR BRANCH IN ALEXANDRIA

Our Oldest Branch outside the Capital of Egypt







OUR ICONIC BRANCH IN DOWNTOWN CAIRO (EL MOSKY DISTRICT)

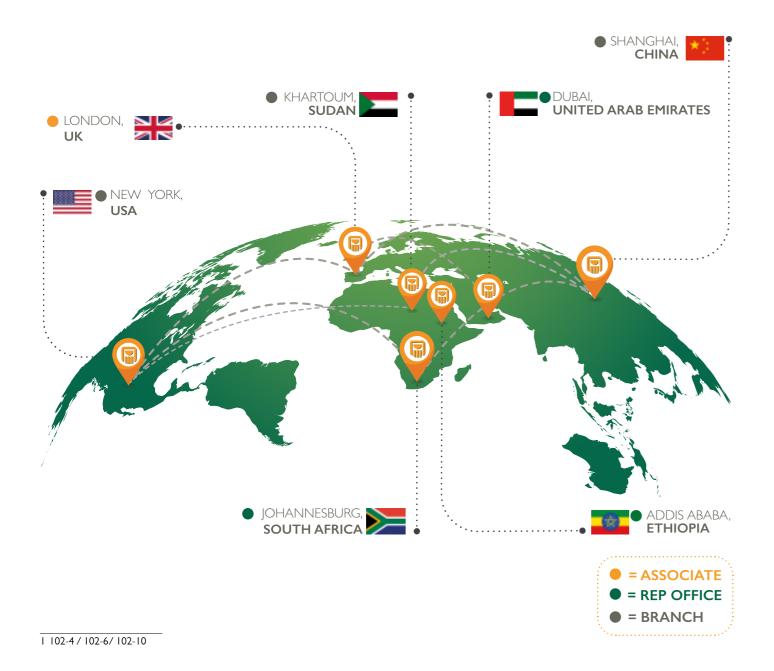
This branch represents our



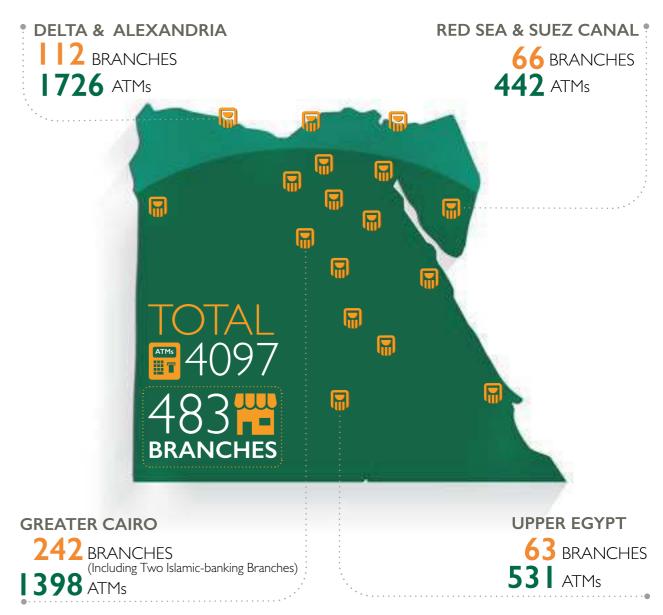


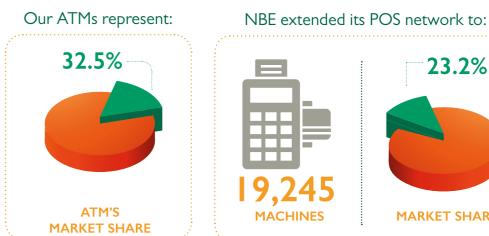
Geographical Presence: National & Global

NBE's Global presence has extended to 8 branches and Subsidiaries & 296 corresponding banks.

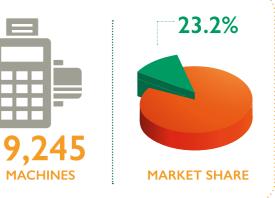


With a focus on extending our outreach across Egypt & for the underserved, our largest growth in number of branches & ATMs was in Upper Egypt & Delta, respectively.











Our Digital Branches

NBE has proudly launched its Flagship Digital Branch in 2018, as the first Digital Branch in Egypt.

By mid 2019, we have reached a total of 4 branches in Cairo and Alexandria



NBE is targeting 25 branches by the end of 2020 & expanding our outreach to other governorates









Our Board Of Directors



Chairing the Board of Directors for over seven years since 2013, Mr. Okasha has led the bank to a golden era of outstanding performance.

With 26 years of mastery commands and expertise in the Banking Sector, Mr. Okasha capitalized on our exceptional business strengths, human capital and strong financial position to revamp our technological infrastructure and steer the bank to a new age of digital transformation that has served over 1.4 mn customers in 2019.

With gallant and steady leaps, he ensured the Bank remained affront of disruptions and adversities. During his mandates, NBE has delivered a winning strategy that captured and addressed the needs of our stakeholders.

Supported by the unparalleled collective knowledge of NBE's Board of Directors the bank continues to be strongly positioned to lead the financial sector through a full-fledged business model that creates shared economic, social, and environmental values. Read on: Governing for Excellence

MR. HISHAM OKASHA

Chairman

Joined NBE in April 2008 as Deputy Chairman responsible for the Risk, Operations, Compliance & Audit functions.

During that period, he was instrumental inrestructuring the functions under his supervision, which was an integral part of the Banking Reform Program undertook by the Central Bank of Egypt (CBE).

With a life-long expertise & leadership roles, he is the Deputy Chairman of the Federation of Egyptian Banks & sits on the boards of several NBE's financial subsidiaries in Egypt, Europe, & the MENA region. In addition to being on the board of several holding companies & institutions as an independent board member.

He assumed several key roles in reputable financial & regulatory institutions; the last of which was the Head of the Offsite Supervision Unit at the Central Bank of Egypt after a long career in Commercial Banking.

He held the position of independent member on the board of several holding companies & institutions.

Mr. Okasha is an alumnus of the prestigious American University in Cairo, holding his Bachelor of Arts in Economics & Computer Science & Master's degree in Public Administration.

He attended numerous professional programs & diplomas including the program on "Investment Appraisal & Management" from the Harvard Institute for International Development.



MR. YEHIA ABOU ELFOTOUH

Deputy Chairman / Executive SINCE 2016

- More than 34 years of experience in banking in the areas of Credit Risk, Corporate banking, & Operations in National & International Banks.
- Selected in 2008 as a member of the NBE Task Force Group in charge of the establishment of the reform & development of public banks sectors with regards to the credit system & update of policies & procedures.
- From 2014 to 2016, Mr. Abou El-Foutoh has been an Executive Member in NBE's Board of Directors, supervising Credit, Marketing Risk & Operational Risks, Processing, & Debt Restructuring, among many other critical supervisory duties.
- During his former duties as Group Head of Credit Risk, Debt Recovery & Restructuring, he successfully contributed to the reduction of the Bank's NPL from L.E 30 Billion in 2008 to L.E 5 Billion.



MS. DALIA ELBAZ

Deputy Chairman / Executive SINCE 2017

- A member of the Executive Committee since 2016, was formerly the Chief Operating Officer in December 2015.
- Currently responsible for the Risk & Banking Operations, Information Technology, Business Process Optimization, & Credit Administration, among others.
- She supervised the deployment of the new core banking system in addition to the upgrade & centralization of the banking operations as part of the NBE integrated strategy related to information technology & data security.
- El- Baz started her banking career since 1995, then joined NBE in December 2008. She contributed to NBE's revamping process for its Operational Risk Group as part of NBE's Business Development Plan & the establishment of NBE's Business Continuity Plan.















MR. TAREK KANDIL

Board Member/Non executive

- Has a distinguished banking ca-reer for 35 years including the two global financial institutions: Bank of America & Citigroup.
- Former Deputy Governor, Central Bank of Egypt from November 2007 to April 2009.
- Former Board Member of the Egypt an Stock Exchange, Sub Governor for Banking Supervision & Banking Reform, Central Bank of Egypt.
- Member of the board of Trustees of the General Authority for Investment & Free Zones &The Egyptian Anti-Money Laundering Unit.
- Chairman & Managing Director, Suez Canal Bank-May 2009 to April 2017.
- Vice Chairman and Chief Risk Officer for Saudi American. He is responsible for creating the credit risk review division covering a loan and investment portfolio of \$20 bn.

MR. AHMED SEDEIK

Board Member/Non executive

- An Economist and a Senior Financial Officer in high-profile multinational companies including Coca-cola, Pepsi, P&G and Citadel Holding
- With postgraduate degrees in investment evaluation from Harvard University and corporate finance from the European Institute of Business Administration (INSEAD), Mr. Sedeik has helped in the Business Development Plan in the National Bank of Egypt, NCB Capital, Carina, Stars Sports, Alamar Foods & Mountain View.
- His strongest expertise is in the executive management of product development, sustainable development, and quality transport.
- Experienced in both emerging &developed markets, & in various fields such as consumer goods, retail, agricultural sector, direct investment, & real estate.

DR. GABER NASSAR
Board Member/Non executive

- An extensive valuable expertise in drafting international contracts, supported by a long career in the field:
- Public Law Professor at the faculty of Law, Cairo University.
- President of Cairo University 2013/2017.
- General Rapporteur of the 50th Committee for the drafting of the Egyptian Constitution 2014.
- Former Vice-Chancellor of the Faculty of Law, Cairo University.
- Accredited Arbitrator to the Cairo Regional Center for International Commercial Arbitration.
- Member of the Egyptian Association for Political Economy & Legislation -Cairo.
- Member of the Qualitative Union of Consumer Protection Agencies (among the five interested members).

MS. SAHAR ELSALLAB
Board Member/Non executive

- Former Assistant Minister of Commerce & Industry for the development of internal trade & Investment.
- She held position of Vice Chairman & Managing Director of Commercial International Bank.
- Holder of Several Awards 8 Recognitions:
- Rank 6th in Forbes' Top 50 Arab businesswomen in 2008.
- Among the Top 100 Arab Women in 2011 by the Chief Executive Officer of South Africa Magazine.
- Considered one of the top 10 Egyptian women in 2011, according to Egypt's Companies Guide.

MR. ALI FARAMAWY

Board Member/Non executive

- Corporate Vice President Emerging Markets Digital Transformation Organization, at Microsoft.
- Leads Microsoft's Emerging Markets
 Digital Transformation organization,
 newly established in April 2017. He
 began his Microsoft career in October
 1997 as the General Manager of
 Microsoft Egypt.
- Held a variety of technical, sales, managerial & executive roles in the Middle
 East and Europe, at organizations such as
 Dun & Bradstreet Software, NCR
 Corporation and Yokogawa-Marex.
- Served on a number of advisory committees & boards including the Advisory Committee for the President of South Africa and the US-Egypt Business council. He currently serves on the Board of Trustees for the American University in Cairo, as well as the Social Fund for Development in Egypt.

DR. ALI ELSAIEDI

Board Member/Non executive

- Egypt's Former Minister of Industry and Technological Development from 2001 to 2004.
- Former Minister of Electricity & Energy From 1999 to 2001.
- Former member of the Supreme Council of Science and Technolo-gy from 2008 to 2011. A former member of the Permanent Advi-sory Group on Nuclear Energy, In-ternational Atomic Energy Agency (IAEA) in Vienna from 2005 to 2012.
- Member of the Board of Directors of Banque Misr from 2005 to 2017 & Banque du Caire from 2005 to 2008.
- Chairman of the Executive Board of the Nuclear Power Plants Authority in Egypt from 1985 to 1993.



The Story Of Our Legend

of Egypt is the oldest Financial Institution in the Country.

With a capital of GBP I million in 1898, NBE has been recognized as the strongest and one of the most respected commercial banks of all times.

Immersed in the challenges and victories of our nation for II decades, NBE has always stood resilient to the test of time as of the government. the primary endorser and supported to the country's national economy. NBE financed Egypt's largest national projects and cares for the prosperity, stability, and growth of its citizens.

NBE's missions and operations have continuously evolved throughout history, facing the turmoil of all economic and political changes that Egypt experienced. Led by the savviest finance experts of their time, NBE's tenacity and resilience were demonstrated at every challenge.

The Bank was entrusted with issuing banknotes and handling government accounts. Then in the 1950s its activities evolved to undertaking the duties of the Central Bank.

Celebrating I22 years since its establishment, the National Bank In the 1960s, while continuing its duty as the Central Bank of Egypt, NBE has mastered its growth and focused on its commercial activities by expanding its services to reach all remote areas

> The bank's national responsibility has proportionally expended to all commercial banking services available at the time, in addition to issuing and managing Investment Certificates on behalf





THE STORY OF OUR BRAND

The evolution of the NBE logo attests to our commitment to develop, grow, & remain contemporary while drawing on our country's heritage & our bank's history. The logo design expresses the position of the bank in the Egyptian society & pays homage to our ancient Egyptian and Arab civilization.

Over the years, the logo has morphed to reflect the inevitable evolution of the times & the bank itself. These changes demonstrate how the bank has managed to maintain its illustrious legacy, while keeping pace with modernization, technology, and the needs of a growing community.

NBE's logo reflects the bank's remarkable history of over one hundred years of leadership in the banking industry, with a design that evokes ancient Egypt.

Our original logo design is rooted in hieroglyphic symbolism: NBE is the house of wealth. It was developed in 1981 by Egyptian artist Abdel Salam El-Sherif, a prominent creator of Fine Arts.

Read the Story of our Brand: https://www.nbe.com.eg/NBE/E/#/ENNBELogostory







Our History Timeline

NBE ESTABLISHED & ISSUED THE FIRST EGYPTIAN BANKNOTES

NBE was established as the governmental bank in charge of issuing the first Egyptian Banknotes. Its establishment had major contributions to the economic and urban development of the country. In addition to its main Cairo branch, other branches expanded across the Egyptian governorates, while the London branch was opened right after its launch.

NBE EXPANDED ITS PRESENCE & LENDING FACILITIES

The activities of NBE extended steadily in Egypt and Sudan. It expanded to Abyssinia after founding the Agricultural Bank and the Abyssinian Bank.

NBE was able to widen the scope of its activities, facilitating lending services in in all governorates, as well as supporting the Egyptians in facing the economic crisis post world wars.

NBE ASSUMED A DUAL NATIONAL ROLE

Amidst the hardship of the global economic crisis and war conditions, NBE's National Role to serve the Egyptian Economy was defined.

Through a renewal of NBE's concession in 1940, the bank assumed a new responsibility to provide banking services as a Commercial Bank, while continuing to duties of the Central Bank in regulating the banking sector, issuing banknotes and supervisory on other commercial banks operating in Egypt.

NBE'S CONTRIBUTION TO CRITICAL INDUSTRIES

NBE continued its vital support to the economic development and reform policies. It worked on expanding the capital market and contributed to many sectors including industry, tourism, contracting housing and finance. It was a significant responsibility to respond to the global recession and the fallbacks after the Post 6th of October War.

NBE increased its external activities following the economic reform policy which included liberalizing foreign exchange transactions, opening to more financial markets, and contributing to the facilitation of exports.

1898 - 1900

1900 - 1940

1940 - 1960

1960 - 1980

NBE'S FIRST NETWORK OF COMPREHEN-SIVE NATIONAL AUTOMATED BRANCHES

NBE was among the first to improve banking services by developing new business methods introducing new innovative and computerized systems. Its branch network grew across the country reaching 185 branches and 100 affiliated offices distributed over 24 governorates.

NBE initiated the first investment fund. By 2009, it has grown to 8 investment funds and were managed by the Al Ahly Capital Holding, HC Investment Management and prime investment.

NBE GLOBALIZING ITS SERVICES ACROSS THREE CONTINENTS

- 1999: NBE's representative office in Shanghai, considered the most important economic and business center in China, becoming a branch in 2008. It is the first Egyptian, Arab, and African bank operating in China.
- 2000 : NBE's New York branch.
- 2006: NBE's representative office in the United Arab Emirates, and the financial institution at the Dubai International Financial Center.
- 2010: NBE's representative office in Addis Ababa was established to strengthen its African position. This was followed by the establishment of a financial institution in Sudan for trade exchange enhancement between the two countries.

baba tion.

2000 - 2010

NBE REVAMPING ITS BANKING SERVICES & COMMUNITY CONTRIBUTION

- NBE launched its national e-commerce strategy in response to a large potential of growth in the market and to address a national need. NBE represents 70% of market share in the e-commerce space with a transaction volume of EGP 5.2 bn
- NBE is leading digital transformation and financial inclusion in Egypt
- o NBE lead the release of the national e-payment prepaid card "Meeza" in the market.
- o NBE opened the first electronic service branch in Egypt.
- o NBE opened the first Business Development Services Centers which reached a total 30 centers by end of 2019.

2010 - 2020

1980 - 2000



Strategy

Our Corporate Strategy echoes NBE's Mission Statement

6 To remain the leading entity in the Egyptian banking sector, NBE aims to maximize the efficiency of financial intermediation and promote financial inclusion, while safeguarding depositors' funds and maximizing returns to shareholders. This in return supports the development of the national economy and enhances the stability MISSION of the financial system.



NBE'S STRATEGY

Leveraging on synergies between the pillars



FINANCIAL INCLUSION

- Target the unbanked
- Introduce new products & services
- Simplify work procedures
- Diversify delivery channels



IMPROVE MARGINS

- Increase low cost deposits
- Concentrate on highly profitable products



DIGITAL BANKING

- Develop & deliver new products
- Expand on Mobile Banking services
- Introduce Smart Branches



MAXIMIZE NON-INTERST INCOME

- Revisit fees & commissions
- Increase cross selling activities
- Sale of asset
- Divestment from non strategic investments



SUPPORT CBE & GOVERNMENT INITIATIVES

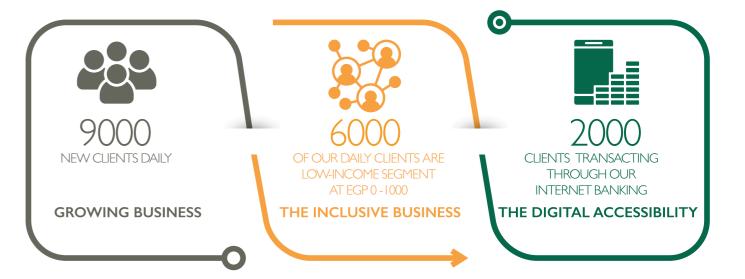


- SMEs Initiatives
- Mortgages Initiative



REDUCE CONCENTRATION RISK

- Decrease loans portfolio concentration
- Seek new facilities in FC



Delivering Growth From Areas of Strength

Finding an equilibrium across this widening spectrum of commitments, NBE delineated six Strategic Pillars that capitalize on the synergies inherited in our business model, where we create economic and social value to our stakeholders by adopting an approach of "delivering growth from areas of strength".

Leveraging on Synergies

Restructuring for further growth, we have streamlined our goals and improved our synergies across our business lines and products to deliver three of our interconnected Strategy Goals:

- New and improved Digital Banking channels and digital products
- Customized financial and banking solutions to advance NBE's financial inclusion efforts
- Renewed services and advisory for SMEs and leading the largest housing-finance opportunities in the market.

Our Strategy has delivered outstanding results under those three pillars (Read results on: Financial Inclusion, Digital Banking, SMEs and Supporting National Initiatives). Those achievements incited new dynamics and created a vigorous thrust for our new Substantiality Framework, leading to the launch of NBE's Sustainability Plan 2020-2024, approved by the BoD in January 2019. (Read on : Our Sustainability Strategic Framework)

Against a backdrop of cyber-security risks, Digital Banking acceleration was paired with a rigorous focus on the Data-privacy and Business Continuity measures. New crisis scenarios and response procedures are updated to our Crisis Management Plan to stay ahead of any unforeseen disruptions. (Read on : Our Business Continuity)

Outstanding Performance

With the fast-changing macroeconomic environment and the interest rate stance, we attuned our strategic priorities and business plans accordingly.

By running a sustainable and responsible business, our financial results and growth continue to position NBE at the forefront of development. Our Value creation includes an outstanding financial performance and creation of wealth to our customers, suppliers and partners, as well as achieving wellbeing for our employees and local communities.

Throughout the reporting period, NBE maintained a set of commendable results from 2017 through 2019, in terms of volume and services nature. (Read details on : Serving the Real Economy)

- · With a continuous risk forecasting on exposure to liquidity risk and the volatility of future cash flows, as well as the fluctuations' effects of the prevailing market's interest rates, we built-up revenue growth over expenses.
- We achieved growth in deposits and net loans, an increase in net profit, an increase of total Shareholders' Equity and earnings per share (EPS).
- To highlight our extended care for our most prized asset: our employees profit share increased to EGP 3,027 million in 2019 against EGP194 million in 2018.

BEST REGIONAL MARKET POSITION

We come first in promoting development. NBE was named "Best Arab Bank in Socio-Economic Development for the Year 2018" at the Arab Banks Awards & Comendations of Excellence 2018



STRATEGIC SUSTAINABILITY FRAMEWORK

- 2.1 Sustainability Governance, Strategy, Management & Practices
- 2.2 Risks & Impacts
- 2.3 Stakeholders & Materiality
- 2.4 Value Creation to National Priorities & the SDGs

Strategic Sustainability Framework'

NBE: Serving The Three Pillars of Sustainability

Sustainability lies at the heart of the NBE's main goals. We acknowledge our role in creating prosperity to ALL Egyptians and we are committed to serving the Nation, the government, businesses, and individuals while preserving the rights and resources of future generations.

NBE embodies the UN Sustainable Development Goals (SDGs) across its entire spectrum of functions, while the three sustainability pillars (economic, social, and environmental) have guided NBE's operations early on since inception.

The interconnected nature of the SDGs and the three sustainability pillars presents various cross-cutting issues. We have capitalized on our legacy, expertise, and international experience to operate and set a model of "Shared Value". We have managed an extended and inter-related tradeoffs and synergies across the three pillars.

The SDGs provides a holistic agenda with a vision of peace and prosperity, for people and planet, now and into the future. At its core, the recognition of ending all forms of poverty goes hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our ecological system (Air-Earth, and Water).

Egypt's Vision 2030 for the Sustainable Development Agenda (SDA), represents the way towards inclusive development that adopts the principle of integrated partnership with all stakeholders; the government, the private sector, and civil society, in addition to local and international development partners aiming to promote financing for development.

We have capitalized on our legacy, expertise, & international experience to operate & set a model of "Shared Value".

The Transition Towards NBE's Sustainability Frameowrk

In July 2018, NBE's Sustainability Framework started to take shape in synchronization with NBE's updates of its Strategy Pillars to align with the new CBE guidelines. (Read: The Winning Strategy)

Aligned with National Priorities and CBE's continuously evolving plans for financial inclusion, cashless society, and green financing, substantiality in NBE started its transition from a "CSR Activity" model, to a full-fledged framework late 2018, mandated by the Chairman, as the delegated authority to oversee the development of Substantiality Practices in the bank.

Engagement of Top Management

The development of our sustainability practices through operations and product development required a more technical and extensive engagement on the C-level. Dialogue and discussions included over 10 individual meetings with groups' heads throughout 2019.

Our Sustainability Framework has a direct reporting line to NBE's Chairman to ensure alignment with emerging risks, regulatory guidelines, national needs & business priorities.

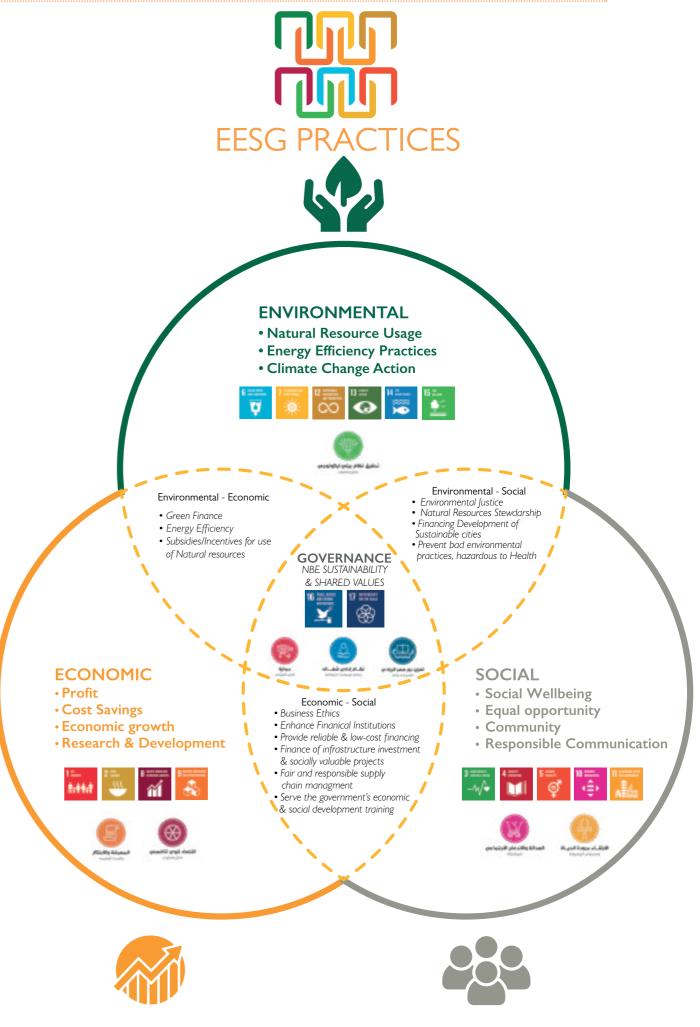
Our Sustainability Governance

Currently operating and monitored through a dedicated unit under the NBE's Strategy, our Sustainability Framework has a direct reporting line to NBE's Chairman to ensure alignment with emerging risks, regulatory guidelines, national needs, and business priorities. The members of the Board are periodically presented with the results of social and environmental activities that take place under the new framework. The Frequency of reporting to the Chairman and Board is often increased in the event of emerging needs or new guidelines by the regulators.

The Chairman and Board discussions on economic, social, and environmental topics are part of NBE's identification process for critical topics and their impacts, risks, and opportunities. Implementation of the Board's decisions and due diligence process is then conducted under the Supervision of the Strategy Department and its affiliated Sustainability Unit. (Read more on: Stakeholders and Materiality)

NBE's New Strategic Substantiality Framework was approved by the Board of Directors in 2019 and a comprehensive 5-years plan was presented as part of the Board induction of NBE's future.

The Board has announced and mandated the start of the preparation of this report, marking a new era of monitoring, discussing, and reporting on NBE's Sustainability efforts.



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Risks & Impacts

I. NBE's Risk Appetite

Our risk appetite is annually determined and reviewed by the Board of Directors, while considering strategic and business planning, and enforced by a robust framework. (Read on: Risk

Governance and Management)

NBE's risk appetite statement is defined in both qualitative and quantitative terms and is integrated into our strategic planning processes and the lines of our business. Our risk appetite framework is guided by the following principles:

NBE's risk limits are guided by our risk principles and risk appetite which are linked to business decisions and strategies. These limits are reviewed and approved by the Board of Directors.

NBE utilizes an Enterprise Risk Management System (ERM) that provides integrated risk solutions to enhance the monitoring and measuring of the bank risks. The system incorporates Credit Risk Rating System and Loan Pricing ALM Risk Management, Hedge Accounting, Operational Risk Management, Basel Compliance, Risk Aggregation, Limit Management and Capital Planning. (Read on: Risk Management)

- OI Ensure strong capital adequacy
- O2 Sound managment of liquidity funding risks
- Maintain stability of earnings
- 04 Address social & environmental risks

NBE'S MAIN FIVE CATEGORIES OF RISKS



2. Risk Management of Specific Risks

Credit Risk

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 & vivid understanding of inherent risks associated with transactional credit within the industry.

MICRO, SMALL & MEDIUM-SIZED ENTERPRISES

While realizing the importance & 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 & streamline monitoring & control processes.

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. We guarantee working to preserve the environment & business continuity through a robust integrated E2E CRM system adopted forcard activities. This system will be gradually deployed/adopted for all product range offerings. This in turn, will automate the full risk assessment cycle & make it a paperless cycle.

COUNTRY & FINANCIAL INSTITUTIONS CREDIT RISK

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

PORTFOLIO MANAGEMENT

The portfolio management division is focused on measuring inherent risks & analyzing the impact on capital. This includes implementation of various stress scenarios to ensure capital sufficiency & adequate planning, in alignment with 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.

NON-PERFORMING LOANS & RECOVERY

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

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4.



Market Risk

The purpose of the Market Risk group is to measure/manage the risk associated with bank investment decisions and hedging transactions while analyzing the impact on profitability and liquidity 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 & strategic portfolios.
- Liquidity risk through measuring & managing asset liquidity and funding sufficiency.
- Fixed Income Risk for both trading & non-trading activities.
- Interest Rate Risk to quantify the impact of interest rate movements on capital & profitability.
- Quantitative Methods unit to continuously validate risk models, analyze economic early warning indicators & market data, & breakdown of Basel policies requirements & best practice implementation.
- Continuous assessment for liquidity sufficiency and present the necessary recommendations through ILAAP.

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

Operational Risk

NBE operational risk management framework reflects an ongoing, proactive approach to maintain 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 organizational resilience concepts and ensuring the capability of an effective response that safeguards the bank's interests, reputation, brand and value-creating activities.

ALTERNATE SITES	NO. OF ALTERNATE SITES	NO. OF BUSINESS LINES
Inside Cairo	4	57
Outside Cairo	16	41
Total	20	98

More than 900 users were trained on the process of business continuity plan, through all business lines, allowing NBE's readiness to use the alternative sites and work at any time, in addition to other business continuity solutions applied, such as work from home solutions which ensures more flexibility of NBE's business continuity plan.

Cyber Security & Digital Risks

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. Information and cyber security risks enhance security measures and controls to mitigate the identified risks. This further enhances the proactive detection and monitoring of such risks to minimize the impact on the confidentiality, availability, and integrity of the Bank's information assets. The Bank follows a mature and secure software acquisition and development life cycle process. This process ensures embedding the necessary security requirements at the early stages of new projects or business initiatives, as well as implementing the necessary security measures and controls in alignment with NBE's security polices, industry standards, and regulations.

3. ESG & Our Sustainability Risks

Global and regional instability of the geopolitical sphere, economic/trade war disruptions, increasing environmental concerns, and its direct and indirect impact, in addition to the progressing of environmental, social and governance (ESG) agenda, has geared the financial system to move at a faster pace to accommodate associated risks.

Moreover, in a highly dynamic national context and the importance of the financial sector, sustainability has become an inventible key consideration in our day-to-day risk management activities and decisions as a result of the increasing regulatory concerns and focuses, as well as NBE's commitment as a national bank. Accordingly, sustainable banking and sustainable finance

are now the main pillars in NBE's strategy.

As ESG regulatory agenda, best practices and legal and regulatory requirements evolves, NBE continues to align its risk management approach accordingly.

NBE's approaches, measures, and solutions to address risks are well defined across the sections of this report. All of them are well identified through the lens of ESG and Sustainability Pillars.

The following shows how ESG considerations are incorporated into our current risk practices and management, including operational planning and development of new products.

ENVIRONMENTAL

The 2019 global risks report (I), set three environmental risks among the top 20 globally. Our Material Risk Assessment process considers the impact of climate change on the business environment. NBE was the first bank that dealt with environmental issues and assisted in many environmental programs and initiatives. A Group Project Finance policy was launched & defines the rules for financing long-term infrastructure, industrial projects, & public services. The working group has identified sectors that NBE is keen to support with finance projects (e.g. EPAP). It also identified sectors to which the bank has a low appetite for lending. In addition, several sectors, considered to be incongruent with our views of sustainability, were identified for exclusion from future lending. We are working to incorporate these exclusions into credit risk policy as well. (Read on: Environmental Value Creation for Planet Regeneration)

SOCIA



NBE's business model is built based on committing to value-creation relationships with employees, suppliers, customers, & the community at large; leading NBE to maintain its socially responsible business practices within its core business activities & services. People and Culture Risks, as well as associated frameworks & policies, have been developed to support NBE's ongoing ability to recruit, retain & develop staff, & to encourage employee engagement. (Read on: Social Value Creation for People)

GOVERNANCE .



The Regulatory Compliance Risk Management Framework sets out the principles, & responsibilities to achieve compliance objectives. This is supported by policies designed to protect our customers against Anti-Money Laundering, Counter-Terrorism Financing, & Data Protection.

Additionally, & as part of NBE's due diligence process, we screen customers against certain criteria including terrorism & sanctions. We monitor the activity of our customers' bank accounts & transactions to ensure any unusual activity is investigated & dealt with swiftly. These processes assure the safety of our business & our customers. All staff is requested to attend training for Financial Crime, which incorporates AML, CTF, Sanctions, & Fraud. (Read: Our Governance)



Social, Economic & Environmental **SMEs Credit Risk Approach**

Management Oversight:

SMEs financing has been identified as a key value driver for growth in light of their contribution in GDP and the nation's workforce. NBE's increased focus on SMEs financing commenced in 2009 by establishing and adopting a clear criteria for clients defined as SMEs. This comes on the premise of annual revenues, following to which specialized teams were formed with a clear segregation in duties amongst business development, risk assessment and management and credit control to maintain reliable control through the E2E lending process.

The SMEs Credit Risk group is focused on the development of a risk culture to effectively manage the organization's risk profile, while taking in consideration social and environmental aspects.

While realizing the importance and capitalizing on the bank's branch network, credit risk is being managed on geographical basis, with maintaining risk presence by way of semi-centralized structure located in all governorates to serve the purpose of:

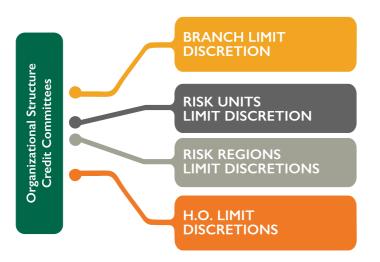
- Understanding of the business environment.
- Swift response & feedback.
- Tight control.

Impact of Geographical **Management of SMEs Risks**

Mitigation of Risk

The geographical distribution facilitated proximity for clients, while the support of the investigation teams (at a branch level) facilitated a continuous stream of information flow and reduced concentration risk.

Having identified the target groups and capitalized on geographical coverage facilitated better understanding for key challenges to access finance.





THE CHALLENGES

Challenges include, but not limited to, financial illiteracy & awareness, stretched procedures & approval processes; inadequacy of service & product offering & high financial costs. Our financial inclusion efforts have been focused on mitigating key challenges of exclusion.







THE SOLUTION

Raising financial literacy and awareness, as a key goal, has been addressed through open dialogues.

Leading to direct assistance in preparation of document sets and are supported by a clearly defined basic financial interpretations and projections to assist and present credit files for client applications.

Focus groups were utilized to understand industry specifics to improve tailored product offerings.

THE OUTCOME

Standardized credit applications forms, documents sets, lending criteria, documentation requirement sets, KPIs & irregularities tolerance levels were defined. They processes & a specifically developed grading & scoring models, that were deployed to streamline lending in alignment with the ticket size & deal complexity.

THE IMPACT

The geographical spread cemented NBEs footprint for pioneering SMEs financing & was a key driver for our clients' growth. This has been evidenced by the transformation of 175 clients from SMEs to large corporates in essence of their respective annual T/O exceeding the SME revenue threshold.



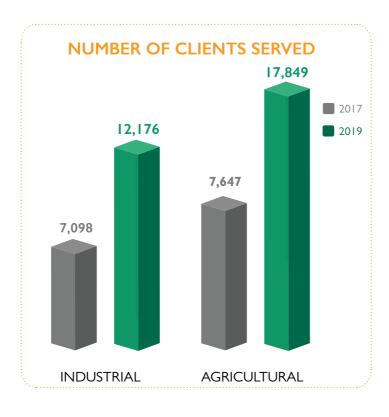
Impact of Sectoral Management of SMEs Risks

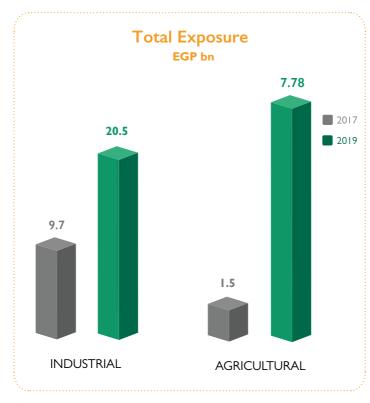
NBE's shared value has been one of our main approaches when it comes to SMEs strategic expansion plans. NBE is focused on promoting and extending finance to industrial and agribusiness activities for being a core contributor in the nations GDP with an immense impact on Economy and Environment.

Environmental Impact:

As a result, our share-wallets for the preceding were doubled to reach 12.7 and 16.6 thousand for industrial and agricultural activities, while our credit applications addressed and assessed environmental impact of transactional credit:

- For the industrial sector: assessment and monitoring of the extent of compliance and action plans in line with local regulatory requirements for industrial sector.
- For the Agriculture sector: finance priority is given for projects deploying pollution abatement, recycling facilities, renewable/alternate energy efficiency and transformation. For agricultural projects alternate irrigation and water saving come as a financing priority.
- For Bio Energy: finance has been extended to erect bioenergy production facilities and organic fertilizers from sewage and waste. Total funding amounted to EGP 28 mn includes: energy preservation initiatives with extending finance for innovative solutions through recycling of sewage waste water and agro wastes aimed to generate electric power with an hourly capacity reaching KW499 / hr for residential areas. This is in addition to replacement and transformation of industrial furnaces to bio-energy or renewable energy driven alongside organic fertilizers production with total financing amounting to EGP 40 mn.





Economic Impact:

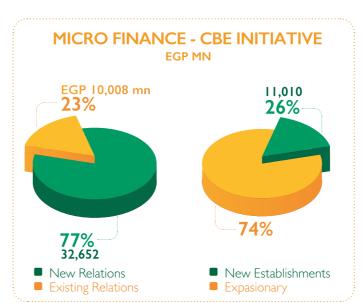
Mitigating risk by transferring credit risk to financiers allowed NBE to expand the breadth of its client base with a risk assessment measure that permitted NBE to penetrate micro segment directly and indirectly through offering tailored products or through micro financiers. As a result, new additional EGP 1.9 bn were indirectly financed through 33 intermediaries, along with NBE's direct financing services offered for 27.2 thousand clients amounting to EGP2.6 bn in June 2019



Social Impact:

Micro financing remains the main enabler to social wellbeing through economic prosperity. The alleviation of exclusion barriers has been front and center in our Risk Management approach to achieve NBE's strategic goal for financial inclusion.

NBE was able to increase its micro lending by 50% and it has successfully and actively assisted include 6000 new clients to become bankable and migrate to the formal economy



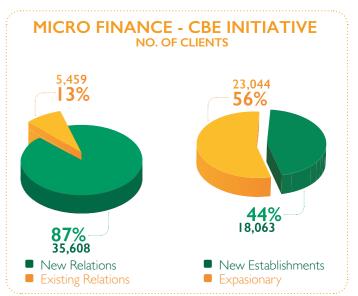
In regard to NBE's strong belief in avoiding gender inequality, the bank has embarked on extending finance to women in business. About 45 business women have benefited from this initiative. (Read on: Women in Business)



NBE has helped 9,500 individuals to become recognized legal entities and actively contribute to the economy, which has made them eligible for their first micro financing through NBE.

NBE equally played an active role with new client registrations for the Central Bank Micro Initiative (Your Project). As a result, 200 clients have received their first micro financing through NBE in 2019.

Financing new establishments represents 13% of the total client base and 25% of the afforded limits marked under the CBE small financing initiative amounting to EGP 11 bn.



51



Stakeholders & Materiality

Engaging Our Stakeholders

Robust relationships have always been one of NBE's strengths for delivering our strategy with long-term values to our stakeholders while allowing our Risk Management to gear our business resiliently and sustainability. With the complexity of our stakeholders' expectations, we are committed to share with our readers how we work diligently to operate and regulate our business in the multi-dimensional sphere that connects our strategy, risks and stakeholders' engagement. This leads in turn to, thus updating and improving our annual strategic priorities in a manner that addresses both our external and internal environment and creates proper value to each category of our stakeholders.

Our Stakheholders' Categories & Dialogue

The NBE sustainability issues were developed and reviewed in consultation with key stakeholder groups.

We believe that the key element to the success of our commitment is how integrally involved are those impacted by our business.

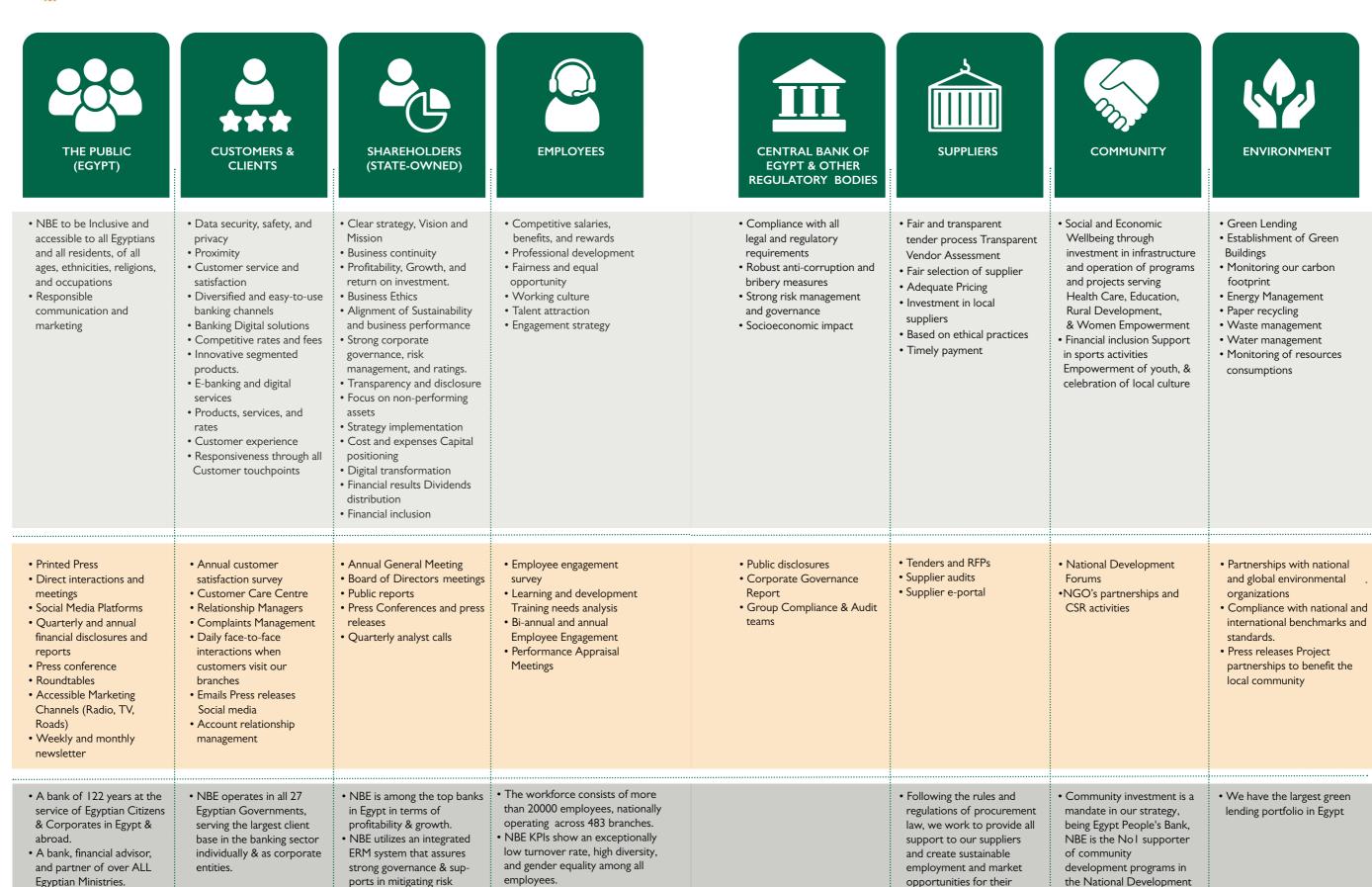
We consider their needs and expectations and identify the most material issues that we believe deliver the greatest value for each accordingly.

To identify our stakeholders, we followed an internal mapping process that is updated as our business develops, our nation grows, and our stakeholders continue to be involved in voicing their insights.

Our eight key stakeholders are identified into main categories, with whom we engage through various communication channels, that are most effective to each, depending on the frequency and magnitude of mutual impact.²







54 55

own businesses.

Agenda



Materiality¹

As a result of our stakeholder engagements, NBE compiles a comprehensive list of relevant economic, ethical, social, and environmental impact areas- a total of 55 topics that are in practice or emerging through our risk assessment. (Read: ESG & Our Sustainability Risks) The list of material issues is disseminated by our Strategy Department to be reviewed once again by each of the bank's departments that we consider as proxies to each of our stakeholder categories or group.









OUR MATERIAL TOPICS ARE CATEGORIZED BASED ON OUR MAIN FOCUS AREAS

ECONOMIC

- I. Financial Performance Sustainable Investment
- 2. Responsible Lendin
- 3. Innovative Financial Service
- 4. Fair Selection of Suppliers

ENVIRONMENTAL

- 5. Leading Transition to Low Carbon Economy
- 6. Green Finance
- 7. Environmental Impact of Operations
- 8. Responsible Procurement & Supply Chain

SOCIAL

- 9. Financial Literacy & Inclusion
- 10. SMEs & Entrepreneurship
- 11. Digital Innovation & Transformation
- 12. Responsible Communication & Marketing
- 13. Community Investment & Development
- 14. Talent Attraction, Development, & Retentio
- 5. Diversity, Inclusion & Equal Opportunities

GOVERNANCE

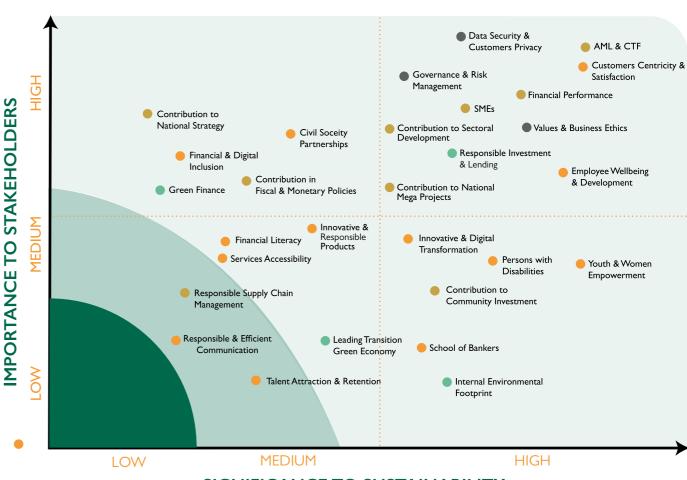
- 16. Compliance & Risk Management
- 17. Integrated Strategy
- 18. Data Security & Customer Privacy
- 19. Values and Business Ethics
- 20. Engagement in Public Development Policies

Material Topic | Prioritization & Boundaries

In line with the materiality assessment process set out in the GRI Standards, the result of this mapping allows us to identify and prioritize our material sustainability topics. We are able to focus on what matters most to our business, and stakeholders, while we identify the impact boundaries of each of our Material Topics.

Our Materiality Matrix comes as the final phase, where our material topics are exclusively updated in alignment to latest NBE Strategic Priorities of 2019 to ensure that the range of issues included provides a complete representation of the bank's significant sustainability impacts that are still in practice to date.

A list of material topics and their importance level has been concluded for the reporting years, and revisited in 2019, leading to our current list of material topics. This comprehensive and inclusive approach to materiality ensures a robust footing for future development of our sustainability practices, with an eye on our Strategic Directions. (Read on: Our Sustainability Strategic Framework)



SIGNIFICANCE TO SUSTAINABILITY

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Commitment to Egypt & the World

NBE contributes to the achievement of Egypt's National Priorities & the United Nations Sustainable Development Goals.

Our Value Creation Mapping highlights how our core business operations and activities create value with a global and national purpose, and impact.

At the forefront of our strategic performance: our Digital Approach for Financial Inclusion, supporting SMEs, e-commerce, empowering youth, green financing, and community investment; are among many more of our key impacts.



Value Creation to National Priorities & the SDGs









Responsible Lending

NBE lending portfolio: EGP 545 bn Growth Rate of 19.1.% y-o-y

Retail lending: EGP 73.2 bn Growth Rate of 61 % y-o-y

Depositor of Choice

NBE is the banking destination for women, youth & low-income segment.

Deposits II70 bn Market Share 29.7%

Outstanding Support to SMEs

NBE's unprecedented growth of 32% in Lending Portfolio to SMEs is the largest in the Egyptian Banking history.

Currently serving 71,211 businesses, with our portfolio value of EGP 57 bn in 2019. Our target is to reach EGP 100 bn by end of 2020.

Acceleration of E-Commerce

NBE is the largest E-commerce platform in Egypt with EGP 5.2 bn in volume of transaction, placing the bank at 70% of market share of the e-commerce business.





Pioneering Green Finance

The Private Public Sector Industry Project (PPSI)

NBE was the Apex Bank in one of Egypt's largest initiatives by Ministry of Environment (MOE) and Egyptian Environmental Affairs Agency (EEAA). Grant funds reached EUR 7.17 mn.

Cleaner Production Program

NBE funded the industrial sector with more than EGP I bn through the EPAP2 project, resulting in Carbon Emission Reduction of 650,000 tons CO₂ annually. The program was funded by the Aid Danish (DANIDA) & under the umbrella of the Federation of Egyptian Industries.

The Egyptian Pollution Abatement Program (EPAP I, II, & III)

Aimed to decrease pollution in project's hot spots by enabling private & public sector industrial enterprises to invest in pollution abatement measures.

Advocate of Climate Change Action

NBE is the first partner of the European Bank for Reconstruction & Development (EBRD) to finance climate-related projects.

NBE secured a \$150 mn financing package dedicated to SMEs in the areas of climate change & social inclusion through employment programs.

Reducing our Environmental Footprint

NBE took robust measures to enhance efficiency rationalization. Through our increased dependence on renewable energy, NBE has managed to reduce its carbon emissions by 206,000 tons annually.







The Inclusive Bank of Egyptians

12.4 mn customers.

40% of our clients hold liability accounts under EGP 1000 (\$60).

Unmatched outreach and simplified banking processes, with **6000** new clients daily inclusion.

Affordable Housing Lender

68,321 customers, where Low-income Households constitute **95%** of our housing lending facility.

Women Empowerment

Women constitute **40%** of our depositors **59.4%** of our microloans for women-owned business.

School of Bankers: Young & Professionals

The Largest annual Youth Training (Internship) Programs within the Banking Sector. A total of **800** university students & **1500** fresh graduates were part of NBE's programs in 2019.

Micro-financing: Empowerment of low-income segment

NBE micro-financing services has supported over **26,081** financing outlets across Egypt, with financing balances exceeding EGP 2.2 bn by end of 2019 at a growth rate of about 69% over 2017. Our customer-base include **938** civil society organizations

Financial Literacy

NBE's annual participation in the yearly Arab Financial Inclusion Week is among our most successful awareness and financial inclusion efforts.

Our awareness campaigns have gone MOBILE. A fleet of NBE Mobile Convoys were deployed to Upper and Lower Egypt Governorates.

Digital Financial Inclusion

Supporting Transition to Cashless Society

By June 2019, two million "Meeza" cards issued across the country by the National Payments Council to boost the transition to a cash-less society & accelerate financial inclusion.

NBE provided access to the National "Meeza Card" to **297,905** citizens, reaching **1807 mn** issued cards till end of March 2020.

Promoting Savings' Discipline for Youth

Signed agreements with 27 Egyptian universities

Issued over **1.2 mn** cards & 4.2 mn pre-paid cards for students

Largest National Contributor to E-Government Payment

Facilitation of wages payments for **55%** of all payroll-payments for Egyptian citizens through NBE electronic payment services.

NBE Digital Banking

Retail Customers:

over I.3 mn, across our digital channels

Corporate Customers:

13,468 businesses, growing at 85% increase

Social Responsibility for Sustainable Comminities

The Largest National Social Funder and Contributor to Social National Development Goals mounting to an average of **9%** of NBE's Net profit at **EGP 6 bn** across distinct pillars: Health, Education, the Development of Youth, Poverty Elimination, Care for Special needs, Families in Debt, Development of Housing projects and Integrated Communities.

People with Special Needs

NBE leaves NO-ONE behind. We take measures to remove barriers for persons with special needs through accelerated services and priority queues and targeting to serve 4 mn customers.

Branches equipped for persons with physical disabilities. ATMs are voice-active for instructions. All branches with professionally trained employees on Sign Language. In 2019, our NBE family has welcomed **177 EMPLOYEES WITH SPECIAL NEEDS,** who have also helped the bank to enrich its understanding of our customers' potential needs & barriers.









Anti-money Laundering & Combating Terrorist Financingi

NBE adopts the latest technologies and methods in AML & CTF. Our transactions are monitored against sanctions & regulatory KYC measures.

our 14,136 employees through 2019, managing those areas, received more than 8 trainings in the field of financial crime (AML, CFT, Sanctions, Fraud) & compliance & governance.

Data Privacy & Security

NBE places the confidentiality & integrity of customers' data at the highest level of importance and compliance.

NBE is complaint with the **PCI DSS** (the Payment Card Industry Data Security Standard) and its main Data Center has been certified to **ISO /IEC 27001** (the Information Security Management System – ISMS).



ECONOMIC VALUE CREATION FOR NATIONAL PROSPERITY

- 3.1 Investment for Development Impact
- 3.2 SMEs: Support Economic Growth & Employment Creation
- 3.3 Supporting the Government
- 3.4 Trade Finance Hub
- 3.5 Supporting Egypt's Econoic Reform
- 3.6 Saving Hub



Value Creation for National Prosperity

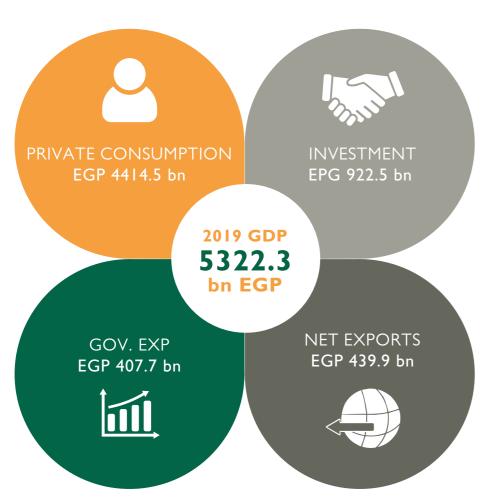
Post the economic recovery period, Egypt's Gross Domestic Product (GDP) started showing continuous increase reaching EGP 5322.3 bn in 2019, with a growth rate of 19.9 % in nominal terms and 5.6% in real terms compared to 2018. Analysis of the GDP components for 2019 compared to 2018 shows that private consumption growth rate stands now at 0.9% and accounts for 82.9% of GDP compared to 85.4 %.

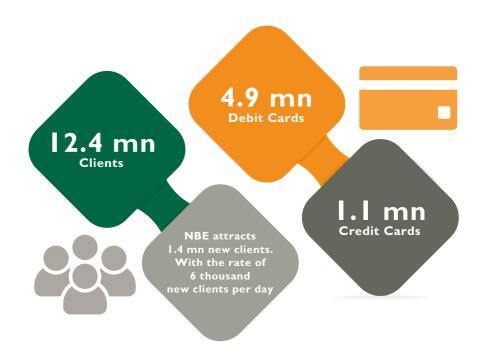
Government expenditures growth rate is 10 % and represents
NBE played a vital role in supporting the National Sustainable 7.7 % of GDP compared to 8.4 %, while total investments growth Development Agenda to foster economic growth. NBE's posirate is 27.9% and its contribution to GDP is 18% compared to tion as a national bank has always shown advocacy to social and 16.2%. Net exports growth rate is 5.2% and accounts for 8.3% economic impact in supporting the government, private sector, of GDP compared to 10.5%.

These indicators show improvement in the sources of. GDP growth as it leans more toward investment with a reduction in net-exports gap against consumption and government expenditure.

and households.

NBE contributes to the component of Egypt's GDP through its vast range of activities and lines of business as follows:





I.Responsible Retail Lending

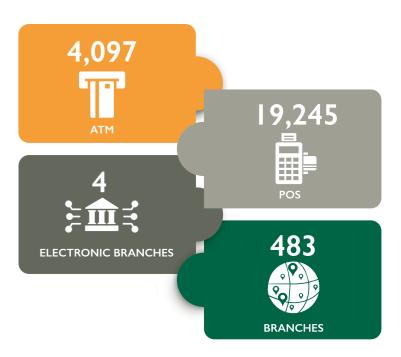
NBE: one-stop-shop retail banking lending destination for the people of Egypt.

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 towards customer attraction and retention.

NBE retail lending enhancement efforts are geared to offer the household sector the luxury to enjoy affordable and accessible products and services, improve their banking experience and maintain a long-term relationship. Our role serves as a mean to improve the standard of living for our clients through facilitating accessibility to various products and services, which in turn serves both the national and international development agenda (SDA goals 1,2,3) (SDGs 8,11).

Through a network of 483 branches including 4 digital branches, 4097 ĀTM (32.4% Market Share) and 19,245 POS (24.1% share) NBE is serving 12,4 mn customers

In 2019, NBE extended its outreach by opening 38 new branches, established 101 new ATMs and attracted 1.4 mn new customers.



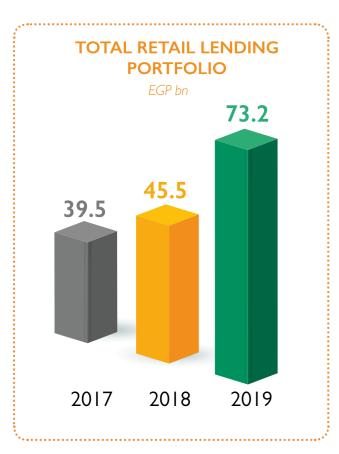
NBE: one-stop-shop retail banking lending destination for the people of Egypt.

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L CBE 2018/2019 Bulletin



During the reporting period, NBE retail lending portfolio has developed steadily, witnessing a continuous increase reaching EGP 73.2 bn in 2019, with a growth rate of 61% compared to 2018, and average growth rate of 38% for the period (2017-2019).



Our aim is to support the household sector and fulfill their personal needs. NBE retail lending portfolio represents 1.7% of Egypt's total private consumption in 2019.

2019 Retail Lending Categories

Personal Loans
EGP 54 bn
Growth rate 88%



Mortgage Loans
EGP 7.8 bn
Growth rate 76.7%



Overdraft Accounts
EGP 5.2 bn
Growth rate (-22.8%)



Credit Cards
EGP 5 bn
Growth rate 30.8%



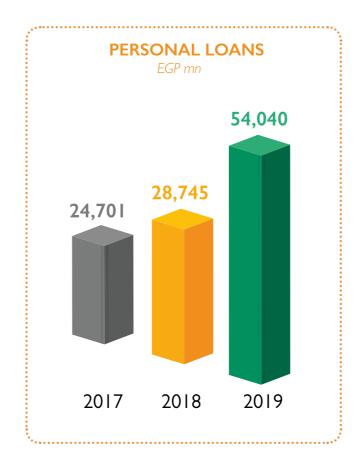
Auto Loans
EGP 1.2 bn
Growth rate (-34.2%)





Personal Loans:

One of the most popular products of NBE is its personal loans. Our portfolio of personal loans is able to reach out and cater to most of our customers across the government and private sector. During the reporting period, NBE portfolio has grown from EGP 24.7 bn in 2017 to reach EGP 54 bn in 2019, an increase of 118.8%, and a growth rate of 88% in 2019 compared to 2018.



Mortgage Loans:

Real estate sector is a key growth driver due to its vertical and horizontal linkages to various economic activities and sectors. As part of its Socio-economic impact, and to support the CBE initiative for affordable housing, one of NBE's key components of retail lending is mortgage loans offered to middle- and low-income categories.

For the 2017-2019 period, NBE has witnessed an increase in the number of beneficiaries demanding affordable home loans. The Bank always strives hard to fulfill customer expectations by upgrading its loan portfolio. NBE's portfolio has grown from EGP 2.5 bn in 2017 to EGP 7.8 bn in 2019, recording an increase of 216.2% and a growth rate of 76.7% compared to 2018.



Our customers experience is simple, intuitive, and seamlessly in- teractive transactions. They feel connected across many physi- cal and digital touchpoints. All our indicators show continuous improvement over the reporting period with respect to our proximity to individual clients. NBE's client base increased from 19000 in 2017 to 68321 in 2019, reaching 359.6% with a growth rate of 77.2% compared to 2018. Approximately, 95% of our recipient clients are of low-income category.



Auto Loans

NBE is helping customers to upgrade their living standards As an extension of our credit facilities to support our clients by providing auto loans at competitive rates. The initiation of multichannel sourcing and a quick Turn Around Time (TAT) has accounts facilitate the completion of their business or personal helped NBE's market penetration across this segment. NBE's transactions. Our portfolio reached EGP 5.2 bn in 2019. auto loan portfolio was valued at approximately EGP 1.2. bn in 2019.

Credit Cards

Credit Cards facilitates the purchase of goods and services and assist in increasing the volume of retail market sales. NBE holds the highest market share for credit cards with 34.4%. It caters to the needs of all segments of society: youth, women, and employees across public and private sectors. Our clients base reached 1.1 mn in 2019, while our Credit Cards portfolio reached EGP 5 bn with a growth rate of approximately 31% compared to 2018. To better serve our clients, our points of sales (POS) reached 19245 in 2019 covering all over Egypt.

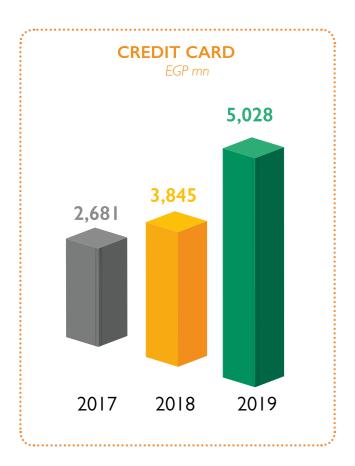
Overdraft Accounts

and fulfill their business and personal needs, NBE's overdraft

Taxes

With EGP 166 bn in tax payments, NBE holds the highest share in e-government tax receipts paid by individuals, companies, and institutions among all participating banks providing this service. NBE extended the working hours of 64 branches to provide the service of collecting tax payments.

In addition, NBE collected more than EGP 12.7 bn in electronic payment system for Customs Authority from corporate clients during 2019.









Investment for Development Impact

NBE's economic impact is extended through our lending facilities to the private sector aiming to promote economic development. To this end, we utilize our expertise and our digital and technological capabilities to provide the private sector with reliable, competitive, and accessible financial solutions that support them in their growth. This is reflected into job creation and economic development. NBE contributes to the growth of the private sector in around 18 economic sectors, covering both the production and service sectors. NBE total investment portfolio is EGP 583.6 bn. Our investments directly support economic growth and contributes to Egypt's national investment plan which supports national policies in attracting FDI's. In addition to that, our investment indirectly supports raising the standard of living for the Egyptian people, and sustainable environment goals in the national development agenda, as well as SDGs 7,8,9,11,12&13 in the international agenda.

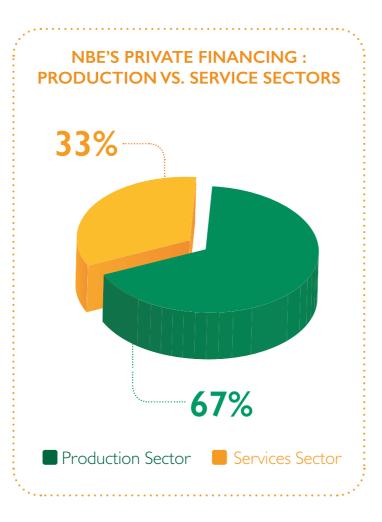
NBE total investment portfolio is EGP 583.6 bn. Our investments directly support economic growth & contributes to Egypt's national investment plan which supports national policies in attracting FDI's.

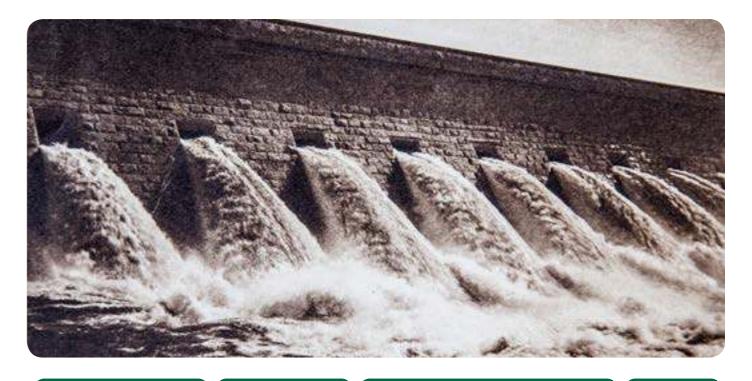
Corporate Portfolio

NBE private corporate portfolio reached EGP 143.9 bn in 2019, out of which EGP 96.4 bn are directed to the production sector, and EGP 47.5 bn to the service sector.

NBE: Private Financing, **Production VS.** Service Sectors

In line with CBE initiatives towards industrial deepening, 38.2% of NBE's private sector lending portfolio in 2019 was directed to the industrial sector, followed by 15.9% in the whole sale and retail sector.





PROJECT	SECTOR DESCRIPTION		AMOUNT
EGYPTIAN CHEMICAL INDUSTRIES COMPANY (KEMA) - EXPANSIONS	Fertilizer Industry	NBE supported the Egyptian Chemical Indus - tries Company (Kema) in the implementa - tion of its expansions through providing approximately 30% of the require finances.	EGP 532.4 mn + USD 88.4 mn
ABU-QIR FOR FERTILIZERS & CHEMICAL INDUSTRIES - EXPANSION	Fertilizer Industry	During the period 2013 to 2019, NBE Provided Abu-Qir for Fertilizers with 80% of the required funds to implement its plan to reduce Ammonia ratio in industrial water discharge.	UDS 16.4 mn EGP 911,000
SIDI KRIER PETROCHEMICAL COMPANY - SEDPEC Petrochemical Industry		NBE supported Sidi Krier Petrochemical Company in the partial payment of the company's gas supply bill, as well as other credit facilities for the company's investment in expansions & financing of major operating needs.	EGP 500 mn
BAHR AL-BAQR WATER TREATMENT PLANT Infrastructure		NBE contributed 44% of the required finance for the construction of Bahr Al-Baqr water treatment plant.	EGP 4 bn



Public Sector Portfolio

Supporting Egypt Vision 2030 Sustainable Development Agenda, NBE proudly provides financing to the Public Sector that impacts more than 12 vital economic sectors, with special emphasis on the economy's productive sectors, such as petroleum, electricity, building and construction, and transportation and storage, in addition to other diversified sectors.

Loans to the public production sector increased from EGP 162.9 bn in 2017 to EGP 192 bn in 2019, while the loans to the government service sector increased from EGP 74 bn to EGP 128.9 bn for the same period.

In line with Egypt's 2035
Integrated Sustainable Energy Strategy,
& Egypt's Oil & gas modernization project,
NBE contributed EGP 172.5 Bn



PROJECT	SECTOR	DESCRIPTION	AMOUNT
SOCIAL HOUSING FINANCE	Construction	As part of its national mandate to support Nation - al Mega Projects, NBE partially financed infrastruc - ture projects in the new adminstrative capital through providing the required funds to the New Urban Communities Authority. This is an addition to supporting the Social Housing Finance Fund through co-financing granted to the Fund since April 2018 to support in providing Low-income Category the chance for proper Housing.	EGP 3.2 bn
SUPPLY OF LOCOMOTIVES, SPARE PARTS & TECHNICAL SUPPORT	Transport	NBE provided finance facility to the National Railway Authority as part of a joint facility for GENERAL Electric to supply locomotives, spare parts, & technical support.	USD 575 mn
EGYPT RAILWAY ENHANCEMENT PROJECT- MANUFACTURING & SUPPLYING NEW POWER VEHICLES	Transport	NBE will contribute 69% of the required funds to the project of improving and rehabilitating railway services in Egypt. The total amount of the project is EGP 59.5 bn. NBE's contribution is directed to the Railway Mission Factory - Semaf, to help finance the process of manufacturing and supplying 40 new power vehicles for the National Railway Authority with a total of EGP 40 bn over the period (2017-2022).	Disbursed EGP 520 mn
COMBATING INDUSTRIAL POLLUTION	Industry	Three financing agreements were signed between NBE & 3 majors companies to provide financing under the industrial pollution control program-EP - AP to help them overcome environmental problems & achieve environmental compatibility in conjunction with the signing of technical agree - ments for those companies with the Environmen - tal Affairs Agency.	Euro 25 mn
STARTUP & ENTREPRENEURS SUPPORT	SMEs	NBE and the Arab Academy of Science, Technology & Maritime Transport have signed a memorandum of understanding to support, finance and build the capacity of young people, entrepreneurs, & innovators to establish startups.	EGP 2-4 mn



Direct Investment

NBE acts as the main catalyst in investment projects that yield economic and national benefits. Through participating in the establishment of these projects across various sectors and economic activities, NBE helps in diversifying such projects as well as geographically increase their outreach to most governorates.

NBE has a continually active role in funding construction sector projects and infrastructure projects for the state undertaken by private and public companies. Through its role, NBE aims to speed up the implementation of these processes and move faster toward achieving sustainable development priorities. In this regard, NBE support all economic activities directly and indirectly related to construction, assist in job creation, and improve the quality of life for all Egyptians.

During the reporting period, NBE granted facilities to clients to

carry out construction works in the new city of El Alamein as well as the Administrative Capital with a total of EGP 15.5 bn, representing around 21% of the total sector ceiling.

In addition to being economically and socially responsible, NBE is also environmentally supportive. NBE directs low-cost financial support toward Clean Energy and environmentally friendly industrial projects. Through the three phases of the EPAP Program, NBE facilitated many projects including the Green for Growth Funds (GGF) and the energy efficiency programs with a total of EGP 1.35 bn to clients in the Cement, Ceramic, Fertilizers, Petroleum Refinery , and Iron industries in cooperation with the European Bank of investment (EIB), the European Bank for Reconstruction and Development (EBRD), the French agency for development and environmental compliance, Gov. of Denmark, and the Environmental Compliance Office (ECO) in the Egyptian Industrial Federation.

SECTOR DESCRIPTION AMOUNT PROJECT In cooperation with other banks, NBE has cooperated with the government to invest & finance several investment projects, the most important of which are: INDUSTRIAL **DEEPENING** Industry USD 4 bn • Factory to produce tires for vehicles **PROJECTS** • Factory to produce solar panels of silica sands • Factory to produce steel pipes • Aluminum production plant to produce polythene NBE signed a partnership agreement with Emirates National Group (MBF) to establish an investment fund HEALTHCARE for Healthcare projects. **INVESTMENT** Healthcare USD 100 mn The fund is geared towards investment in the healthcare **FUND** field in various Egyptian governorates. The Canal company, owned by Al Ahly capital company a subsidiary of NBE, signed 3 major contracts to start the construction of the world's largest production plant for Beet-Sugar, located in western Minya, with a capacity of 900,000 tons of beet sugar per year. **CANAL BEET -**Industry USD I bn **SUGAR FACTORY** /Agriculture This comes in addition to the development, reclamation, & cultivation of 181.000 acres of land in the desert west of Minya (as part of the reclamation & cultivation project of 1.5 mn) with the aim of producing 2.5 mn tons of sugar beet per year & other strategic crops such as wheat & maize.

NBE contributes to 157 projects across various sectors and activities, with a total value of almost EGP 14.7 bn, with around EGP 12.7 bn of facilities granted, bringing the total amount of funds invested in those projects by the bank to almost EGP 27.4 bn. Types of projects invested in includes:



COMMUNICATION & IT SECTOR

inc. e-Finance & Fawry



TOURISM SECTOR

inc. Misr International Towers & Sharm Dreams Holding for Tourism & Hotels



HOUSING & REAL ESTATE SECTOR

al Towers inc. Al Ahly for Real Estate
Holding Development



CONSTRUCTION & BUILDING MATERIALS SECTOR

inc. Medcom Aswan Cement.



FOOD & AGRICULTURE SECTOR

inc. Al Ahly Land & Agricultural Reclamation.



PETROLEUM SECTOR & NATURAL RESOURCES SECTOR

inc. Alexandria National Refine & Petrochemicals (ANRPC)



inc. trade, distribution, & medical companies

DISTRIBUTION OF NBE INVESTMENT % 2.1% 3.7% 0.4% 7.7% 33.5% 11.7% 21.9% Financial firms Real Estate & Housing Real Estate & Housing Banks Food & Beverage Others



NBE's investments have showed great success over the last decade, in line with our strategy to stimulate direct investment by seizing opportunities of high-quality investments while balancing exits. The success of our policy implementation is apparent in:



I. A qualitative change in the composition of the investment portfolio where the number of projects in which it contributes in has decreased. The bank reached 157 projects in 2019 compared to 183 in 2010, while the value of the bank's investments in these projects reached EGP 14.7 bn in 2019 compared to about EGP 10 bn in 2010.



2. A quantitative measure of the facilities granted by the bank to the companies it invests in reached EGP 12.7 bn compared to about EGP 9.7 bn previously, representing a 31% increase.

NBE helps achieving that role by rotating investment portfolio through an investment optimization policy of entering and exiting, which contributes to the following:

- Attracting new investors to maximize the size of the projects through expansions.
- Allowing NBE to participate in new projects that serve the national economy and help achieve development plans.
- Maximize NBE's capital gains which is consequently reflected in the general budget of the state considering that the bank is fully owned by the state.
- In addition to that, the bank plays a role in restructuring distressed companies for the purpose of promoting existing entities to contribute to the national economic growth.

In addition to its previous role, NBE's strategy encompasses several themes, including its vital role in Direct Investment, which is the foundation for sustainable development plans such as:

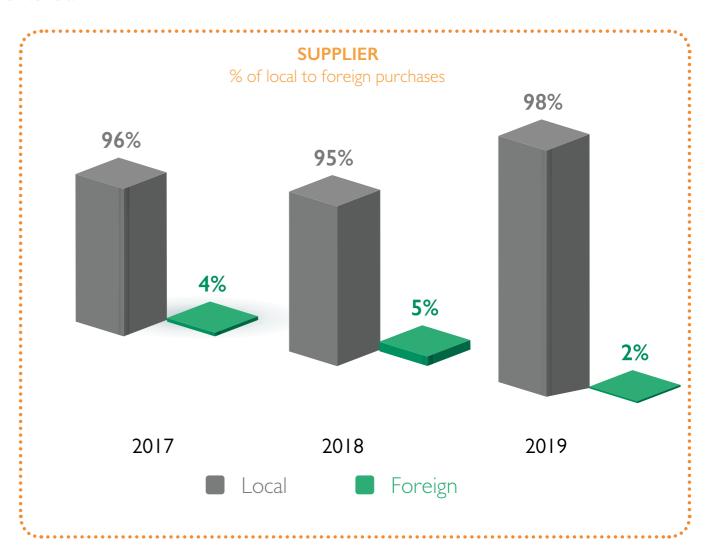
In the Agriculture sector, NBE is to finance companies that are allocated 1,000 acres of land in collaboration with the Future of Egypt project where 170,000 acres reclaimed throughout Dabaa Road. Also, to coordinate with Al Ahli Agricultural Reclamation to study the possibility of contributing to the project investment.

On the Environmental sphere, in collaboration with Banque Misr, National Investment Bank, and the Ministry of Environment, NBE signed a protocol with a holding company to collect and recycle garbage.

For attracting more FDI, NBE has signed a memorandum of understanding with the Emirates Council of Investors Broad to enhance cooperation and to support and explore investment opportunities, and increase the investments share in Egypt.

With Pride, a Local Supply Chain

NBE is keen to support the private sector in many ways, our procurement procedures have always been in support for local suppliers and vendors.



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SMEs: Support Economic Growth & Employment Creation

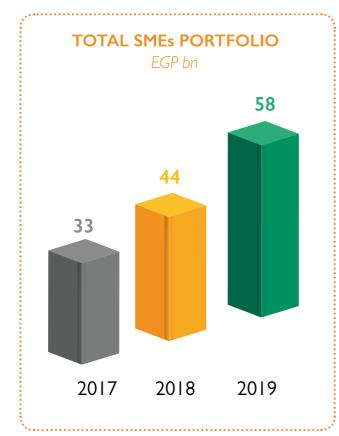
Since its inception, NBE has supported the CBE initiatives. In January 2016, the CBE directed all banks to increase finance provided to small and medium-sized enterprises (SMEs) with the goal to have SMEs accounting for no less than 20% of the banks' total loan portfolios within the next four years, with com- petitive interest rate. Additionally, each bank should establish specialized units for providing the financial services to these enterprises.

In recognition of its pivotal role in job creation, NBE geared its efforts toward supporting SMEs and microfinance through a wide range of products and services that supports the national development agenda directly in promoting economic growth and creating job opportunities; and indirectly through supporting social justice and social inclusion goals (SDA goals 1,2,and 3).

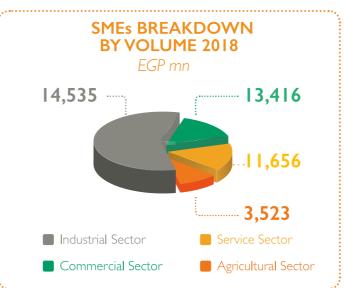
NBE serves multiple sectors through SMEs lending ranging from: industry, commerce, agriculture, and services. The Industrial Sector constitutes 41% of our lending facilities [m1] as part of our support to the Economic National Plan and the CBE initiatives. Growth rates of our loans in the industry and agriculture sectors were 40.9% and 40.5% respectively for the year 2018-2019.

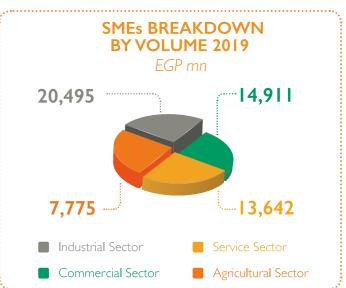
Throughout the reporting period, SMEs lending portfolio increased from EGP 30.9 bn in 2017 to EGP 56 bn in 2019, a total increase of 81%, and a growth rate of 31% in 2019 compared to 2018

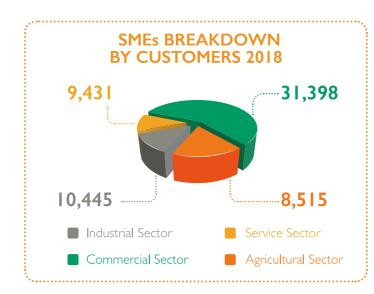
NBE serves SMEs in all economic sectors including services, trade, industry, and agriculture, and has partnered with different public and private entities through several cooperation protocols to promote SME finance in specific sectors.

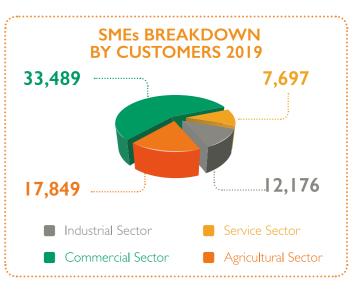












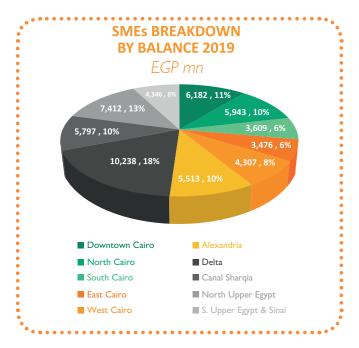
Supporting the central bank's initiative to support SMEs, and honoring our commitment to achieving the goals of Egypt vision 2030, NBE has provided an integrated financial solution that empowers SMEs and enhance their growth not only through loan provision at low interest rates but through providing non-financial services such as coaching, proctoring, and advice through Nile Pioneers.

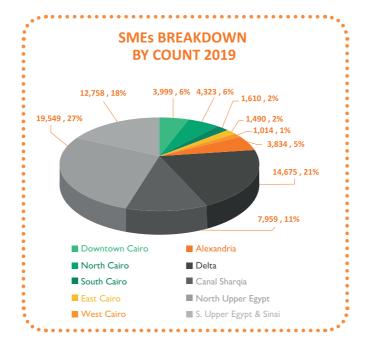


	SECTOR	AMOUNT	DESCRIPTION
MINISTRY OF TRADE & INDUSTRY INITIATIVE "YOUR PROJECT READY WITH LICENSES"	Industry	EGP I.I bn	NBE has signed a cooperation protocol with the Industrial Development Authority (IDA) to finance projects under the initiative of the Ministry of Trade & Industry "Your Project Ready with Licenses" in the Cities of Badr, Sadat & Port Said, targeting to finance 502 factories in the first stage.
ROBIKI LEATHER CITY	Industry	EGP 693 bn	In cooperation with Cairo Investment Company for urban & Industrial Development; a subsidiary company to the Ministry of Trade & Industry, NBE is to finance 171 factories in the project of Robiki Leather City as a first stage.
INDUSTRIAL DEEPENING INITIATIVE, SMALL INDUSTRIES IN THE PETROCHEMICAL ZONE - ALEXANDRIA	Industry	EGP 76 mn	In cooperation with the General Authority for the Implementation of Industrial & Mining Projects, a subsidiary of the Ministry of Trade & Industry, NBE is targeting the finance of 240 projects in the Complex of Small Industries in the Petrochemical Zone of Alexandria as a first stage.
SHAQ ALTHOABAAN INDUSTRIAL ZONE	Industry	EGP 180 mn (up to EGP 500 mn)	In cooperation with Cairo Governorate, NBE provided facilities to the marble workshops & factories in the area of "Shaq Althoabaan" & allocates another EGP 315 mn for projects under study.
INCREASING LIVESTOCK PROJECTS	Agriculture	EGP 250 mn (Up to EGP 500 mn)	NBE signed a cooperation protocol with "Misr Al-Khair" Foundation & the Ministry of Agriculture & Land Reclamation to finance projects for increasing livestock.
SMEs IN NEW INDUSTRIAL ZONES	Industry	EGP 69 mn	NBE signed a cooperation protocol with Polaris Group- Al-Zamil Industrial Development under the auspices of the Ministry of Trade & Industry to provide required finance for SMEs in the areas under development (in The City of 6 October- The second phase of the new industrial zones project in Sadat City - The New Industrial Zone in Beni-Sweif, Suez Canal Hub area in The Sokhna).
KAFR HELAL INDUSTRIAL VILLAGE	Industry	Up to EGP 50 mn	NBE has introduced the financing program for industrial projects in Kafr Helal Industrial Village in The Monofia governorate specialized in the textile industry.



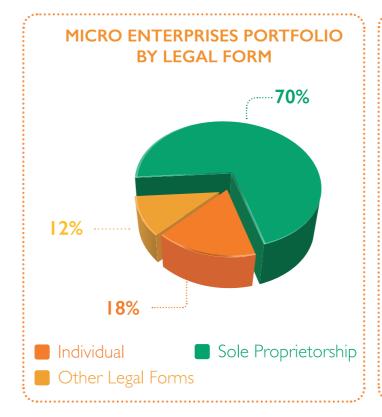
Proximity and accessibility of financial services are a main factor in creating economic value and empowering SMEs and microfinance, not only in urban areas but also in remote ones. Being the largest bank in Egypt, we attend to all areas of the country ensuring they have the chance to access lending facilities, business accounts and deposits. We strive to maintain an equitable distribution which is evident in the geographical distribution of SME loans in value and clients.

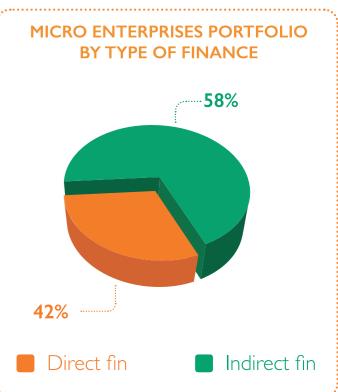


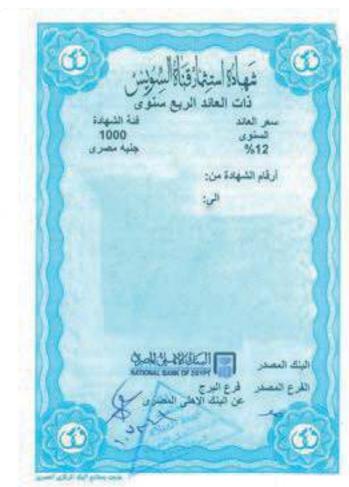


In this regard, credit applications, that address environmental impacts of transactional credit and the extent of compliance, are in line with local regulatory requirements for the industrial sector. Finance priority is given for projects deploying pollution abatement, recycling facilities, renewable/alternate energy efficiency and transformation. For agricultural projects, alternate irrigation and water saving come as priority in financing.

For diversified and inclusive Portfolio, in addition to the SMEs, NBE Cares for Micro enterprises as well. NBE penetrates micro segments directly and indirectly (for extended reach purpose) through directly offering tailored products or through micro financiers to expand the breadth of client base while transferring credit risk to the financiers. With direct financing servicing 27,2000 clients with a total of EGP 2.6 bn, an additional EGP1.9 bn were indirectly financed through 33 intermediaries.









84 • 85







Food and

Beverage





Agriculture



DEVELOPMENT

PROJECTS

Construction







FOOD PROJECT

Agriculture

projects in our bank's

Enterprises to 1.6 bn for

355 projects.

portfolio of Small & Medium

EGP 1.6 bn



Agriculture

EGP 612 mn



Agriculture



Agriculture



SMEs

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DESCRIPTION

In Collaboration with the
Ministry of Local Develop-
ment, NBE has contributed
to 7,890 clients in the Nati-
onal Project "Your Project"
that aims at serving the
Community, Human & Lo-
cal Development across all
governorates.

EGP 2.96 bn

SMEs Various

Activities

NBE has signed a cooperation protocol with Danone-Egypt as part of "Al-Omda" project to improve SME projects & support youth entrepreneurs

The protocol aims at supporting youth entrepreneurs through facilitating ownership of cars equipped with the company products. Danone-Egypt bears EGP 3,200 mn from the monthly premium of the car & its processing.

EGP 7.5 - 10 mn

In collaboration with the Ministry of Immigration and Water Resources, NBE signed a protocol to provide the necessary finance for farmers to develop irrigation systems in the Delta region & the Old Valley to convert to modern irrigation systems instead of traditional irrigation methods.

EGP 37 to 137 mn

NBE is to finance development projects in Sinai Governorate, including the construction of sewage networks for two villages in the amount of EGP 10mn, and rehabilitation, upgrading and raising the structural efficiency of 50 houses, as well as drilling projects of 5 surface wells.

EGP 17 mn

in the field of supporting livestock projects, a credit line has been launched to finance livestock raising projects. Our records show that 24000 clients have benefited from this program.

EGP 9 bn

Agriculture

In recognition of providing To complement the value In support of agricultural adequate food for livestock chain links of agricultural activity & food processing, a and poultry, a credit framecredit program has been work has been introduced launched to finance dairy to finance poultry feed manufacturing projects by manufacturing projects, providing financing for the which provide required working capital cycle. The finance to meet the needs framework has financed of projects from the capital around 353 dairy projects. cycle.The framework has increased the facilities granted to feed production

export projects, a credit facility has been introduced to finance the coservation, processing & cooling projects of agricultural crops for export purposes. This allowed the necessary liquidity for sorting & grading plants to purchase the crop needed for the production process prior to harvest, in order to facilitate the agricultural process on which these projects depend. This framework boosted the value of Egypt's exports of corps to reach USD 1.3 bn by the end of 2019.

EGP 1.8 bn

In collaboration with international finance agencies to supporting small farmers, NBE has participat-ed in several financing programs made available by the Europ-ean Union, the French Development Agency for the Provision of required finances for 112 projects. The credit program increased the portfolio of facilities granted to agricul-tural activity to reach EGP II bn at the end of June 2020 with a growth rate of 68%. In addition to the agricultural manufacturing portfolio stand-ing at EGP 5 bn, that made the total portfolio of the agricultural sector, production, agricultural manufac-turing & related activi-ties reach EGP 16 bn, representing 21% of the

total SMEs portfolio.

EGP 134 mn

NBE and the Arab Academy of Science, Technology & Maritime Transport have signed a memorandum of understanding to support, finance & build the capacity of young people, entrepreneurs, & innovators to establish startups.

EGP 4-2 mn

87

AMOUNT



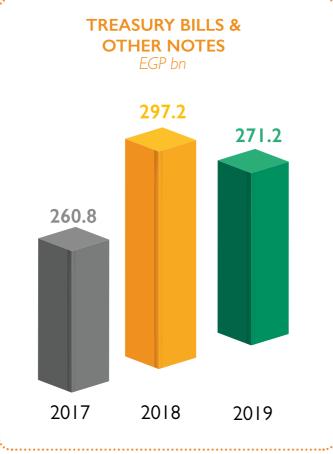
Supporting Egypt

Throughout the years, NBE played a great role in supporting Egypt. Being a national bank, it has always shown advocacy to social and economic impacts on the country. Our main goal is to provide support in achieving social justice and economic prosperity in the national development agenda, and SDGs 1,2,3,4,5 and 8.

NBE holds the highest market share in treasury bills and other government notes amounting to EGP 271.2 bn that accounts for 5.1% of the GDP in 2019.

NBE seeks to fulfill its role as the largest operating bank in the Egyptian market, which entails the need to patron all Mega Projects related to vital areas across all energy, transport and communications, materials Building, contracting, food, real estate development and tourism sectors. This will lead to creating more added value for the Egyptian national economy and provide numerous job opportunities and advancing development.







NBE Also, holds the highest market share of Suez Canal Certificates with a total of EGP 34 bn that accounts for 54.7% of the total volume of Certificates in support of Mega National Projects.

• To support the development of Sinai and Canal governorates, NBE allocated a financing portfolio in the amount of EGP 6 bn geared toward SMEs Projects in these locations.

SUEZ CANAL CERTIFICATES

TOTAL CERTIFICATES ACROSS ALL BANKS WERE PURCHASED AT A VOLUME OF

EGP 64 bn

NBE'S SHARE AMOUNTED TO

AT A VOLUME OF

EGP 34 bn

PURCHASED BY THE PUBLIC



- In support of the presidential initiative for reclaiming 1.5 mn acres, NBE signed a cooperation protocol with The Egyptian Countryside Company, the Central Bank of Egypt, and the National Company for Agriculture Development, to develop a proposed credit vision to finance the national project. NBE also signed a cooperation protocol with the Ministry of Agriculture and Land Reclamation to finance livestock projects (Animal production) across the country at affordable accessible terms to speed up the implementation and increase of livestock.
- NBE has launched the finance initiative "Egypt's Future" to finance agricultural projects in the reclaimed areas within The Presidential Program "Egypt's Future" on Cairo-Dabaa road.

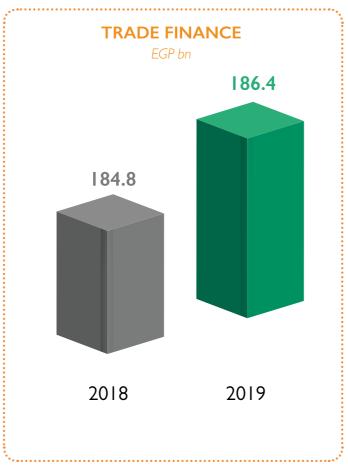
Trade Finance Hub

Trade Finance is a core product for NBE. With a market share of 25%, we promote activities and support the flow of trade based on long-standing relationships maintained across our extensive network, Egypt's foreign and domestic branches as well as through regional and international banks involved in the trade finance business in the MENA region. In supporting the National Development Agenda Egypt Vision 2030, we directed our focus towards SMEs industrial sector, aiming to support its pivotal role in creating export-oriented companies, and employment opportunities (SDA goals 3, and SDGs 8,9).

NBE offers a wide range of trade finance solutions, products and services to our customers.

Our financing facilities reached EGP 186.4 bn in 2019 compared to EGP 184.8 bn in 2018, with a growth rate of 1%.





TRADE FINANCE FACILITIES

I. Letters of Credit

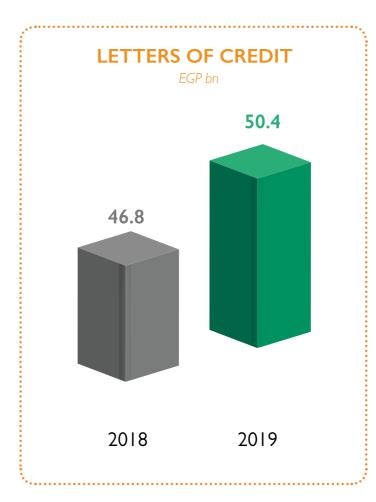
Our Letters of Credit service opens channels for new opportunities to our business clients. We support our customers at terms that best serve their interests. Our team of experts and network of branches support our clients through offering advice and guidance on managing credit, documentation, financial institution credit as well as associated risks.

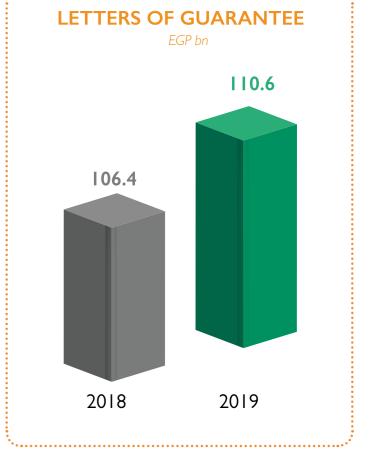
Our letters of credit facilities increased from EGP 46.8 bn in 2018 to EGP 50.4 bn in 2019, with a growth rate of 7.7%.

2. Letters of Guarantee

Through the Letters of Guarantee (LGs) facility, NBE supports its clients by providing financial backing for borrowing that serves as a risk mitigating tool, encouraging proceeding of transactions.

Our LGs reached EGP 110.6 bn in 2019 compared to 106.4 bn in 2018 with a growth rate of 3.9%.







Supporting Egypt's Economic Reform

During the implementation of Egypt's economic reform program, NBE had a pivotal role in supporting the reform policies applied by the CBE and the Government of Egypt (GoE). NBE's strategy aims to stabilizing the financial system through its products and services.

In supporting the Contractionary Monetary Policy post the foreign currency floatation, NBE holds the Highest Share of Certificates purchased by the public of EGP 528.3 bn accounting for 67.7% of total volume of certificates issued, followed by other high paying certificates that accommodate the implementation of the Central Bank monetary policy to control inflationary pressures.

NBE utilized the tools of medium- to long-term credit lines and facilities at promoted lending interest rates, credit guarantees, equity management, investment alternatives, and technical assistance.

Supporting National Initiatives

NBE has contributed strongly to the various initiatives launched by the Central Bank of Egypt to keep the tourism industry afloat during hard times. NBE's strategy was and will always be a support to clients in the tourism industry due to its importance and its economic and social impact.

NBE owns the largest loans portfolio for the tourism sector in the Egyptian banking market standing at EGP 10.8 bn. During the reporting period, NBE granted a total of EGP 3.2 bn for the replacement and renovation of hotels, floating tourist fleets, payment of salaries, dues of suppliers, and maintenance work for the operation of hotels, under the CBE initiatives.

NBE owns the largest loans portfolio for the tourism sector in the Egyptian banking market standing at EGP 10.8 bn.



TOTAL CERTIFICATED ACROSS ALL BANKS WERE PURCHASED AT A VOLUME OF

EGP 806 bn

NBE'S SHARES AMOUNTED TO

%67.7

AT A VOLUME OF

EGP 528.3 bn

PURCHASED BY THE PUBLIC

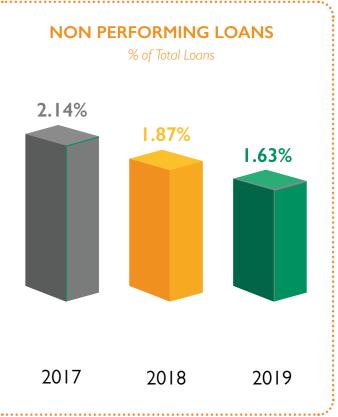




Non-Performing Loans Initiative

We stand by our clients, support, and advice, during counter cyclical events. Our figures show the continuous improvement in handling Non-Performing Loans (NPLs). NBE is among the top 3 banks in Egypt with only 1.63% NPL.

During the reporting period, our team of experts was able to support around 300 clients with NPLs portfolio of about EGP 8.9 bn through settlements, rescheduling and restructuring.

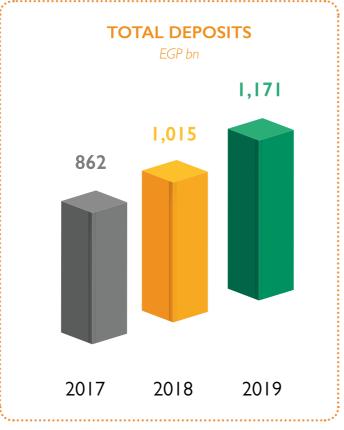


Saving Hub

NBE holds the highest market share of deposits 29.3% with a total amount of EGP 1.17 trillion in 2019, with an increase of 15.8% compared to 2018.

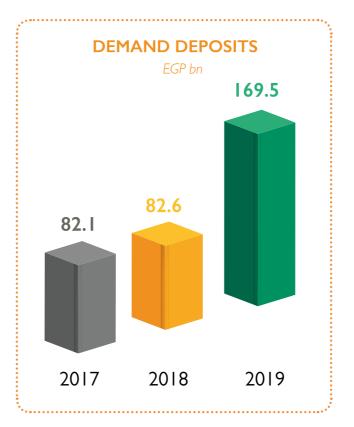
NBE offers various pools for savings, making NBE the First Choice for Households and Business.

NBE's savings accounts and types cater to all of our clients needs, this is evident in the continous increase of volume over the reporting period.

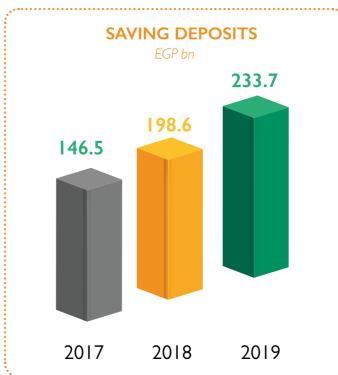




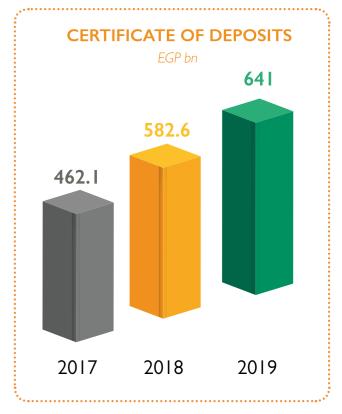
Demand deposits has increased from EGP 82.1 bn in 2017 to NBE holds the highest market share in Certificate of Deposits, 169.5 bn in 2019, an increase of 106%, with a growth rate of 105% compared to 2018.



NBE offers saving accounts at a very competitive rate. Over the reporting period 2017 to 2019, saving accounts witnessed an increase of 59.5% with a growth rate of 17.7% compared to 2018.



witnessing an increase from EGP 462.1 bn in 2017 to EGP 641 bn in 2019, marking a 38.7% increase with a growth rate of 10% compared to 2018.







O4 SOCIAL VALUE CREATION FOR PEOPLE

4.1 Our CUSTOMERS: Inclusive Business and Financial Wellbeing

4.2 Our EMPLOYEES: Diversity, Empowerment and Growth

4.3 Our COMMUNITY: Social Care, Protection and Development



Our Social Value Creation

At NBE, we consider ourselves the Bank of ALL Egyptians — a key contributor to Egypt Vision 2030 by connecting all enablers and prospering all people.

Social Wellbeing as a concept entails a large spectrum of definitions, that vary across countries and times depending on the context. However, crystalizing the manifestation of social wellbeing is often regarded as a challenging endeavor for all actors, and for the financial sector no less, particularly in finding a balance between social wellbeing and banking functions and products.

Positioned as the largest bank in Egypt in terms of financial and human capabilities, NBE is entrusted with paramount responsibility to lead the Banking Sector towards its role of improving lives of citizens and prospering the National Economy.

As the "Bank of ALL Egyptians", we own the responsibility of deploying our comprehensive "Social Pledge" for our customers, employees, and the community at large.



OUR INCLUSIVE CRC

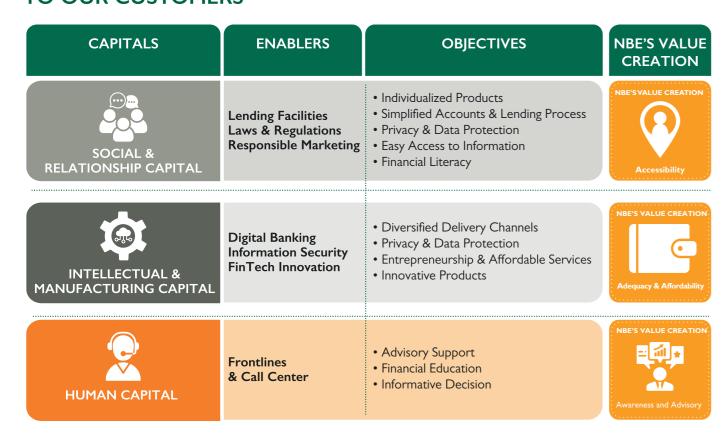
(Commitment – Responsibility – Contribution)





Our Customers

INCLUSIVE VALUE CREATION TO OUR CUSTOMERS



EMPOWERED BY OUR STRATEGY PILLARS



FINANCIAL INCLUSION

- 1. Introduce new products & services.
- Simplify work procedures, introduce marketing campaigns & diversify delivery channels.
- 3. Target segments outside the banking sector.



DIGITAL BANKING

- I. Implement state of the art technology to develop
 & deliver new products.
- Expand on mobile banking services.
- 3. Introduce smart branches.



CBE INITIATIVES SUPPORT

- 1. SMEs Initiatives.
- 2. Mortgage Initiatives

INCLUSIVE GROWTH THROUGH FINANCIAL INCLUSION

THE GLOBAL PERSPECTIVE

According to the World Bank, Financial Inclusion, also called inclusive finance, refers to efforts to make financial products and services accessible and affordable to all individuals and businesses, regardless of their personal net worth or company size. Financial Inclusion strives to remove the barriers that exclude people from participating in the financial sector and using these services to improve their lives

A profound understanding of the interdependency of the Social Role of Banks is crucial to set and implement a comprehensive Strategy towards Financial Inclusion.

Studies conducted by the World Bank revealed several barriers that hinders the banking sector to attract the unbanked in developing economies; those who are considered financially excluded on the demand side.

Voluntary exclusion is recognized through multiple barriers: those generated from personal beliefs (such as no-need for an account, a family member already has an account, or others).

From Exclusion to Inclusion:

Other Involuntary exclusion are barriers that fall under the responsibility of the Banking Sector to address. They are categorized in five main areas as per the World Bank (2008):

- Lack of trust in the banking system (social intimidation);
- Lack of necessary documentation (rigid regulations, no collaterals, financial illiteracy);
- Financial inability and high cost associated to request for banking services (cost of finance is not a priority due to low-income);
- Financial services are not accessible or too far away (lack of means of transport due to low-income);
- Technological barriers of the digital age.





FINANCIAL INCLUSION: A NATIONAL PERSPECTIVE

VALUE

Banks have witnessed first hand that Financial Inclusion cannot be achieved without dedicated, affordable & accessible services, supported with human interaction & responsible communication, & coupled with a robust social care.

POLICIES & REGULATIONS

While public & private banks (& often the civil society) are urged to facilitate & alleviate barriers on the demand side, the supply side of Inclusive Financing remains a long-term development, where Policies & Regulations require the most swift attention by Regulators, many of which have observed taking shape since 2017.

MOBILIZATION

The Egyptian Government efforts have witnessed unparalleled synchronization within the Financial Sector, where financial inclusion has been mobilized through a large-scaled policy reforms & national programs & initiatives. The mobilization included segmented lending policies & new governmental payments channels, among others.



DIGITAL TRANSFORMATION

MOST IMPORTANT NATIONAL INITIATIVES TO STIMULATE THE USE OF ELECTRONIC CHANNELS IN PAYMENT

CONTRACTED SUPPLIER

All Government Agencies:

Dues in excess of 20,000 EGP to contracted suppliers. Obliged no payment of dues in cash or through bank checks.

PUBLIC SERVICE: NON-CASH PAYMENT All Government Agencies completion within two years. Commissioning all government agencies to provide services to the public or managing public facilities to provide their clients with means of non-cash payment. Obliged no payment of dues in cash or through bank checks.

CITIZENS:
EXEMPTION FEES &
DISCOUNT

Until the end of March 2019.

Exempting citizens from expenses for opening an account for mobile payment services. Reducing the expenses for mobile payment services by 50%.

NATIONAL PAYMENT BRANDED SYSTEM For Government Payments & Support Disbursements. Relying on a national branded payment system in both in kind and cash. The first card was already issued in September 2018.

BILL TRANSFERS Approval of the transfer of the bill regulating the use of means of payment, besides a prelude to the House of Representatives & the Council of Ministers for presentation in front of the House of Representatives.



FINANCIAL INCLUSION IN NBE

Financial inclusion is part of our DNA, it is a framework embedded in our core business activities, long before the concept was globally recognized or mobilized. It has accompanied and shaped our past, present, and future.

Across this report, we share with our stakeholders how NBE works relentlessly to create value to its Customers by providing accessible and affordable products and services.

Coordinated efforts across several business (Retail, Financial Inclusion, Digital Banking, Strategy and Sustainability Department), NBE ensures the implementation of a winning Strategy with successful results. In 2019, NBE has daily wel-comed 2000 new clients of the lowest-income individuals rep resenting over 22% of our daily acquisition.

NBE'S REGULATORY ALIGNMENT

Based on all globally assessed barriers, the Central Bank of Egypt (CBE) has defined several key national challenges and causes for financial exclusion. This national alignment assisted NBE in updating its Strategy, re-articulating supporting policies and pin-pointing priorities related to financial inclusion products and services; all aimed to serve two main segments:

- The underserved/unbanked: SMEs, women, and youth.
- The underprivileged segments: the unemployed, low-income individuals.

Furthermore, in line with CBE instructions, dedicated Financial Inclusion departments are being established across all public and private banks in Egypt. This independent business unit shall be responsible of the preparation of medium-term strategies. To this purpose, NBE is in the process of developing its 3 - 5 years financial inclusion strategy in alignment with NBE Sustainability Framework which was approved by the BoD in 2019. (Read on: Our Sustainability Strategic Framework)

HOW NBE CREATES VALUE









NBE'S FINANCIAL INCLUSION STAKEHOLDERS



BANKING INSTITUTIONS Public & Private Banks



INSTITUTIONS Microfinance – Insurance



NON-BANKING



FINTECHS & MOBILE NETWORK OPERATORS



INTERNATIONAL **DONORS** & DEVELOPMENT **AGENCIES**



GOVERNMENT BODIES

REGULATORS

NBE'S FINANCIAL INCLUSION FRAMEWORK

OUR VALUE CREATION MODEL













OUR AREAS OF IMPACT









Youth



People with **Special Needs**

All Individuals of low-income

OUR FINANCIA INSTRUMENTT



Retail Banking



Lending



Microfinance



Public & Private Banks





ACCESSIBILITY

ATMs, Branches & Digital Branches

It is undeniable that digitalization had a fundamental effect in addressing the pitfalls of "Access Barriers" for a large segment of underserved and unbanked population, but for millions of Egyptians, "Physical Access" is still critical to ease the entry for those intimidated by the un-knowns of the banking system. That's why our branches remain an essential part of our customer advisory functions. Blending Physical & Digital Access has provided NBE with a wide-scaled network which is key to ensure Inclusion and Access for ALL.

OUR CHANNELS



With a total of 483 branches, NBE was able to maintain a most needed service for all Egyptians. In 2018-2019, our nation-wide network of branches included 413 branches, 59 Small branches and 11 Units for foreign exchange functions in touristic areas. Our number of branches have been steadily increasing with a rate of 50 branches a year, with the largest expansion in Upper Egypt. This growth is aimed to overcome access barriers. (Read more on: Geographical Presence)



Our Network of branches is reinforced by a strong network of ATMs. With 300 new ATMs added in 2019, we have reached a total of 4097 ATMs, with the largest expansion in the Delta region. It is important to note that NBE's criteria for adding new ATMs is based on our assessment of high movement (withdraws and deposits) and the One-time Cash Withdrawal Service has been upgraded with a higher withdrawal limit. Committed to facilitating access for people with special needs, technical features have been added to our ATMs. (Read on: Inclusive Banking for Persons with Special Needs)



NBE extended its POS network to 19,245 machines, placing our market share 23.2%.

Our Digital Branches & Self-serving Terminals:

Branches remain an essential part of banks operations and customer-advisory functions. For retail banks, technology has several goals: the migration of transactions and sales to digital channels, 24/7 customer access for every interaction, a personalized approach to sales, and a unified, omnichannel user experience meaning that customers get a seamless experience whether they are online, on an app, or at the branch.

The First of Its Kind In Egypt: 4 Flagship Digital Branches In 2019, Targeting 25 By End Of 2020

Our four e-branches are flagship milestones and the first of their kinds in Egypt. Prompting this seamless customer experience, addressed our quest to increase the value of our customers' banking experience by providing them with a 24/7comprehensive and personalized hub along with the availability of all types of products (opening accounts, cards requests, or loan application).

Aimed to make our services as affordable and convenient as possible, this NBE's new generation of branches is based on "Self-Serve Terminals", enabling our customers to carry out their financial needs in a swiftly manner. The Terminals provide a full range of services: opening accounts, buying certificates & deposits, subscribing to Al Ahli Net, requesting bank statements, updating personal information, and phone cash related requests, among others.

In the first six months post opening of our digital branches in the Cairo area, traffic has reached 5500 customers, with over 14,000 transactions amounting to EGP 300 mn.



Furthermore, the assessment of our customer demographics and their banking trends and needs during those critical first months have proven to be very significant and reflective of NBE's success in addressing a need in the market, bringing us closer every day to overcome the barriers of financial inclusion:

- Subscribing to the NBE Ahly-Net was the highest requested service among all ages (above 21, 30, 40, 50 and 60 segments) at 30-36% of each segment's total requests. This was particularly important for the age category above 60 who are usually more comfortable with traditional banking and human interaction, rather than digital tools.
- Purchasing Certificates presented the 2nd highest requested service among the ages above 40 at 25-30% of total request of each of those segments.
- A remarkable interest in our e-branches was recorded, with 66% of the customers using them were those between 21 and 40.
- On the youth inclusion front, 76% of the youth customers under 21, were new customers requesting opening new ac counts for the first time in NBE.





Our Blended Advisory & Digital Services

Our Digital branches include several e-services that provide personalized communication through our digital tools and technologies: Interactive Teller Machine (ITM), Customer Services Advisor, Video Conference, Interactive Screen and Meeter/Greeter.

NBE strongly believes that this blended human interaction establishes trust and a proximate relation between the bank and

branches visitors. It re-assures our customers that our front-liners are always available for advisory support through this most convenient and accessible form of blended service.

NBE's care to provide a sense of familiarity and ease is significantly important for a large segment of society, particularly those who are newly banked, or new to digital tools.

Accessibility & Digital Inclusion:

Our digital inclusion plan incorporates rolling out alternative distribution channels in most of the Governorates Branches, ATMs, and Agents Banks:

Increasing its branch network by 50 branches per year; 50% of which are in governorates outside Greater Cairo & Alexandria.

Cooperating with agent-banks to represent NBE in rural areas to promote financial inclusion.

Targeting to double the number of POS through partnership with Fawry & E-Finance.

INTERACTIVE SCREEN

This screen allows customers to inquire about specific products such as loan calculator, or apply for any financial service, such as Personal loan, auto loans, or credit card application.

CS OFFICE/ ADVISOR

This office to receive customer requests and provide all information to clients who wish to obtain a specific product or service.

MEETER/ GREETER

This office welcomes & assists clients with their inquiries related to usage of the electronic channels available in the branch.

VIDEO CONFERENCE

This service allows customers to contact the call center directly through video conferencing from the branch, which enhances their personal experience.

INTERACTIVE TELLER MACHINE (ITM)

Interactive Teller Machine (ITM) is a video-based interactive technology allowing customers to conduct transactions and banking services driven by a centrally based teller, in a highly engaging real time video/audio interaction. It allows the customer to conduct higher & more sophisticated transactions through the video interaction, including cash withdrawals up to EGP 30,000 & cash deposit up to EGP 50,000. Or depositing NBE checks for collection (Retail).





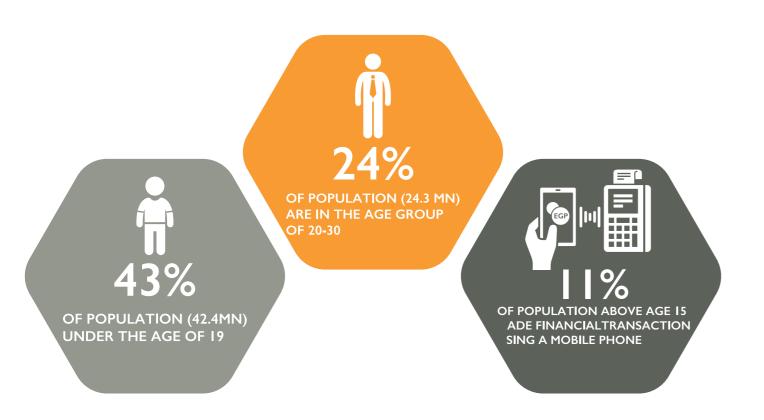
Digital Banking

Digital Banking Services are cost efficient; they help improving profitability by reducing dependence on physical branches network. They equally support operational efficiency practices by maintaining accurate data and prompting a more reliable and timely management of Information.

Currently in Egypt, 52% of men have bank accounts against only 35% of women, which is considered the largest gender gap compared to other regions. However, mobile penetration rates are perceived as one of the most decisive drivers in prompting digital banking as an effective path for financial inclusion. Thus, the relatively high rates of mobile phones ownership in Egypt are a great enabler for financial inclusion among people without bank accounts. Currently in Egypt, 86% of men and 75% of women have mobile phones, and this is considered an opportunity that best serves financial inclusion.

The diversification of our delivery channels and types of products have been fundamental to ease access to our banking services for the unbanked/underserved population or the newly banked customers. The entry point of businesses and individuals to the banking system is no longer acquired at a costly fashion. Once our customers establish their first engagement with the bank, we offer them an entire banking experience at the most convenient proximity.

In addition to the direct value creation in terms of access to banking and finance, Digital Banking also allowed us to lever age a unique circular benefit. "User behaviors and trends" are a source of big data for analytical purposes that answer to our understanding of customers' preferences. This led to assessing and anticipating customers' demands, and allowed us to offer tailored solutions.



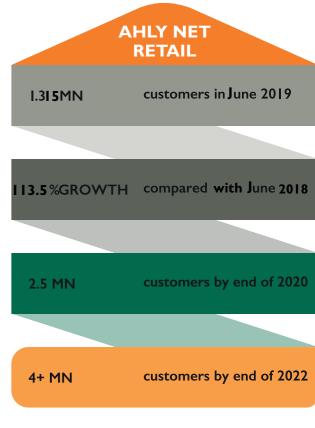
Ahly Net:

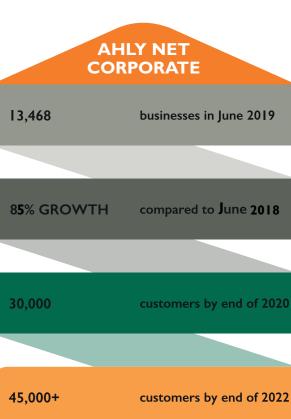
Launched in May 2017, Ahly Net is the NBE Online Banking Plat form that provide services for both retail and corporate customers. Through 2018 and 2019, the services have expanded to include purchase/redemption/ modification of investment certificates, saving containers and term deposits. In addition, other services were added such as money transactions between different accounts within or outside the bank in LCY, executing recurring and future transfers automatically, credit card payments, and direct donation channels to the entities registered on Al-Ahly Net service, among others.

The number and volume of transactions have substantially grew almost 50 folds since its launch. Transactions reached 1.2 mn for retail customers in 2018-2019, compared to 23,655 in 2016/17. Similarly, Al Ahly Net Corporate has witnessed the same trend and increased from 12 transactions in 2017 to 38,041 transactions in 2018/2019.

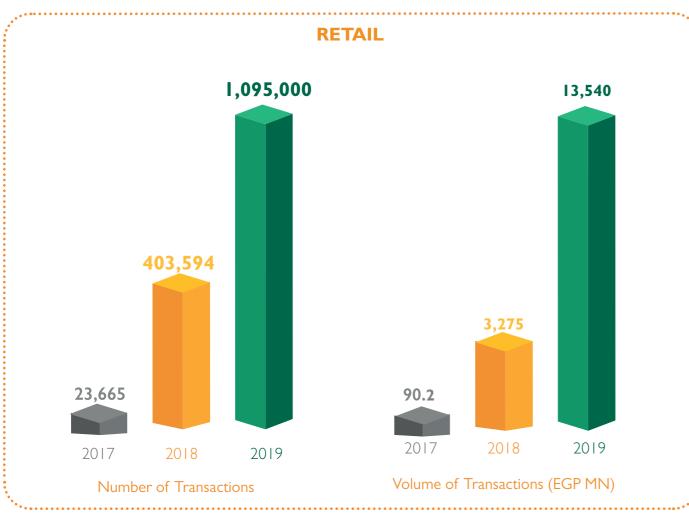
It is evident that AlAhly-net represented one of the key mile stones in our Digital Inclusion approach. Based on data Analysis of Ahly-net users in 2018-2019, 40% of the total number of Al Ahly Net Retail customers are women, and around 55% of them are youth.

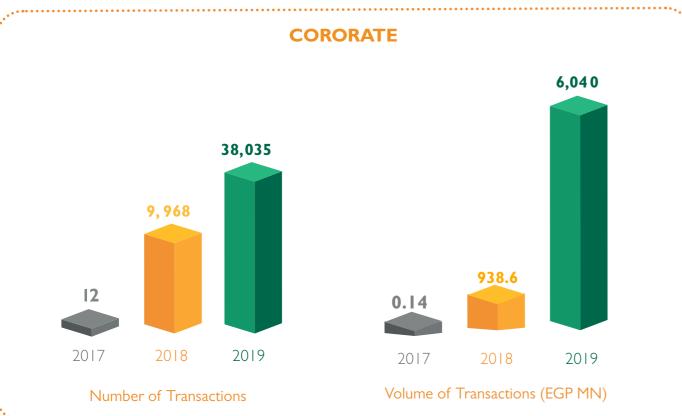
Moreover, our advocacy and empowerment for SMEs resulted to a 92% dominance of SMEs segment among Al-Ahly Net Corporate. (Read more on SMEs)



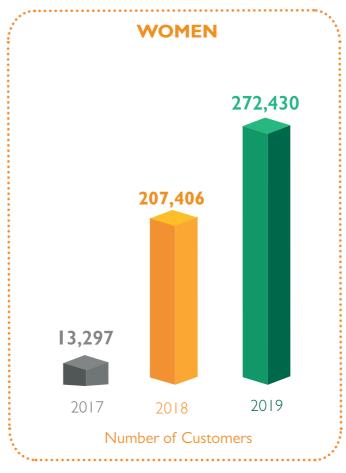


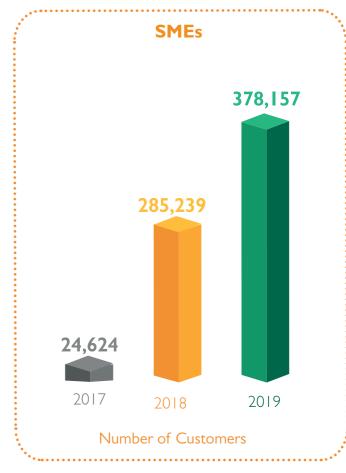
AHLY NET

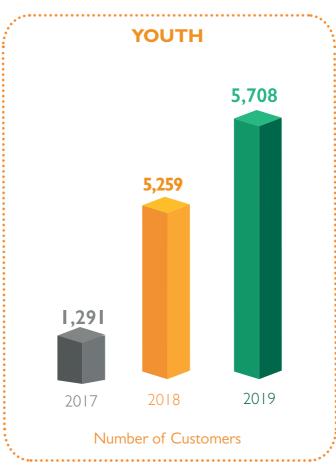




AHLY NET DIVERSITY OF CUSTOMERS









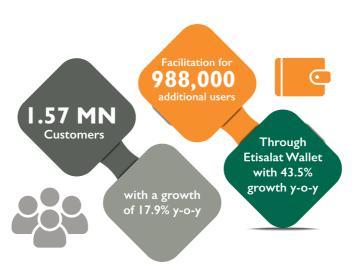


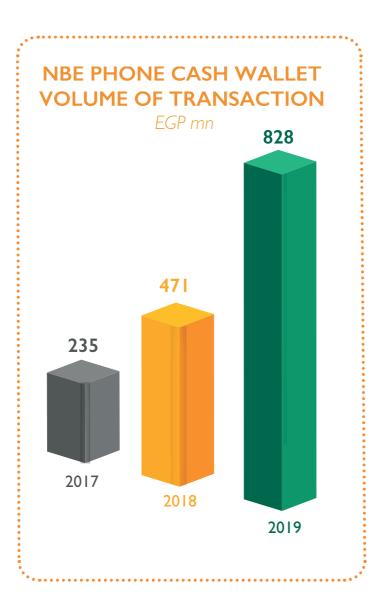
NBE Mobile Banking: NBE Phone Cash Wallet

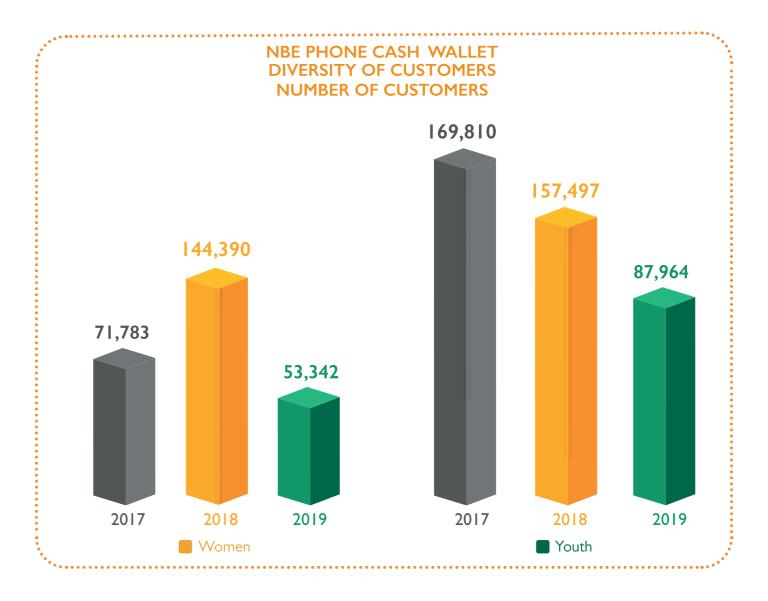


NBE Phone Cash Wallet enables customers to make payments through their mobile phones in an easy and secure manner. The wallet is available to NBE and Non-NBE customers above 16 years old. Since its launch in 2013, the number of transactions has been steadily increasing; tripling during the reporting period from EGP 235 mn in 2016 to EGP 828 mn in 2019.

This e-wallet was made possible through our longstanding partnership with MasterCard in 2012, to provide the mobile payment system that manages the e-wallet. Also, NBE has made two other distinct partnerships to facilitate e-payments. The first is Fawry in 2013, which provides the e-Phone Cash application and a national network of outlets to enable customers to withdraw from and deposit to the e-wallet. Later, in 2016, NBE have made a remarkable partnership with Egyptian Banks Company to launch of the NBE pay service and the UPG app for merchants, which allowed the bank to expand its financial inclusion services.







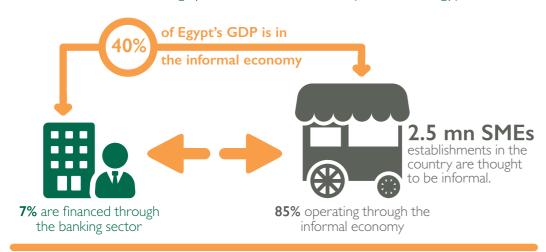


AFFORDABILITY

Small & Medium-Sized Enterprises (SMEs):



SMEs remain largely underbanked, as it is reported that Egypt has:



LEAVING A FINANCING GAP THAT IS ESTIMATED AT USD 50 BN. (REPRESENTING ALMOST 20% OF GDP)



The Central Bank of Egypt issued several regulatory instructions aimed at promoting financial inclusion for Micro, Small, and Medium-sized Enterprises.

to MSMEs to reach 20% of the total credit facilities portfolio by 2020 and to offer loans at low rates of 5%, 7% and 12%, where CBE contributes with 5-10% of financing.

In 2019, we have facilitated financing to 75,780 Businesses.



NBE is continuing its efforts in facilitating Egyptian SMEs inclusion in the formal economy. In 2019, we have facilitated financing to 75,780 Businesses

Banks are prompted to increase the volume of credit directed Our lending portfolio volume mounting to EGP 57 bn, compared to EGP 36 bn in June 2017. Further financing is also offered under the CBE SME initiative, with 41,387 customers joining NBE till June 2019.

> The Industrial Sector constitutes 41% of our SMEs lending portfolio



We are proud that the geographical distribution of SME loans and clients as of June 2019, stood witness to our efforts, where 56% of our SMEs loans portfolio volume are for businesses outside Great Cairo. 45% of our clients are in Upper Egypt.

Targeting SMEs Customers to Reach 125,000 **CUSTOMERS BY DEC. 2023**



- Entrepreneurs in low income and rural communities, those engaged in manufacturing and services activities.
- · Agribusiness and agricultural related enterprises in new reclaimed land.
- Harnessing the potential of alternative SMEs Financing.
- Joining Industry Initiatives and "Egypt Tourism Initiative".



Non-financial Support to SMEs

The NilePreneurs Initiative:



Through NilePrenuers, NBE provides SMEs with an integrated solution that includes financial and non-financial support. NilePreneurs is a national initiative adopted by Central Bank of Egypt (CBE) in collaboration with the Nile University through the NBE's Business Development Service (BDS) Hubs. The initiative mobilizes the efforts of governmental organizations and the public and private sectors to offer a range of non-financial services to create a favorable environment for small and medium-sized enterprises (SMEs).

The initiative aims to raise banking awareness and prepare startups and existing businesses to integrate into the formal sector and to benefit from dedicated banking services through BDS Hubs that offer SMEs an incubating and practical environment to validate, assess and move-forward with their business from innovation to realization:

The initiative aims to raise banking awareness & prepare startups and existing businesses to integrate into the formal sector



ENTERPRISES

Targeting through the "Youth in Business" Program in cooperation with the EBRD, as a pilot phase till end of 202 I.

Covering

BRANCHES

across all governates through our cooperation with NilePrenerus

VALIDATING YOUR BUSINESS IDEA

Assisting customers & entrepreneurs in evaluating & identifying the applicable business ideas that suit their capabilities & experiences.

FINANCIAL

ANALYSIS

& ASSESSMENT

eterprise's financial

them make future or

corrective decisions.

BUSINESS

for a business.

REGISTRATION

Assisting SMES with information on procedure

officially register a busines and/or obtain a license

& LICENSING



CONDUCTING **FEASIBILITY STUDIES**

elping entrepreneurs to



FACILITATING ACCESS TO FINANCE

reparing credit proposals & equired documents for fundir



■ TRAINING & **CAPACITY- BUILDING**

Microfinancing & Women in business:



Targeting EGP 3.4 BN BY 2023

The portfolio of MFIs has grown dramatically from EGP 1132 mn in 6/2017 to EGP 1838 mn in 6/2019 with a growth rate of 63%.

With a focus on empowering Micro clients including Women in upper Egypt, NBE has established long-standing partnerships with multiple entities such as:

I. Al Tadamun Microfinance Foundation:

With a substantial growth rate in the credit portfolio from EGP 40 Mn in 2008 to EGP 730 mn in 2019 with 79 branches and regional offices, our cooperation with Al-Tadamun has reached a financing volume of EGP310 mn in 2019, compared to EGP 2 mn at the early beginnings in 2008, while focused on granting Micro loans to women only.

2. I am the Egyptian' Foundation:

NBE's cooperation with the Foundation started in 2016 with a credit portfolio of EGP 17 mn.

In 2019 our financing has increased to EGP 40 mn compared to EGP 3 mn in 2016, serving customers through 20 branches with credit portfolio of EGP 105 mn

3. Assiut Businesswomen Association (ABA):

With a focus on empowering Women in upper Egypt, NBE has established long-standing partnerships with multiple entities to support Women in Business, particularly in Upper Egypt:

NBE's cooperation with ABA started in 2014 with a credit portfolio of EGP 57 mn with 10 branches. In 2019 our financing has massively grown to EGP 62 mn compared to EGP 15 mn in 2014 serving 50,669 customers (women only) through 14 branches in upper Egypt. With credit portfolio of EGP 200 mn.





Youth Empowerment:



In 2019, the Young Population represented 16% of global population*(aged 15 to 24), and 20% of Egypt's population (aged 18 to 29). Youth are undoubtedly the driving economic force for the next 20 years.

International Youth Day, 12 August 2019 - the United Nations and Egypt Demographics Profile 2019 - IndexMundi

Youth Financial Inclusion promoted by the Banking Sector, as a part of its FI efforts, has had its share of global attention due to its critical impact on economies.

Access to financial and social assets is a fundamental element to assist youth in their transition to adult life, making their own economic decisions and creating employment. Its significance and impact are far greater for the low-income segment, as it enables youth (and their families) to invest in their education in order to improve their employability prospects or create their own employment to finance livelihood activities, or to simply help them escape poverty. Thus, we consider Youth FI, first and foremost, as a mean to support the transition of young people into the labor market, and not as an end result.



Observing the trending path of Youth in Egypt, it is reported that 112% of them have mobile cellular subscription, yet only over 80% conducts financial transactions over the mobile phone, placing the market at a position to attract youth to our digital inclusion services. And while NBE's efforts is still in progress for those under 21 of age segment at only 7% of the Liabilities Customer Base, it records a greater success at 31% for the age bracket of 21 to 26 years, and skewed in the EGP 3K to 20K brackets.

To that end, our customized services for youth continue to offer a preferential entry-point for those at age 16. In addition, our digital products of Ahly-net and NBE Phone Cash are both recording notable success in serving the youth. (Read on: Digital Banking).

Promoting Financial and Non-Financial Services to Empower Youth



NBE's approach to youth financial inclusion adopts an integrated framework, addressing several issues raised by the United Nations (UN) and International Labour Organization (ILO) in their description of barriers, impacts and FI productive and protective aspects.

- On the productive side: it relates to services such as credits for enterprise creation.
- On the protective side: it refers to savings, insurance to mitigate indebtedness risks and income fluctuations.

NBE also recognizes barriers facing Youth's integration into the banking services, such as age/legal restrictions, high transaction costs or negative stereotypes about youth that may hinder proper financing.

Considering all of the above, we conduct thorough market assessment before venturing into product or service development. We provide a broader set of non-financial support through business development services that eliminate negative impacts.



THE SMALL-SAVER ACCOUNT

It gives access to youth starting the age of 16 with a minimal opening balance of EGP 500 (\$30) with an establishment fee as low as EGP 10 (under\$1), with interest rate at 11.25%. The account provides free-of-charge life insurance & free-issuing of NBE Phone Case.

LARGEST UNIVERSITIES COOPERATION

Through cooperation with e-finance, NBE has signed a major protocol agreement with 27 national and private universities across Egypt dedicated to facilitate access to our services for university students. As a result NBE has issued over 1.2 mn cards, & 4.2 pre-paid cards.

AL MOSTAKBAL
SAVINGS ACCOUNT
This savings account provided for youth starting the age of 16. In 2019, it had a total of 206 mn customers.

CREDIT CARDS

Credit Cards dedicated to young employees at public & private sectors had a great impact on this segment as it offers several advantages that allow cardholders to benefit from installment e-commerce services, cash-remediation & credit-points collection.

Transitioning Youth for the Future:

NBE plays a key role in Egyptian society by contributing to many areas of social responsibility, including the training of university/school's students and fresh graduates for the labor market, through:

SUMMER TRAINING: QUALIFYING UNIVERSITY STUDENTS TO WORK IN THE BANKING SECTOR

This program is dedicated to university students. That includes 800 trainees annually, aiming to qualify them to work in the banking sector. The training is conducted over 5 weeks and concluded with a competition that is meant to evaluate their innovative ideas & enhance their presentation & communication skills.

FRESH GRADUATE TRAINING PROGRAM

In 2016 and 2017, our bank trained more than 1300 fresh graduates through this program over a period of three months to provide them with practical experience, technical information, & skills necessary to join the labor market. Talented & distinguished participants offered priority placement opportunity for employment at NBE.





Inclusive Banking for People with **Special Needs:**

By default, all our financial products are provided with no differentiation in Excellence of Services to all our customers, however at NBE, we are proud that we do take unique measures to remove barriers for persons with special needs and facilitate their access to our services.

Our branches are equipped with low-height counters and access ramps for persons with physical disabilities. All persons with special needs are provided with accelerated services and priority queues. For the visually impaired, our ATMs are voice-active for providing instructions.

> All persons with special needs are provided with accelerated services and priority queues. For the visually impaired, our ATMs are voice-active for providing instructions.

> NBE is the first and only Egyptian Bank deploying this care within its branches. We are currently

> targeting to serve 4 mn customers of the visually

impaired.

Our most recent and significant effort is the availability of trained employees in each of our branches who have received professional training programs on Sign Language conducted by the Egyptian Syndicate of Sign Language Interpreters. NBE is the first and only Egyptian Bank deploying this care within its branches. We are currently targeting to serve 4 mn customers of the visually impaired.

It is also important to note that in 2019, our NBE family has welcomed 177 employees with special needs, who have also helped the bank to enrich its understanding of our customers' potential needs and barriers.

Our framework of serving persons with disabilities extends through our CSR activities, particularly those for rehabilitation and employment creation. (Read more on : Our Community

NBE's Retail - Inclusive to ALL

Prepaid cards represent the safest form of debit cards against fraud or indebtedness, making it incredibly significant to eliminate major inclusion barriers that are perceived by the low-income population and youth segment.

Across our 12.4 mn customers, our payroll and prepaid cards with NO liabilities represent 13% and 22% of our customer base, respectively.

Our Debit Cards & Prepaid Cards represent 30% & 55% of the market, respectively

	MN JUNE 2018	MN AS OF JUNE 2019
Prepaid Cards	1.4	2.8
Payroll Cards	3.9	4.3
Debit Cards	4.2	4.9
Credit Cards	l I	1.1

40% Of NBE Retail Liabilities Customers are in the segment of (EGP 0:1000), with an average balance of EGP 100 Per Customer

At current growth of 9k new clients/day, NBE's customers are forecasted to exceed 20 mn customers by December 2023

EMERGING POPULATION 41% of population between 15-39 yrs old Internet Users: 49.23M Smart Phone penetration: 50%

EMERGING ECONOMY

Electronic Payments does not exceed 3%. Every 10% increase in Electronic payments leads to USD 1.4 bn increase in Egyptian GDP & 200k employment opportunities.

EMERGING FINTECH

Model, interoperable through national Switch. 11 Licenses

EMERGING ECOSYSTEMS

Non-traditional players entering financial territory:

- Agents Mobile BankingMobile OperatorsStart ups

Leading the Market in the Cards Business and focusing on the Utilization Rates

- Debit Cards: Target %80 of liability customers to have access to debit cards compared to %64 today.
- Prepaid Cards: Leverage on government initiatives to promote cashless payments.
- Customized offerings to raise relevance & deepen account
- Innovative Channels to reach more customers at lower cost.
- Creative Risk Mitigation to address absence of credit history.
- Geographical Outreach to help in easy access of financial services
- Focusing on the low segments (EGP 0-200K) to constitute 70% of customer acquisition.
- Increasing the asset penetration ratio from 0.19 to 0.4
- 6 mn new clients in the cards without liabilities segment given government initiative to promote cashless society



NBE's Remittances - A Gateway for ALL Egyptians

Remittances are perceived as a traditional banking services for customers and a large revenue stream for businesses, yet their impact has a wider and more significant effect with a direct correlation between financial exclusion and poverty.

In NBE, we perceive remittance as a major element in the lives of low and middle-income segments where access to a combination of regulated financial services can be of significance. It is where occurring interest in deposit accounts and building individual credit history for credibility are seen as enablers of true financial inclusion. It also helps decreasing financial exclusion which translates to people continuing to save informally and resort to peer-to-peer financing in order to maintain household needs and livelihood. This however, has limitations in terms of amounts, availability, and costs. Access to financial services directly links to benefits such as: mitigation of unforeseen expenses risk, smoothed consumption, elevated productivity and income, and greater expenditures on education and preventive health.



As per the World Bank, migrant workers & their families back home are estimated to represent an industry worth USD 551 bn a year (compared to USD 426 bn in 2016).



Through NBE, the total remittance of Egyptians working abroad during 2016-2017 has reached \$9 bn in savings. The total amount ceded from the saving accounts of customers was about \$4 bn compared with \$3.73 bn in the last fiscal year.

In NBE, we perceive remittance as a major element in the lives of low and middle-income segments where access to a combination of regulated financial services can be of significance.

REGIONAL INTEGRATION

Through the cooperation between the CBE and Arab Monetary Fund, the ARPS (a secured e-payment system) helped in establishing payments and settlements between Arab countries with minimal costs. It was beneficial to Egyptians' remittances across the Arab Region as they account for 72 % of Egyptians working abroad.

OUR AWARDS

The Central Remittances Department has received many awards from foreign correspondents due to the quality of the remittances issued by our bank without the need to correct them or intervene manually, which lead to reducing the costs deducted by our correspondents as well as strengthening the position of the bank compared to our peers:





Financial Literacy

In collaboration with the Arab Monetary Institutions, the Central Bank of Egypt has named April 27 of each year as the "Arab Day for Financial Inclusion".

The activity around this Arab Day is extended to over a week and aims to raise awareness on the advantages of joining the banking ecosystems. During the event, banks are encouraged to facilitate access to their products and services to the attendees and to provide advice and guidance. Awareness sessions have reached 1.5 mn beneficiaries, as reported by the CBE.

In 2018, over 38,000 new accounts with NBE have been opened during the week, representing over 10% of the total new accounts across Egyptian Banks during the event. On the digital front with NBE 's customers choice, 16,000 new e-wallets were registered and activated (out of 18,000). Women and youth had the highest shares at 35% and 33%, respectably.

We Offered our Products with:

- Exemption from opening account expenses and 50% off account statement expenses.
- Exemption from the expenses of issuing the iPhone Cash mobile wallet and prepaid cards.
- No minimum requirement for opening accounts, for individuals and SMEs.

In 2019, new customers continued to place their trust in NBE. A total of 80,000 new customers opened saving and current accounts. Additionally, 17,000 new NBE Mobile Phone-cash registrations & 110,000 pre-paid cards were issued.



Awareness sessions have reached 1.5 mn beneficiaries, as reported by the CBE.

But more importantly, NBE efforts took a much more extensive turn that year by mobilizing our services during the Arab Inclusion Week across the nation. A fleet of NBE Mobile Convoys were deployed to Upper and Lower Egypt Governorates. In Alexandria, Mansoura, Port-said, Dumyat, NBE's fleet was particularly present in major universities there.





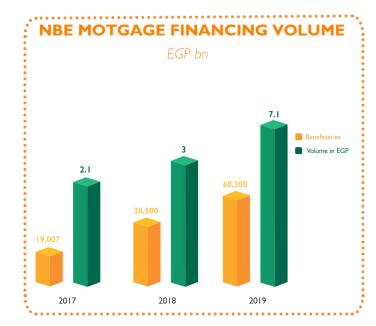
We are targeting to facilitate access to banking for over 20 mn customers by December 2023, & on a steady footing towards low-income segment inclusion. To reach this target, articulating the advantages of banking services is as impactful as the products themselves. Therefore NBE continues to give a future strategic priority to increasing internal awareness among its branches front-liners, coupled with more financial literacy workshops & campaigns dedicated to financial inclusion.



NBE'S CONTRIBUTION TO NATIONAL INITIATIVES

Housing Mortgage Financing Initiative:

As part of NBE's support to National Programs dedicated to low-income segments, NBE has contributed to the CBE initiative for real estate finance, which aims to achieve structural reform of real estate finance by providing long-term financing at low rates of return in order to ensure appropriate support for underprivileged segments.



MEEZA – EGYPT'S First National E-payment Card

Under the CBE and the National Payments Council, the launch of the National Payment Card "Meeza" - Egypt's leading program for digital financial inclusion for ALL- aimed to initiate the transition to a non-cash society by reducing the volume of cash circulation in the local market. The cards allow customers to use them for local transactions such as purchases, cash withdrawal and internet shopping through specific local shops.

As of June 2019, 2 mn cards were issued across the country. A total of 7,000 POSs & 12,000 ATMs were activated for transactions & card usage & over 510,000 transactions were conducted.

AMAN Certificate

Launched by the Central Bank of Egypt (CBE) in 2018, this Certificate facilitates financial inclusion and provides long term savings for low-income population through an Insurance and Pension Certificate" AMAN". It is considered one of the most inclusive financial services for all Egyptians from age 15 to 58 and for amounts as low as EGP 500 to EGP 2500 (USD 30-150).

Each citizen is allowed to purchase up to 5 certificates with the option of renewal 3 times up to a maximum of 9 years in total.

Through NBE facilitation, a total of 158,000 certificates (in Egypt and Abroad) were purchased for a volume of EGP 183.2 mn in 2019 growing by around 47% since June 2018.

Supporting Transition to Cashless Society

From January to June 2019, NBE had facilitated the inclusion of 297,905 citizens, representing 10% of the total issued cards across the country. We Aim to Reach 2 mn Citizens by the End of 2020.

We Aim to Bridge EGP 200 Mn by the end of 2020

Customer Experience Through a Responsible Marketing & Communication

Customers connect with banks that communicate genuine and clear BrandValue. Our BrandValue is demonstrated through our ability to stay at the forefront of every national need and driven by customers' needs.

As a financial institution with the size and capabilities of NBE, our "Customer Journey Architecture" is designed based on customer centricity approach, an approach that we embraced for decades before the notion was globally established or practiced

Our Responsible Marketing and Communication is the foundation of the Customer Experience. It reflects our Values and deploys our collective human and digital capabilities to the service of our Customers.

From a social lens, we share with our readers how the NBE MARKETING STRATEGY facilitates the bank's commitment to create social value to our stakeholders (our customers and community), while we ensure that providers of capital (our shareholders and partners) get an overview on the social return of investment of our marketing practices.

NBE promotes & adhere to global & national responsible practices & aligns to the international ICC ADVERTISING & MARKETING COMMUNICATIONS CODE:

SOCIAL RESPONSIBILITY

NBE's Marketing Communications respects human dignity. It does not exploit misfortune or suffering, but rather provides solutions to our societal challenges by advocating for the wellbeing of individuals & families through customized services that alleviate their living standards and support their daily needs.

HONESTY

Our communications are founded on awareness and transparency. We address our customers who are least knowledgeable to the banking services through campaign on financial literacy and disclo-sures of detailed products & services conditions.

DECENCY

Our communications, through all audio & visual treatments, uphold NBE's values, culture and norms of decency.

TRUTHFULNESS

Our communications address each segment of our customers in their native language, with simple dialect, clear messages & distinct products. We ensure that our messages do not have ambiguity nor exaggeration. "Responsible advertising & marketing communications, are an expression of the business community's recognition of its social obligations."

"Advertising & other forms of marketing communications help to create efficient markets, both nationally & internationally, promote economic development, & bring significant benefits for both consumers & companies, as well as for society in general."



- I The International Chamber of Commerce (ICC) is uniquely positioned to provide insightful guidance on marketing and advertising around the globe. As the world business organization, whose membership is composed of thousands of enterprises from all sectors and regions, ICC has been a major rule-setter in marketing and advertising since 1937 when it issued the first ICC Code on Advertising Practice.
- 2 ICC :"marketing communications" includes advertising as well as other techniques, such as promotions, sponsorships as well as direct marketing and digital marketing communications, and should be interpreted broadly to mean any communications produced directly by or on behalf of marketers intended primarily to promote products or to influence consumer behaviour.





Media and PR

Our Media and PR efforts were well focused on achieving NBE's strategic priorities that were set for the reporting period, namely SMEs, Youth, Women and low-income segments. Those segments echoed NBE's shared value of social and economic commitments to our community and NBE's sustainable financial performance.

Our commitment to prosperity is achieved through committing to the principles and values of responsible communication, where our advertisements:

Hold direct, transparent, & specific messages on individualized products

Well positioned to ensure a nation-wide geographical outreach to all remote areas

Voiced-out in scripts and language that is easy to relate-to and adhering to cultural & societal values

1) Direct Messages

Our main areas of focus addressed NBE's Strategy and CBE National Initiatives: SMEs, Youth, Digital Payments (government and commercial / local and remittances).

Our broadcasting channels were selected to achieve the highest number of viewership and reach all segments, therefore, NBE heavily invested in advertisements in remotes areas through TV, Radio and newspapers, we targeted domestic Radio channels, for villages and suburban regions.

Our Ads were broadcasted across the most trending and most viewed TV Shows (Al Masria, Al Assema"the capital", Cairo and People, Happening Today, Egypt's National Channel, CBC Extra").

NBE's products and services are publicized in over 147 Newspapers and Magazines and 28 e-newspapers platforms (13 Economic, 4 Social, 11 General)



2) Geographical Outreach

Considering our national context, Press and Billboards are two of the most main visual influencing Ads for the largest segments of underserved Egyptians.

Our Billboards have expanded outside the major metropolitan cities of Egypt & towards Upper Egypt & Delta, reaching 97% of our total billboards while Financial Inclusion Products and Digital Services reached over 60%, particularly in Great Cairo & Alexandria

Our billboards across the country has increased from 45 in 2018 to 75 in 2019.

In parallel, as Egypt's National Bank, the Cairo International Airport was one of the major locations that was vital to instill confidence in Egypt's digital banking services by empowering Expats arriving to Egypt.

Our Press Ads, clearly highlight key messages: time of transaction, administrative costs and cyber safety. This has created considerable growth for our remittances.



Our Press Ads:

PRESS AD	YEAR	TARGET SEGMENT
FUTURE AD	2019	Financial inclusion customers (existing / potential)
AHLY NET AD	2018 - 2019	Electronic services customers
E-BRANCHES AD	2019	especially youth
TAX AD	2019	Tax. Payers
BACK TO SCHOOL AD	2019	Financial inclusion customers
PERSONAL LOAN AD	2019	(existing / potential)
INVEST IN EGYPT AD	2019	Investors inside & outside Egypt
SMEs AD	2017 - 2019	SMEs clients (existing /potential)
NBE PAY	2018-2019	Electronic services customers
PHONE CASH AD	2019	especially youth
FINANCIAL INCLUSION	2017 - 2018	Financial inclusion customers
AL AHL TA2SEET AD	2019	(existing / potential)
WORLD CUP AD	2019	
FIFA AD	2018	Credit cards holders (specially Football fans)
AFRICAN CUP AD	2018	
AL AHLY POINTS AD	2017	Credit cards holders (loyal customers)

OBJECTIVE

- Improving financial inclusion activities
- Attracting more potential customers to NBE to raise up its market share
- Improving deposits wallet to support bank's position
- Emphasizing on NBE transformation from old to modern bank
- Shading light on the digital transformation strategy
- Raising customer's awareness regarding NBE digital services
- Emphasizing on NBE transformation from old to modern bank
- Shading light on the digital transformation strategy
- Raising customer's awareness regarding NBE digital services
- Creating awareness on E-branches as the first of its kind in Egypt
- Encouraging customers to pay tax electronic
- Raising the profits gained from tax payment
- Promoting NBE credit cards to raise the usage & its market share.
- Promoting electronic payment channels
- Attracting potential customers to benefit from NBE personal loan programs.
- Widen NBE market share in PL with shading light on facilities & competitive advantages.
- Capitalizing on NBE position as a main supporter of the national economy
- Informing Customers about SMEs funding & initiatives in agricultural, industrial, & service sector
- Raising NBE wallet in SMEs reaching annual targets
- Supporting governmental plans to improve SMEs activities that will affect the national economy & labor market
- Emphasizing on NBE transformation from old to Modern bank
- Shading light on the digital transformation Strategy
- Raising customer's awareness regarding NBE Digital services
- Moving towards Cashless society
- Improving financial inclusion activities
- Attract more potential customers to NBE to raise up its market share improving deposits wallet to support the bank's position
- Promoting NBE credit cards to raise its market share in electronic payment
- Capitalize on NBE position as a leader in E-payment
- Promoting NBE credit cards to raise its usages & market share in electronic payment
- Capitalizing on NBE position as a leader in E-payment increasing the number of loyal customers



3) Native language/ local dialect

Our Television Campaigns and Advertisements were titled and scripted into themes that the various segments can relate-to.

Different themes are developed with a purpose. They are either dedicated to augment cultural and societal values, address specific economic challenges or motivate our targeted segments to bridge their status-quo and towards future growth opportunities.

For SMEs Clients: Al Ged'an & Al Otobis (The Courageous & The Bus)

Channels: Al Qahera we ElNas 2 & the Egyptian Satellite Channel

2017

2018

2019

Providing customers with information on NBE's financing services and initiatives for SME's in agricultural, industrial & service sector.

Raising awareness on benefits of NBE's wallet for SMEs.

Supporting governmental plans to advance SMEs ecosystem.

Promoting the ease, opportunities, & impact of NBE's financing to industrial and agriculture ventures through TV Coverage of visits to NBE's clients in those two sectors in 7 governorates.

Coverage of SME's Development Programs that are organized in collaboration with Nileprenueur through NBE's Business development Centers & covering NBE activities in 6 exhibitions.

> For Youth: Abakra (the Geniuses)

Channels: QWN

OBJECTIVES

Promoting the role of the

Banking Sector to create shared value by raising awareness on youth's potential future opportunities through enhancing education at all early ages and directing CSR funding towards the development of schools & the educational ecosystem.

IMPACT

Enticing a national collaboration between Egyptian banks & social partners by presenting the impact of school development in remotes & underserved areas on long term retention of youth in education through 10 promotional videos & 15 documentary films.

For All Segments

(I'm the Nation, Directly from Egypt, the Daily-bread, Finance & Hope)

2017

2018

2019

Financial Literacy through direct viewers' engagement. **OBJECTIVES**

Raising customer's awareness on NBE's E-branches as the first of its kind in Egypt.

Instilling confidence, trust & proximity with the public

Transparency, leadership and trust in the banking sector, the National Banks & NBE's:

- Direct engagements & interventions with NBE's Chairman & Deputy chairpersons.
- Phone calls intervention by hosting NBE's Heads in discussing NBE strategies.
- Broadcasted videos that facilitate public understanding of NBE's new services & products
- Broadcasting 5 different tutorials videos for E-services clients (existing & potential) to support the navigation of current or future national crisis.

To address an even larger scale of underserved of the low-income segments or those spending more time in mobility, our Radio Shows play a tangible role to stay connected with our customers (both existing or potential).

NBE's LIVE engagement that allows an interactive relationship with the public at the highest level, where NBE's Chairman and Deputies were part of the calls interventions and answering the public's inquiries.

NBE's focused on two specific Radio Shows that have a great reach within our targeted customers: Banknote (on Nagham FM Channel) and Kalamna bel Masry (on 90/90 channel).

Our focus topics remained consistent: Financial Literacy, Financial Inclusion activities and Digital Services.

Digital Marketing

Number of Viewers (traffic) reflect our ability to create an interactive friendly platform for Financial Literacy through Customers Reach. Users interaction to our digital campaigns has been equally very successful, reaching 40 to 55% of our viewers on the different platforms (Facebook, twitter and YouTube). In 2018, our website has undergone its first phase of revamping and our digital campaign were front-and-center.

	PAIGNS THEME (2016-2019)	OBJECTIVE	NUMBER OF VIEWERS	USER INTERACTION
SMEs	Seize Your Place Your Next Project مکانگ مش هنا مستقبل مشروعک	Financial Inclusion and Literacy	Over 10,815,784	Over 5,935,748
PHONE CASH	Grown as Raised Crowned with Manners تربیتهم ترکیبتهم تزینوا_بالأخلاق	Financial Inclusion and Literacy	Over 3,000,000	
УООТН	برنامج التدريب الصيغي للطلبة تدريب الخريجين معاك في الساحل برنامج العباقرة	Youth Empowerment	Over 1,032,554	Over 744,100
CSR	Children Hospitals Abu El Rish 57357	Social Responsibility	Over 336,456	Over 125,665
YOUTH	NBE Pay Ahly Net Phone Cash	Digital Inclusion	Over 452,741	Over 299,412



Events & Sponsorships

Our sponsorships have focused on TWO keys areas: National Initiatives and Sports activities.

1) Support to National Priorities

Our collaborations with the various Ministries have mounted to a budget of EGP15 million.

We sponsor national events that deepens long-term social or economic impact to our society:

- OI Egypt's Youth Forum
- 02 Energy Efficiency Awareness Campaign
- 03 The Fish Farming Initiative
- Innovation Contest, under the Auspices of the Ministry of Youth and Sports
- Low-income Exhibition, under the auspices of the Ministry of Solidarity
- 06 Medical Tourism, under the Ministry of Tourism

2) Support to Sports Activities

Our focus on Sports stems from its direct connectivity to our CSR commitment to Health Care and Wellbeing. With NBE's support to sports National Federations, sports organizers and athletes, we provide new opportunities to those stakeholders where governmental funding cannot entirely capture the needs of Egypt's growing population of children and youth.

Such collaboration alleviates the burden on the National Budget - ing and sheds the light on the responsibility of public and private businesses to disseminate a culture of Healthy lifestyle.

Our contribution can be segmented into four specific areas:

- OI Supporting National Federations (NFs)
- O2 Supporting Athletes
- 03 Supporting Camps Organizers
- 04 Supporting Sports for the "Disabled Champions"

Internal Branding and Customers Experience

Our Internal Branding also plays an indirect role and adds value to customer experience. Installing Employees Loyalty and confidence in the Values of NBE's Brand, is core to our Customer Journey. Constant reminders of the Role that our employees hold in serving and caring for our clients has been another focus-area

Our Internal Communication Messages includes seven key values, each is communicating in our local dialect to preserve our culture and maintain an inclusive language to all our employees and national brand.



Customer Rights & Data Privacy

In line with the CBE Regulations, NBE complies to a rigorous set of guidelines and rules to protect Customer Rights:

- OI Fairness & Justice
- O2 Transparency & disclosure
- Effective & efficient Mechanism for customers complaints
- 04 Promoting financial awareness
- 05 Customer data protection & privacy

Customer Privacy

TECHNOLOGY SERVICES

IST BANK CERTIFIED IN EGYPT FOR THE 5TH CONSECUTIVE YEAR

PCI DSS

CERTIFIED

NBE obtained the PCI DSS Certification V3.2 from Control case. This certificate is the seal of the bank's compliance with the requirements of the Visa and MasterCard bodies to secure electronic payment and credit card data.

Control Case is one of the international companies approved to review application of international standards for compliance with the rules of protection and security of payment and credit card data

Fairness & Justice

- Providing transparent terms & conditions for products & services, including method & cost of cancelation.
- Assisting customers fairly & with integrity in choosing the right service or product that best suits their needs & the size of the guarantees with the required facilities.
- Using fair & uncomplicated contracts that define the rights & obligations of the bank.
- 04 Educating the guarantor about his/her obligations.
- O5 Educating & informing the customer & guarantor about the escalating process in case of default of unresolved complaints.

Transparency & Disclosure

- Disclosing annual actual rates of return/service prices in the various available channels (Website, customer reception halls, etc.)
- O2 Disclosing terms & conditions of products & services on the bank's website
- 103 Informing the customer of any changes in the rate of return or when changing fees/expenses
- o4 Informing the customer of his account statement in accordance with the provisions of the law & rights/mechanism of customer complaints

Efficient Customers Complaints Mechanism

- OI NBE provides a diverse number & types of channels to receive customer's complaints
- O2 Complaints are registered & verified through automated platforms & systems
- O3 Automated confirmation of receipt of complaints is performed by text messaging to the customer registered contact details

Promoting Financial Awareness

- OI Educating customers on the importance of updating their personal data.
- 62 Educating customers on usage of the various services & products of the bank in accordance with the terms & conditions.
- Explaining the consequences of irregular payment of products to credit customers.
- 04 Raising awareness of fraud & forgery.
- 05 Educating customers on non-disclosure of any confidential information about the accounts.
- Description of the importance of notifying the bank & the service provider in the event of any transactions involving theft, fraud, & embezzlement of the accounts.

Customer Data Protection & Privacy

- Considering all customer's personal and financial information & information confidential & may not be used or shared with others without obtaining the written consent of the customer in advance.
- Providing the appropriate environment to protect clients' financial & personal data & information, whether these data & information are kept with the bank or with any third party that the bank deals with.
- Non-disclosure of any information related to clients or their accounts except after verifying their personal identity or the identity of whomever represents them legally.

Our Customer Privacy complaints represent 0.00024% of NBE's total customers of 9,8mn at the time the complaints are reviewed by the regulator.

Our Employees

For years, the banking sector has transitioned its focus towards intellectual capital due to the emerging technologies that have come to disrupt or transform the ways customers are served. Today, we are moving to a new age of "Knowledge Economy".

Transition to Knowledge Economy

At the forefront of all economic activities, while banks have capitalized on this new framework of technological inputs, employees' knowledge continued its unrivaled lead as the core component and common dominator of the Knowledge Economy Model - a model that is deemed to drive growth in the digital age.

Today, yielding profit under this model, while committing to employees' wellbeing, is the balance that NBE has successfully achieved through its history, by adopting a Responsible Growth Culture.

"The Knowledge Economy" is recognized as the contemporary business model of efficient management of intangible assets: science, technology, innovation, & human capital talents.



Our Value Creation

Our Responsible Growth entails "Care for Employees", one that mirrors their true undenied value to NBE. A value that is clearly witnessed through the comprehensive set of value- propositions, that proudly distinguishes our NBE's Employer Brand and Value Creation:

	OUR VALUE CREATION	POLICIES & PRACTICES
-	DIVERSITY & EQUAL OPPORTUNITIES	 Diversity of Employees New Hires vs. Turnover rates Equality in Employment Opportunities Equality in Wages
2	MENTORSHIP & PROFESSIONAL GROWTH	Training and Career Development Performance Assessment Dedicated Program for Women
m	ECONOMIC WELLBEING	Wages & Compensation
4	SOCIAL SUPPORT	Parental Leaves Families & personal benefits
ru	HEALTHY WORKING ENVIRONMENT	Health & Safety
9	ENABLING COMMUNICATION	Digital Tools & Internal Communication
٢	BELONGING & SOCIAL ENGAGEMENT	Social Engagement
8	PROTECTIVE WORKING ENVIRONMENT	Collective Bargain Agreements Values Advise on Ethical Matters

Inclusive Work Environment

NBE's chronicle is a continuous testimonial of our human capabilities, talents, expertise, and leadership that have bridged challenges, embraced changes, and captured opportunities, over a journey of 100 years and more. At NBE, the size, diversity, and experience of our taskforce is unmatched.

Our masterful NBE taskforce of 20,771 diligent men and women are serving customers across Egypt and bringing over 9000 daily new citizens and businesses closer to the banking sector to help them with their needs.

With the growth of our business, a parallel growth in our task-force has taken place with 7.1% increase in 2019, serving our customers at 50 new branches across the nation and through the largest and fastest growing digital channels.

Today, NBE's human capital represents 17% of the entire taskforce of the Egyptian Banking System and our employees account for 38% of the taskforce of the 5 largest local banks in Egypt, with operation extending across the country.

	EMPLOYEES GEOGRAPHICAL DISTRIBUTION (BY REGION)	2016 -	2017	2017 -	2018	2018 -	2019
	Headquarters	6156	36%	6523	35%	7018	34%
1	Alexandria	1425	8%	1554	8%	1674	8%
	Delta	1312	8%	1453	8%	1591	8%
ı	Canal	1102	6%	1201	6%	1335	7%
	South Upper Egypt, South Sinai, & Red Sea	967	6%	1035	6%	1142	6%
	North Upper Egypt	1065	6%	1200	6%	1320	6%
	South Cairo	966	6%	1083	6%	1176	6%
	East Cairo	845	5%	959	5%	1095	5%
	North Cairo	1190	7%	1330	7%	1495	7%
	West Cairo	785	5%	859	5%	951	5%
	Downtown Cairo	1391	8%	1549	8%	1677	8%
	TOTAL	17204		18746		20474	
	TOTAL (Including Temporarily Unpaid Leave 2018-2019)					20771	

Our Diversity & Equal Opportunities

NBE will always stand at a unique position and role. Strategically serving and nurturing financial inclusion at the lowest-income segments, while managing mega-projects, multi-bn investments portfolios and savvy financial clientele base of HNW.

When technology and automation were still in the cradle, our leadership and employees had paved the way to every new technology of the 21st century.

Harmonizing and adapting to financial literacy while taking the lead in the digital era is the ultimate success.

I (102-8) 2 (405-1) Behind it all, is NBE Proximity to its Customers, where our front-liners have the responsibility to always be the trusted advisors to individuals and businesses. Supported by thousands of employees behind the scenes, NBE's diversity of age, gender, talents and expertise is of a paramount significance of how we do business and how we ensure this inclusive responsible growth.

In 2019, our female employee's presence represented 27% of total employees, while employees under the age of 30 represented 9.5% of our task force.

These diversity indices were achieved through a change in our new staff hiring and turnovers strategy related to gender and age categories.



New Hires¹

NBE has focused on improving a most needed diversity in both age and gender. Our hiring policy has been focused on achieving that goal with a focus on females and those under age of 30.

In 2018, assessed by LinkedIn International, the bank received a certificate of appreciation as the Best recruiter in the Middle East & North Africa region, a certificate that is awarded to the best recruitment Qualifications & practical talents through the bank's usage of LinkedIn, its solutions & data in the field of employment.

	ANNUAL GROWTH RATES OF NEW HIRES	2017-2018	2018-2019
	Under 30 years old	5%	17%
Ť	Male	10%	1%
	Female	2%	46%

As a result, the increase of new female employees on our task-force have been continuously increasing since 2017 at a rate of

20% in 2018 and 18% in 2019. In comparison, male employee rate has been annually increasing at 6% since 2017.

NEW HIRES (BY AGE)	LESS THAN 30	30 TO 50	ABOVE 50	TOTAL
2016 - 2017	1508	34	I	1543
2017 - 2018	1577	40	3	1620
2018 - 2019	1852	61	2	1915
Total				5078

New hires also achieved a keen balance across Egypt's governorates with an equal new hiring growth rate (except for Great Cairo where population remain the largest to serve).

	HQ & CAIRO		ALEXANDRIA		DELTA		CANAL		SOUTH UPPER EGYPT&SINAI, & RED SEA		NORTH UPPER EGYPT		
	Count	Growth rate	Count	Growth rate	Count	Growth rate	Count	Growth rate	Count	Growth rate	Count	Growth rate	
9107 - 7107	965	5.49%	168	0.95%	153	0.87%	96	0.55%	62	0.35%	99	0.56%	15
7 - 0 - 0 - 0 - 0 - 0 - 0 - 0 - 0 - 0 -	1017	5.52%	126	0.68%	172	0.93%	113	0.61%	64	0.35%	128	0.69%	16
0107 - 6107	1183	6.11%	130	0.67%	159	0.82%	161	0.83%	106	0.55%	176	0.91%	19
	3165		424		484		370		232		403		50

Turnover Rates

During the reporting years, the total number of employees' turnover reached 1958, representing 10.22% of the total employees due to retirement, resignation, dismissal, termination of service and death.

By Gender

During the reporting years, turn-over of male employees was higher compared to females. The average turnover rate was at 7.53% male compared to 2.69% female of the total number of employees.

By Age

During the reporting years, the age of Retirement was the largest of those causes.

The average turnover rate was inclined towards the age group of 60 to 65 at 5.86% of our total employees.

By Region

During the reporting years, our largest turn-over was often from the head office & Cairo representing 7.01% of total employees. This is coming at an expected rate given that most retirees where from the head office.



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Mentorship & Professional Growth¹

The School of Bankers

With over 186 thousand of training and development opportunities, NBE has undertook a massive training plan for its employees with a budget mounting to EGP56 mn in 2019 in comparison to EGP31 mn in 2017.

Average Training Hours

Our training programs have been increasing over the years from 7821 annual training hours in 2017 to 12,271 hours in 2019, thus offering our employees an average of 6.88 training opportunities per employee over the course of 3 years (or 2.29 annually).

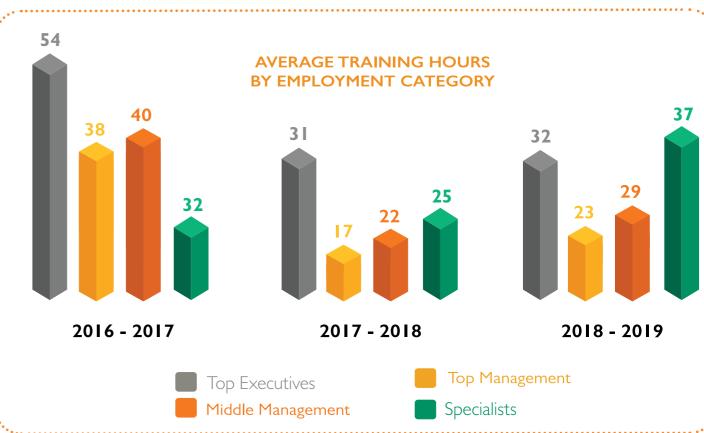
	201	6-2017	201	7-2018	2018-2019			
Total Training Budget	31 EGP mn		32 [EGP mn	56 EGP mn			
	Hours	Attendees	Hours	Attendees	Hours	Attendees		
Total	7,821	39,292	7,037	56,401	12,271	91,220		
Total Hours	27,129							
Total Attendees	186,913							

- It is important to highlight that the bank has focused on decreasing discrepancy in training hours between the different job categories.
- Motivating our female employees for future development was also witnessed. The gap in number of training hours between male and female have largely decreased.

AVERAGE TRAINING HOURS BY GENDER 48 2017 - 2018 30 38 2018 - 2019 28 32







	2016 - 2017	2017 - 2018	2018 - 2019
AVERAGE TRAINING HOURS/EMPLOYEE	50	28	31
AVERAGE TRAINING OPPORTUNITIES/EMPLOYEE	3	3	3
AVERAGE TRAINING COST/EMPLOYEE - EGP	1876	1823	3023

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Training Programs

NBE prides itself with one of the most advanced and comprehensive training programs in the banking sector.

Trainings are distinguished under:

- 1. Capacity Building Programs.
- 2. Technical and Career Programs

Trainings are provided through:

- I. External Agreements provided by the Egyptian Banking
- 2. External Agreements provided by multiple prominent third-
- 3. Internal training provided by NBE Regional Training Centers.

2016 - 2017 1461 Training Worskhops 27.959

2017 - 2018 946 Training Worskhops 18.945

2018 - 2019 1556 Training Worskhops 31.721

First: Capacity Building Programs

In Cooperation With The Egyptian Banking Institute (EBI)

Young Leadership Program

Dedicated to young staff and aimed to equip them with the required technical skills needed for administrative supervisory positions. 54 selected NBE's employees were part of this training program.

Future Leaders Program

Dedicated to promising management staff and aimed to equip them with the required skills for leadership positions. 15 selected NBE's employees have received 535 training hours.

About the Banking Institute:

The Egyptian Banking Institute was established by the Central

Bank of Egypt in 1991 to become the official training arm to apply international best practices focused on honing the technical and administrative skills of workers in the financial and banking sector. Through excellence in skills development and provision of Integrated knowledge services for the financial sector, the Institute has a vision aimed to becoming the leading knowledge center for financial services in Egypt and the neighboring region, and to contribute in spreading the community. awareness across

- Achievements of the Banking Institute • More than 50 thousand trainees annually.
- More than 600 trainers.
- More than 60 thousand training hours annually.
- More than 3 thousand training programs annually.



In Cooperation With Prominent **Training Institutions**

THE SUCCESS LEADERS PROGRAMS

Dedicated to best Branch Managers, & aims to prepare them for the positions of Regional Managers.

THE SCHOOL **OF SUPERVISORS (TOT)**

Dedicated to training of

279 Selected NBE's employees were part of this training program.

THE FUTURE **EXECUTIVES PROGRAM**

Seven regional training centers were established, equipped, and operated to implement our training programs for employees in governorates near their workplaces, in addition to three centers in Greater Cairo.

On average 75% of the training courses are held in NBE Training Centers in Alexandria, Tanta, Mansoura, Ismalia, Hurghada, Assyout,

77% of our 2016/2017 training courses were held in our centers. 76% of our 2017/2018 training courses were held in our centers. 79% of our 2018/2019 training courses were held in our centers.

Second: Technical & Career Training Program

SMES FINANCING

The career path program was established for employees working in Credit Lines. The offered programs have internationally certified courses in the areas of Credit & Risk.

- 3053 employees in 2017-2018
- 2850 employees in 2018-2019



INFORMATION TECHNOLOGY & DIGITAL TRANSFORMATION

A total of 3694 training opportunities were provided in 97 different topics.

- 3707 employees in 2017-2018
- 5863 employees in 2018-2019



Economic Wellbeing

Salaries & Wages

NBE's employees are well compensated with no gender differentiation. Our annual salaries and compensations are above market average and they sustain a sound annual increase among peers.

- The average of the annual percentage increase for the banking jobs reaches up to 12%.
- The average of the annual percentage increase for auxiliary services reaches up to II%.

Benefits & Compensations

Preferential Personal Ioans

NBE provides an extensive range of loans at prefer- Our employees receive an ential rates. They include housing loans, personal loans, & car loans with repayment periods of up to latest dividends has mounted to 15 years. The number of loan beneficiaries during EGP 3,027 mn in 2019 against the last three years is 11,046 employees, with total EGP 194 mn in 2018. loan balances of 3.2 bn EGP.

Profit Dividends

annual profit dividends. The

Retirement Fund

All employees are entitled to a retirement severance pay, or family compensations in case of death, both of which are funded through the Retirement Fund Program.

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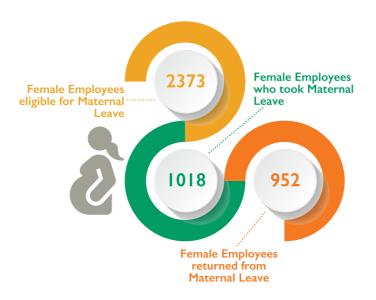
Social Support & Wellbeing

Parental Leaves¹

Social wellbeing stems, at its core, from family wellbeing. Protecting the social wellbeing of our employee is the essence of all successes and growth, through which individuals thrive in both their personal and professional lives.

Our return-to-work rate is one of the significant indicators reflecting NBE's healthy working environment that encourages our female employees to return to work while finding the necessary care to balance the responsibilities of work and family commitments.

During the reporting year, a total of 1018 female employees took Child Care leave, with 852 returning to work after maternity leave. This places our return-to-work rate at 92.14%, with a full compliance to National Labor Laws which provides the right of three-months paid vacation for maternity leave. Upon return to work, 98.5% of retuning mothers continued working for at least one full year.



Our return-to-work rate at 92.14%, with a full compliance to National Labor Laws

MEDICAL CARE

The bank provides a full medical care plan for all its employees. Medical care includes medicines - tests radiology – surgeries or any other medical procedures or treatments.

All medical care services are provided through a very large & distinguished medical network across country.



HEALTH INSURANCE

NBE provides health insurance policies to ALL its employees & extends these policies to include our retired veterans. Additionally, a total of 38785 employees families' members also benefit from the same service.



Our employees' life insurance policies cover: death, disability, & termination due to disability (total or partial).

Life insurance is carried out with the value of the debit balance of the loan for all employees who obtain loans of all kinds to cover: death, disability, & termination of service (total or partial).



NATIONAL INITIATIVE FOR COMBATING VIRUS C

Elective screening was provided to ALL NBE's employees as part of the Government Program for screening against Virus C across the country.

Healthy Working Environment

NBE's Health and safety management system applies to all our employees working at our Headquarter and branches. It operates according to regulatory measures and established internal measures that are communicated to employees as part of a contractual agreement. Additionally, Health and Safety Measures that relate to public health are placed at NBE's operational locations as per regulations.

In line of NBE's compliance to regulatory and internal Health and Safety Measures, the HR in coordination with the Audit Department are responsible of monitoring the adherence to regulations, receiving inquiries or concerns from employees, and reporting of required measures in this regard.

The bank conducts regular training dedicated to employees who occupies jobs related to health and safety, in addition to other awareness workshops:



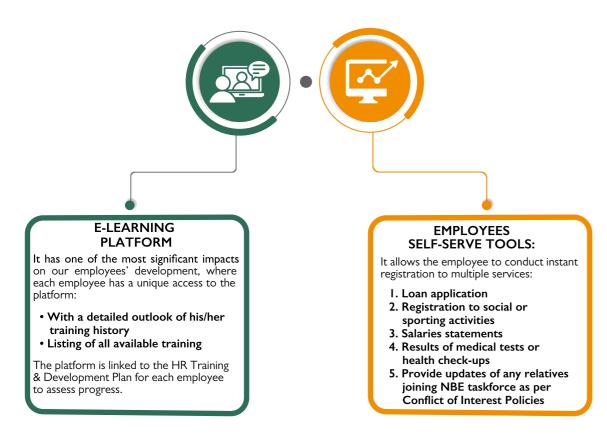
ner awareness	WOLKSIN	ops.	Number of Employees 2016 - 2017	Number of Employees 2017 - 2018	Number of Employees 2018 - 2019	BUDGET IN EGP
	HEALTH & SAFETY	Emergency measures & effective methods to protect and secure bank branches & headquarters from incursions & armed robbery.	642	1334	1334	475,373
	SAFE DRIVING	Safe and preventive driving road safety & security measures.	1230	490	417	425,280
	SAVE A LIFE	First aid & cardiac resuscitation.	326	-	-	-
	FACILITIES PROTECTION	Safety of facilities, firefighting, & preventive measures simulations for evacuation plans.	-	-	803	525,350

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Enabling Communication

At the core of our digital transformation, our internal Human Resources Management System has been largely automated and digitalized using the latest Oracle software. Our new platform is housing secured interactive databases that serves multiple purposes:



Protective Working Environment

NBE's Code of Ethics is the governing guide to its Corporate Values, Ethics, Conduct, and Advice.

Under our code of ethics, our employees are safeguarded and enjoy a protective working environment that enables them to perform, develop and advance under the NBE's corporate values of integrity and transparency. We value creativity that serves our customer-focused culture, and this can only be achieved when each and every member of the NBE's family have the confidence that his/her concerns can be voiced and considered without fear of dismissal.

Under our Corporate Governance Policies, the Code of Ethics provide a protective working environment that instils and nurtures loyalty and pride. (Read on: Our Value / Critical Concerns and Advice on Ethics)

Furthermore, our employees are empowered by their collective Bargain Agreement, that is governed by a board of trustees, elected from the employees and by the employees.

ALL NBE's employees are part of this agreement and their voices are channeled to NBE's Board of Directors through its HR Committee that has the oversight delegation powers of the board.

Belonging & Social Engagement

NBE Foundation for Employees

The Foundation provides multiple services for all employees without distinction. Services include housing and land allocation at preferential rates and lending facilities in cooperation with Egypt's most prominent real estate companies, with long term installment period.

Sports Clubs:

For many years, the bank has been able to provide employees with the opportunity to participate in several sports and social clubs:

- The bank's club in Mohandessin.
- Dar el Bank Club in Nasr City.
- •El-Ahly El-Masry Club in Alexandria.





Our Community¹

EGP 3.359 bn

Total funding across all programs for the reporting years are directed into mega-impact programs and projects dedicated to improving quality of life & standard of living for Low-Income Households, Youth, Women, Children, & those financially in Debt.



There was never a greater responsibility than the one serving the fundamental rights of a Nation's citizens: rights to health care, access to education, decent housing, development of young mind securing livelihood, and above all preserving the very fabric of society that can only be nurtured through promoting culture and guarding heritage.

NBE is the LARGEST Contributor to the National Development Goals through CSR and NBE Foundation, mounting to an average of 9% of NBE's net profit standing at EGP 6 bn in net funding since 2014.

During the reporting years, NBE directed over EGP (3.359) bn into mega impact programs and projects dedicated to improving the lives of Egyptians families.



Our Community CSR Beyond Corporate Peripheries

While our Corporate Strategy & Sustainability practices reflect how our business is responsibly conducted with the consideration of economic, social, & environmental wellbeing for our stakeholders, our Community CSR activities extend beyond corporate peripheries.



Inclusive Growth NBE Serves ALL PEOPLE

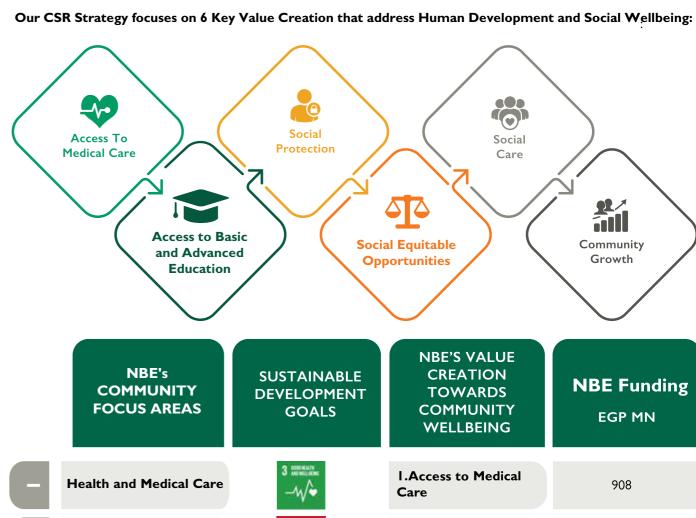
Beyond the outskirts of Banking Services & into our costumers' every-day needs & aspirations, we are committed to protect their wellbeing today & secure the foundation of their "tomorrow".



Strategic Alliances We Leave No One Behind

vision, our values, & our determination





Development of Educational System and Infrastructure

m	Poverty Elimination
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ю	Integrated Communities
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Access to	Medicai
are	

3. Social Protection

Opportunities

2.Access to Basic and	7.10
advanced Education	742

İ	větíř	
11	COLUMN TOTAL	







4. Social Equitable Opportunities	640
5. Social Equitable	950

6. Social Care 44

TOTAL FUNDING ACROSS ALL PROGRAMS FOR THE REPORTING YEARS

3,359

149

75

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Health & Medical Care

EGP 908 MN



Health and medical care include intensive care rooms, operating rooms, provision of diagnostic & therapeutic devices. Our contribution extends to include training programs for medical specialists and specialized treatment of chronic cases.

NBE's ultimate goal is that ALL Egyptians can have access to health and medical care free of charge as part of their fundamental rights.

Hence, our contributions were directed to fund and equip a large number of public and university hospitals, educational institutes and non-specialized medical centers that provide their service with no costs incurred by patients.

NBE's Committee for Community Support Programs oversees the monitoring and assessment of proper installation and maintenance of the equipment, as well as conducting necessary audits to ensure that services are provided to citizens without any financial burden.

Our Funding Selection Criteria:

- 1. Promoting preventive and health programs.
- 2. Enabling localities to provide health services in a decentralized setting.
- 3. Developing the information infrastructure supporting the health system.
- 4. Developing the human resources management system across the health sector.
- 5. Developing the pharmaceutical sector.









During the reporting years NBE has supported









	PARTNERS	TOTAL NBE FUNDING EGP MN	PROJECT OBJECTIVE	YEAR
	Demerdash Hospital	I	Development of Sterilization Units	2016
2	Demerdash Hospital	21	Development of Operating Rooms	2017
m	HomyatAbasia Hospital	50	Renovation of the Hospital	2017
4	Demerdash hospital	22	Development of Operation Rooms	2017
ru	The National Cancer Institute	84	Provision of Multiple Medical & Surgical Equipment	2017
9	Homyat Abassia hospital	50	Provision of Multiple Hospital Sections	2017
 	Center of Nephrology Mansoura	0.5	Support to Dialysis Research	2019
&	Center of Nephrology Mansoura	4	Provision of multiple Medical & Surgical Equipment	2019
6	Demerdash Hospital	0.5	Development of Sterilization Units	2016
0	Ein Shams hospital	30	Development of Operations Rooms	2019
	Ministry of Health	7	National Health Care System Port Said Governorate	2019
	TOTAL	270		







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Universities' Health Partnerships

	PARTNERS	TOTAL NBE FUNDING EGP MN	PROJECT OBJECTIVE	YEAR
	Menya University Hospital	6	Equipping with Catheters	2017
2	KasrEiny - Thabet Hospital	10	Provision of Multiple Medical & Surgical Equipment	2017
м	Ein Shams Specialized hospital	24	Development of Operation Rooms	2017
4	Zahraa university Hospital	4	Provision of Laparoscopy Equipment	2018
rv.	Badr Helwan university hospital	41	Provision of Multiple Medical & Surgical Equipment	2018
9	Beni Suef university hospital	23	Development of Multiple Units	2018
7	Mansoura University hospital for children	17	Provision of Water Treatment Units	2018
8	Sohag University hospital	16.5	Development of Cardiac Unit	2019
6	KasrEiny Students hospital	10	Provision of Multiple Medical & Surgical Equipment	2019
0	KasrEiny Genitics Unit	2	Provision of Multiple Medical & Surgical Equipment	2019
=	Assiout University hospitals	12	Provision of Multiple Medical & Surgical Equipment	2019
12	Egyptian Faculty for Intense Care	2	National Project for Prevention of Cardiac Cases	2019
<u> </u>	KasrEiny for Critical Care	l	Training of Nursing staff	2016
4	Banha university hospital	.85	Equipping with MRI	2017
15	Ein Shams hospital	20	Development of Chest Care	2017
9-	Kasr Einy hospital	6	Provision of Multiple Medical & Surgical Equipment	2019
17	Tanta university	32	Equipping university hospital	2019
	TOTAL	235		



NGOs Health Partnerships

	PARTNERS	TOTAL NBE FUNDING EGP MN	PROJECT OBJECTIVE	YEAR
-	Center of Nephrology Mansoura	0.5	Support to Dialysis Research	2016
7	Center of Nephrology Mansoura	0.5	Support to Dialysis Research	2017
m	Children Cancer Hospital	0.5	General Funding to Multiple units within the hospital	2017
4	Center of Nephrology Mansoura	5	General Funding to Multiple units within the hospital	2017
r.	Bahya Hospital for Women's Cancer	30	Provision of Free Chemotherapy Treatment.	2017
9	Children Cancer Hospital	30	Provision of Free Treatment for Patients	2017
7	Orman Foundation	44	Development of Multiple Units	2018
ω	Kabty hospital	5	Development of Multiple Units	2018
6	NBE Foundation	6	Screening & Treating Patients from Virus C Provision of	2018
0	Baehya Hospital for Women's Cancer	30	Free Chemotherapy Treatment.	2019
=	Madgy Yacoub International Heart Center	20	Support of Free Cardiac Surgeries	2019
12	Ahl Misr Foundation	100 000	Support to Ahl Masr Foundation for Burn Treatment	2019
<u>2</u>	NBE Foundation & Masr El Kheir	6	Treatment of Virus C	2019
4	Ayady El Mostaqbal Foundation (NGO- Alexandria)	20	Provision of Equipment & Patients' Chemo Treatment	2019
2	Baehya Hospital For Women's Cancer	30	Purchasing equipment for patients	2019
91	Orman Foundation	39	Complete second construction phase	2019
17	Al-Joud Foundation	36	Health Care Services	2019
<u>8</u>	NBE Foundation	0.5	Support to Selective Critical Medical or Humanitarian Cases	2019

TOTAL 403



Development of Education System & Infrastructure



EGP 742 MN

At 38 mn in 2018, children and youth made up 40% of Egypt's total population, according to CAPMAS (the Central Agency for a Public Mobilization and Statistics); a demographic that represents a true wealth for the nation with its young minds.

Recognized as the enabler for a stronger future,NBE gives a profound attention to Educational Development as part of its commitment to create an empowered community. Setting a true sustainable imprint in the development of an educational system is often challenged by various elements,that are best solved in parallel .

Given the large funding budget, our partnerships are only developed with longstanding and reputable establishments or under collaborations with Ministries to ensure proper channeling and effective usage of funds.

To optimize impact, NBE was selective in both its partnerships & its diversity of funded projects, extending to schools infrastructure, teachers training programs, educators in remote areas, university students & research programs.

INSTITUTIONS	FUNDING EGP MN
Zeweil City of Science & Technology	15 by NBE 50 by Tahya Masr
2. Public Schools Development	27
3. Scholarships & Tuition Fees	403
4. National Adminstrative & Technical Reform Program	200
5. Remote Areas Support	2.2
6. Vocational Education & Training	21.3
7. Culture & Art Education & Training	4.5
8. "Values & Life" National Program	5
9. "Education Hall" - Ein Shams University	10
10. Arab Academy for Science & Technology "Rally Competition"	4
TOTAL FUNDING	742







I. Zeweil City of Science and Technology

One of NBE's largest and most cherished contribution to Education and Sciences is our funding and construction of the National Bank Institute of Nano-science and Engineering as part of the the Zewail City of Science and Technology and through a long-standing partnership since 2011. The construction and inauguration of the NBE Institute has mounted to a budget of EGP 300 mn prior to 2016.

Zeweil City Of Science & Technology

The City s a non-profit independent institution ignited by the Egyptian Nobel Laureate and Winner in Chemistry, Professor Ahmed Zeweil. It is a state-of-the-art hub aimed to lead young minds to Scientific and Technological Renaissance era.

Aimed to adhere to international standards & support a green footprint within the City, an additional construction & beautific ation of façade& landscaping of the City was carried out by the bank in 2019 with a cost of EGP 5 mn.

NBE's contribution also included offering 119 scholarships for selective talented students from several regions in Egypt who were offered this Opportunity to move to Great Cairo region in pursuit of their education at the City. The total funding reached EGP 10 mn from 2016 to 2019.

2. Public Schools Development

Throughout 2016 to 2019, NBE contributed a budget of over EGP 27 MN for the development of 36 public primary schools . This Development included construction or restorations of buildings, equipment, teacher training programs and various awareness programs for the students.

3. Scholarships & Tuition Fees

Supporting struggling students is a Social Action of paramount importance, as no child or young person should be denied the rights to education due to financial inability. NBE has supported stressed students by funding their tuition fees and scholarships programs with a total of EGP 403 mn.

Tuition Fees Payment To Financially Stressed Students

Through cooperation with Cairo University, NBE funding has reached a total of EGP 3 mn. to support under served, and low-income students.

National Post Graduate Degrees : Funding Scholarships

Under the patronage of Ministry of Education & Scientific Research & the Ministry of Planning, NBE dedicated EGP 400 mn to support a number of scholarships to selective students across Egypt's Governorates.





4. National Administrative & Technical Reform Program

The largest reform program in the Ministry of Planning was supported by NBE with a budget of EGP 200 mn directed into multiple areas of development:

- Funding 200 scholarships for Master Programs in cooperation with Cambridge University.
- The Establishment of multiple business incubators in universities.
- · Raising community awareness of entrepreneurship.

5. Remote Areas Support

In partnership with the North Sinai Province, NBE has donated four buses, with a total value of EGP 2.2 mn dedicated for the transportation of educators and teachers to the various school within the province. This province is known for its difficult land scape and lack of public or regular transportation capabilities. NBE support is aimed to secure the safety and the wellbeing of the teachers, removing barriers within the education system across the remote areas in the province.

6. Vocational Education & Training

Known for its unique vocational professions, Egypt has a large stratum of society that rely on their professions as their main and sole mean of livelihood, whether the skills are nurtured through family at early ages, or acquired as a passion or even as an economic necessity.

NBE strongly stands behind its belief that modem education must resort to agile thinking and extended lifelong learning opportunities to ensure the inclusion of all children, youth, and adults.

The success of our program with QDB since 2018 has motivated other milestones in our efforts to promote Vocational Training. In 2019, with a budget of EGP 21.3 mn, NBE funded the First National Pilot Project for Vocational Training for middle school students . the project was launched by the Ministry of Industry and Commerce and was inaugurated in Al-Asmarat District- another one of NBE's funded development projects for integrated communities.

7. Culture and Art Education and Training

In 2016, with a fund of EGP 4.5 mn, NBE extended its contribution to college education through the support provided to Higher Institute for Theatrical Arts. This included renovation of theaters, provision of specialized equipment, and most importantly comprehensive training workshops.

8. "Values & Life" National Program

An unprecedented initiative was adopted by NBE aimed at enriching traditional education with a dedicated paralleled social program focused on children and youth. The program accentuates the values and conducts that young people are expected to uphold. Tutoring young people on life values and ethics must not stop at the boundaries of schooling hours nor academic curriculum, but it should be a continuous learning process that inspire them to be the best versions of themselves. The program also trains volunteers on its content and tutoring techniques to allow them to carry on the program across more regions.

Poverty Elimination

EGP 75 MN

Program I: Debt Relief (Al-Gharemeen)

Program 2: Women Empowerment through Sustainable Income

While access to education and health care are the most Fundamental rights to individuals, yet the very essence of wellbeing is the securing of livelihood and the elimination of poverty.

Low-income families are often challenged with the continuous burden of personal debts (mostly due to peer-to-peer lending) a non_voluntary action that is always deemed inevitable to secure the daily bread or necessities amongst families.

Women in rural Egypt have always been fundamental in securing a secondary financial support to their households. For that reason, family in debts and women empowerment are interconnected and considered as most persistent priorities.

With this in mind, NBE initiated the "Gharemeen Relief Fund". One of its largest and most proud programs directed to individuals at the lowest income, aimed to relief families' debt. As our action against poverty, NBE dedicated a total of EGP 18 mn per year (dispersed monthly) to families in rural regions.

Social inquiries are conducted through NBE Executive NGO arm, Masr El Kheir, to ensure that our funds are directed to the most in need.

While part of those sales is purchased by local communities, however NBE has further directed its annual procurement of corporate gifts to be purchased from those resilient local heroines. NBE Procurement has reached EGP 8.9 mn during the reporting period.



To Secure a long - lasting impact on the Families, NBE Relief Funding was paired with a parallel program that aims to empower women by providing income-generating opportunities as a Source Of a Sustainable Income . The Program Reaches Many Remote areas across Egypt and is Mainly Focused On providing women with capital to create handcrafted products.

The "Gharemeen Relief Fund" is an unprecedented action against poverty. NBE dedicated a total of EGP 18 mn per year (dispersed monthly) to families in rural regions.

PARTNERSHIP WITH:

"Qualification Development Bank- QDB" one of the sister NGOs to the Egyptian Food Bank.

INSTITUTION TYPE:

NGO

BUDGET:

EGP 21.3 mn in 2019 & 2018

SCOPE:

Provides an advanced international vocational training program

SPECIAL FEATURE:

The program is well individualized to our Nationalneeds & temperament

BENEFICIARIES:

1600 certified graduates

PARTNERSHIPS WITH:

NGO | Masr Elkhair Foundation, one of Egypt's renowned NGOs & NBE's Executive Arm.

SCOPE:

Program runs across all Egyptian Governorates.

PURPOSE:

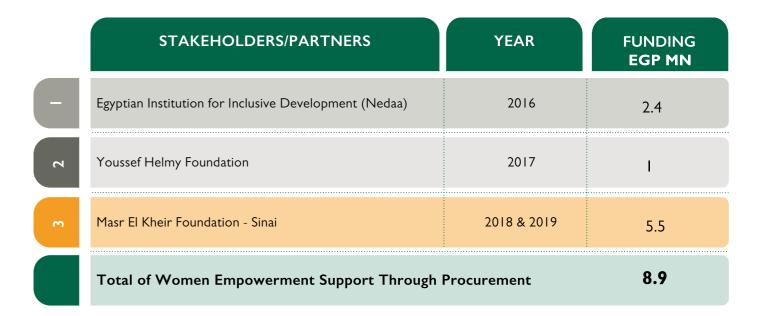
Reinforcing ethics and values for youth.

BUDGET:

EGP 5 mn.

BENEFICIARIES:

Children & Youth.





Egypt's Villages project

Social Equitable Opportunities

EGP 640 MN

Under a flagship mega projects, the bank has launched the NBE Egypt's Villages Project aimed to support the underserved and low-income communities across the nation.

Multiple projects have been funded through a span of multiplayers development plan for the most underdeveloped residential areas. Funding is not limited to housing projects, as it has simultaneously adopted multiple integrated projects that address infrastructure development, sewage system development, treatment of drinking water, funding small and medium enterprises, and multiple other development projects in each of those regions.

Integrated Communities (



EGP 950 MN

Beshayer Al-Khair I and 2 EGP300 MN

Inaugurated by the President of the Republic, the Bashsayer-El-Kheir Project is considered one of the leading national models to develop integrated communities and cities, with collaboration of the private sector and financial institutions.

The project houses 1632 furnished residential units over 12 acers will house over 8000 persons. It includes a hospital with a capacity of 175 beds, a vocational training center, 17 vocational training studios, and 6 educational halls.

In addition, it also offered 58 commercial outlets, a commercial center for Small and Medium Businesses, and a specialized rehabilitation center for persons with disabilities

Part of the project plans is to utilize the rooftops for organic planting and installation of solar panels for power generation.

Development of Villages Across Egypt

	PROJECT	FUNDING EGP MN
-	Asmarat Family Housing Project - Cairo	200
2	Masr El khair foundation - 17 villages (Luxor, Suhag, Assuit, Beni Suif, Giza, & Qalubiya)	325
m	Youth Housing Project - Suez	50
4	Renovation of Low-income Housing by Orman NGOs	25
ro.	Development of Infrastructure - Aswan Governorate	5
9	Development of low-housing villages - El Wady Gadeed Governorate	35
	TOTAL FUNDING	640

Ahalina Housing Project

EGP500 MN

Inaugurated by the President of the Republic, NBE has funded the construction of this model neighborhood project with 1096 furnished housing units over 9.5 acres, with 5% of the units allocated at the ground floor for persons with disability to facilitate their mobility.

The project includes a School, a medical center & 216 commercial outlets & a commercial center over 4400 sqm2 to provide employment opportunities for citizens.

Other donations are made to develop remote communities along the borders of Egypt where it is most needed to provide diverse elements of healthy & sustainable living conditions. NBE donations mounted to EGP 50 mn.

Finally, a budget of EGP 100 mn is also dedicated toward the development of various projects to improve living conditions. Those projects are all under the Central Bank of Egypt.

In line with NBE Sponsorships plans, our CSR projects also extend to promote culture and sports.

Preserving Cultural Sites and highlighting the strength and uniqueness of our Egyptian Heritage go together with our efforts towards empowering our National Education System. Young Generations are expected to stay connected to their culture and equipped with their education, only then they will draw experiences and knowledge to address their future needs and aspirations.

Sports is an integral element of a healthy lifestyle that also present a dynamic and interesting environment to our children. An integrated system of Health Care and Sports are interconnected and fundamental to the overall social wellbeing of our young generations.

Public Private Partnership for Development (PPD)

PARTNERSHIP WITH:

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)

SCOPE:

Focused on Al Asmarat District on Ready-Made Garment Sector, Handicrafts and Entrepreneurship

PURPOSE:

Raising competitiveness of key Egyptian industries and creating jobs for young Egyptians and upgrading their skills

BUDGET:

4 MN EGP

BENEFICIARIES:

TVET students from Al Asmarat District (up to age 18) and female breadwinners (up to age 40)

SPECIAL FEATURE:

Pilot project as an apprenticeship and dual learning model

In alignment with Egypt Vision 2030: Sustainable Development Strategy (SDS), Asmarat Vocational Training Center (VTC) is the 1st national pilot of its kind under Public Private for Development (PPD) Partnership that was initiated in 2018 for a 3-year period. The project is considered a pilot for a unique vocational training school model with apprenticeship operation and a focus on ready-made garments sector, handicrafts and promoting entrepreneurship for Technical Vocational Educational and Training (TVET) students in Asmarat District, another one of NBE's funded development projects for integrated communities









158 I



Care For Special Needs



EGP 44 MN

	STAKEHOLDERS/ PARTNERS	NBE FUNDING EGP mn	PROJECT	YEAR
_	El Hasan Foundation for Integration	6	Provision of customized wheelchairs.	2016
2	Baseera Foundation	4	Support visually impaired persons.	2017
8	El Hasan Foundation	10	Provision of customized wheelchairs.	2017
4	Advance NGO for Disabilities & Autism (Taqadom)	5.4	Funding of "The Opportunities" project for rehabilitation & employment of people with intellectual disabilities & autism.	2017 - 2018
5	Advance NGO for Disabilities & Autism (Taqadom)	3.6	Training to support teachers for inclusion.	2018 - 2019
9	Al Hassan Foundation for Physically Disabled Persons	10	Provision of customized wheelchairs.	2019
7	Al Hassan Foundation for Physically Disabled Persons	5	Rehabilitation, training for inclusion & employment opportunities.	2019
	Total Funding	44		

NBE Foundation

NBE Foundation was established in December 2008 according to national laws under NGO#7512. It aims to be an efficient arm to NBE's Social Responsibility programs and projects.

The Foundation is considered as the supporting social agency towards NBE's long term development goals for the community.

The undeniable social engagement and commitment of NBE positions the Foundation as a core enabler of our strategic value creation. With an outstanding social purpose, NBE's Chairman, Mr. HISHAM Okasha, also heads the Foundation's board.

Among its other oversight roles, the Foundation Executive Committee is directly involved in the review of new projects, proposed budget, funding and expected outcome and impact analysis.

The Foundation is governed independently from NBE Board, and it is regulated under the Ministry of Social Solidarity and its annual Financial Statement is audited by external agencies.

The Foundation is supported by multiple sources of funding and revenues, and our most significant impact lies in the selection of its partners, who play an integral part to mutually steer the implementation of the Foundation's projects. Such partnerships represent a large part of our project execution. Our partners act on our behalf to ensure that our presence on the ground allows us a sound understanding of the community and its ben eficiaries and an agile model of execution that addresses any emerging needs.

The Foundation is supported by multiple sources of funding and revenues, and our most significant impact lies in the selection of its partners, who play an integral part to mutually steer the implementation of the Foundation's projects.

Sources Of Funding & Donations

- OI The annual membership
- Donations from the National Bank of Egypt
- Donations from bank employees & others
- 04 Government Subsidies
- Proceeds from established charity markets, exhibitions, & sport matches
- The return on investment from its funds or its production & service projects

The Foundation Main Areas of Community Development

Childhood & maternal care ·····

Social assistance ····



Family care ····



Cultural & scientific services · ·



Veterans on Pension · · · ·



Protecting & preserving • the environment



Economic development to · · increase family income



Two of the Foundation's prime projects during the reporting years included close cooperation with NBE's CSR Functions in TWO mega projects in collaboration with Masr EL Kheir NGO:

- The National Virus C Project
- The Debt Relief Program



65 ENVIRONMENTAL VALUE CREATION FOR PLANET REGENERATION

- 5.1 Introduction to Sectoral and NBE's Environmental Dimensions
- 5.2 NBE's KEY Highlights : Green Portfolio and Environmental Milestones
- 5.3 Lending and Multilateral Environmental Agreements
- 5.4 NBE's Green Finance
- 5.5 Biodiversity
- 5.6 NBE's Internal Environmental Footprint
- 5.7 Employees Environmental Engagement



Introduction to Sectoral & NBE's Environmental Dimensions

The Integration of Environmental Dimensions within the Bank's Lending Instruments & Internal **Operations**

Banks play a crucial role in the context of environmental risk. On one hand, they co-determine how we will work in the future while identifying which environmental risks we will be exposed to. On the other hand, ignoring environmental risks can have a negative impact on economic capital. However, taking them into consideration will shield the economic capital from any harmful environmental effects. From that point of view, environmental risks are quite simply just another major business risk.

This report is a concrete reflection to the above-mentioned approach, showing the transition towards green economy, where the banking sector plays a vital role. In alignment with the current global trends, it attracts foreign investments that abides by environmental standards, Benefiting from the available international mechanisms, it seeks to overcome all development challenges for all projects implemented by the Ministry of Environment in cooperation with NBE. Those projects aim at reducing pollution whether from industrial sources, transportation or unsafe disposal of waste. They work towards exploring solutions and alternatives that sustain investment and protect the environment, while putting the Egyptians at the forefront of sustainable development.



Being aware of environmental practices impacts, can help clients to take advantage of new opportunities while expanding and strengthening their own portfolios.

> Dr. Yasmine Fouad Minister of Environment



Environmental protection, sustainable production Egyptian Financial institutions that take into and consumption have become an imperative consideration their own, as well as their clients, necessity, rather than a choice, imposed on all countries due to the current global crises which need collective actions at all levels to save our planet. Consequently, our national approach towards saving our natural resources includes interrelated pillars. This involves mainstreaming the environmental dimension into other development sectors, engaging all stakeholders particularly youth groups, civil society and private sector, using the advanced efficient technology as wel as developing and implementing related policies. Opportunities of environmental investments range from remediation of existing pollution to the development of new products and services.

environmental compliance status, can avoid the financial and reputation liabilities of poor environmental performance and poor business risk management. Being aware of environmental practices impacts, can help clients to take advantage of new opportunities while expanding and strengthening their own portfolios.

We appreciate the efforts extended by NBE to mainstream environment goals within its projects and look forward to taking one further vital step to include climate finance as part of the Bank's portfolio.



Global Environmental Megatrends, National Regulatory Policy Reform

Global Environmental Issues

These five megatrends present major global threats for planet Earth. They are problems that must be solved if the world is to remain a supportive habitat for humans and other species.

Air Pollution & Climate Change

Overloading of the atmosphere and ocean waters with carbon: Atmospheric CO2 absorbs and re-emits infrared-wavelength radiation, leading to warmer air, soils, and ocean surface waters preventing the planet from freezing over.





United Nations Framework Convention on Climate Change

Deforestation

Rich wild forests are often destroyed - especially in the tropics - to make way for cattle ranching, soybean or palm oil plantations, or other agricultural monocultures.





Convention on Biological Diversit

Species Extinction

On land, wild animals are being hunted to extinction for bush meat, ivory,or «medicinal» products. At sea, huge destruction of these habitats are also major factors contributing to unprecedented extinction waves caused by a single species: humans.

The IUCN»s Red List of threatened and endangered species continues to grow



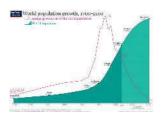


Overpopulation

Human population continues to grow rapidly worldwide. Humanity entered the 20th century with 1.6 bn people; right now, we're about 7.5 bn. However, estimates put us at nearly 10 bn by 2050.

Desertification

Overgrazing, monoculture planting, erosion, soil compaction, overexposure to pollutants and land-use conversion are some of the elements that damage the soil and causes soil degradation. About 12 mn hectares of farmland per year get seriously degraded, according to UN estimates.





Industrial Evolution: Transition From Brown Industries To Green Industries

While the global environment suffers from major problems, it is mainly due to the large industrial development and the excessive use of fossil fuels and harmful chemicals. That's in addition to the lack of consideration to water and air pollution in the industrial environment which - called Brown industries. The United Nations Environment Program in Stockholm Conference was established in 1972 and 1973, and was headed by one of the greatest Egyptian experts "Dr. Mustafa Kamal Tolba" from 1975 to 1992.

Ever since, the world's countries started to shift towards reducing global pollution as well as other industrialized countries. The peak was in 1992 at the Earth Summit in Rio de Janeiro, attended by all countries of the world, developing and developed. The summit's main objective was preserving the environment, combating the negative effects of climate change and shifting towards less polluted production which is known as green industries.

National Environmental Regulations

Due to global awareness of environmental issues, the state has established Law No. 4 of 1994 to protect the environment. The law stipulates rules and procedures required to reduce environmental pollution in all economic activities.

It was amended in 2009 by Law No. 9 which includes more stringent measures in the field of environmental protection.

International Environmental Agreements

As a result of the Earth Summit, there were many environmental agreements, including the Framework Convention on Climate Change, the Convention on Biological Diversity, the Convention on Reducing the Dangers of Hazardous Pollutants,

in addition to the Convention for the Protection of the Ozone Layer- these are agreements that Egypt signed and became binding on the state with its various institutions.

Business Opportunities For Environmental Investments

Environmental and social risk management can help financial institutions to identify market demands for new products that address environmental and social sustainability solutions and provide them accordingly.

This is effective, not only for risk management, but it can also spur the financing of new technologies, initiate new partnerships and create a new client/investee basis.

Domestic Drivers:

- Egyptian Environmental Law
- Establishment: Law No. 4 for 1994
- Law Amendment: Law No. 9 for 2004
- Law No.48 for 1984



Environmental Programs Managed By NBE

NBE financed industrial pollution abatement program as Apex Bank, EPAP I – EPAP II

The broad objectives of the Pollution Abatement Project are to assist Egypt in reducing industrial pollution causing adverse health effects and/or ecological degradation. Its specific objectives are to strengthen the monitoring and enforcement capabilities of environmental institutions and establish technical and financial mechanisms for supporting pollution abatement investments in Greater Cairo, Alexandria, the total amount of fund was USD 173 mn

Stakeholders: EPAP II is a project financed jointly by the World Bank (WB), the European Investment Bank (EIB), The Japan Bank for International Cooperation (JBIC) and the French Development Agency. Additional technical and subsidy support is provided by the European Commission (EC), Facility for Euro-Mediterranean Investment and Partnership (FEMIP) through EIB, the Government of Finland.

ACI - Achieving Compliance with environmental regulation in Industry (ACI) Project

Achieving Compliance with environmental regulation in Industry (ACI) component supports the industry in improving compliance with environmental regulation through Clean Production & Cleaner production

Aims: Providing service to industries achieving cleaner production through the Environmental Compliance Office at the Federation of Egyptian Industries to increase the capacity of the Egyptian technical consultants to assist in the implementation of cleaner production in industrial sectors.

The total amount of fund was EGP 170 mn to finance measures in compliance with environmental laws and pollution control in the industrial environment (medium and small projects).

Private Public Sector Industry (PPSI)

PPSI is available to eligible private and public companies (excluding multinationals) in Upper and Lower Egypt (excluding Greater Cairo and Alexandria) aiming to implement pollution abatement projects. Stakeholders: EEAA/ KFW- Credit bank for redevelopment KFW.

Egypt Sustainable Energy Financing Facility (ESEFF)

As Egypt aims at boosting renewables share from 1% to 20% of energy produced by 2022, the state has been eager to secure funding for projects in that sector targeting mainly utility scale renewable energy and small-scale solar energy offers. Wind and solar projects are supposed to constitute 12.2% of Egypt's energy, while the rest would be generated from hydropower. A milestone was achieved by promulgating the feed-in tariff law in 2014 before it was amended in 2017.

Egypt SEFF is developed by EBRD and distributed through NBE's more than 300 branches. It's technically supported by MWH Global and RCREEE, and financially supported by SEMED MDA and EBRD's SSF. The following diagram summarizes the relationship between all parties. More information about each stakeholder is further explained below.

2016

1998 - 2019 2005 - 2033 2009



NBE Environmental Sustainability Initiatives:

Since Egypt signed the Framework Convention on Climate Change, the state has set its priorities for adapting to the negative effects of climate change. In 2011 a national strategy was developed to adapt to climate change, aiming to reduce the impact of climate change on various sectors such as agriculture, industry, health and energy. The state worked with many initiatives to reduce emissions, on a voluntary basis, while NBE contributed to financing energy efficiency and renewable energy projects, whether at the governmental or private sector level.

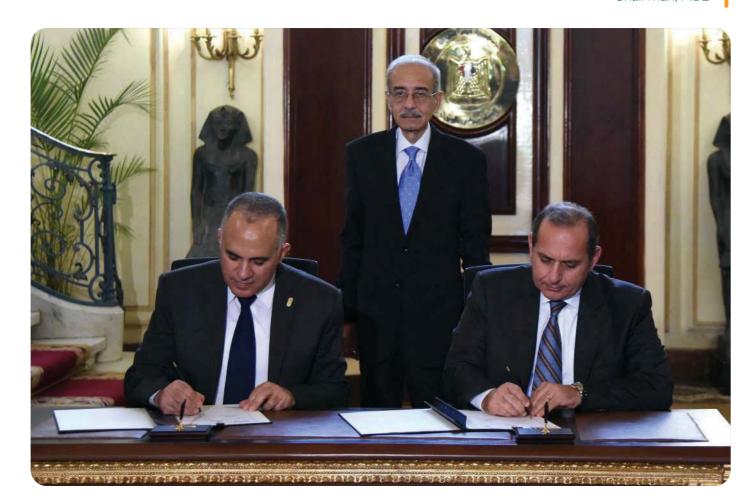
NBE's Efforts Towards Environmental Compliance

In accordance with the Egyptian Environmental Law, environmental compatibility is one of the determinants of the efforts of the National Bank of Egypt starting from voluntary efforts to environmental compatibility. Though there was no clear commitment to any environmental compatibility plans yet, NBE financed environmental compatibility projects after the issuance of the Environmental Law to comply with international environmental agreements. There are clear steps in cooperation with all partners to put environmental projects on top of business agenda's priorities, especially during the next phase.



We are providing environmental financing for environmental copatibility projects in coordination with national authorities and international financial institutions in order to activate the Environmental Law No. 4 of 1994 in line with the National Vision.

Mr. Hisham Okasha Chairman, NBE



NBE's Key Highlights : Green Portfolio & Environmental Milestones

Green Portfolio

Because NBE is the largest bank in the country, it supported the entities the state relied on in managing the finance of the largest funding portfolio for environmental projects since 1997. Total funding was allocated to the industrial pollution control project in the three phases with 330 mn euros. Environmental Affairs Authority cooperated with many International financial institutions such as the World Bank, the European Development Bank, the Japanese Development Agency and the German Development Bank.

About EGP 160 mn were dedicated to environmental compatibility of medium and small industries. The program was run by the Federation of Egyptian Industries in cooperation with many development partners

such as the Egyptian Environmental Affairs Agency, Ministry of Industry and Ministry of Electricity and Renewable Energy.

On the internal level, National Bank of Egypt has undertaken many initiatives such as rationalizing energy use, applying solar energy systems in many branches across various governorates, mass transport for employees, especially in the main branch.

Total funding was allocated to the industrial pollution control project in the three phases with 330 mn euros.

	TOTAL FUND	STARTING DATE	ENDING DATE	TARGET SECTOR	STAKEHOLDERS	
ACI	EGP 160 mn	2005	2033	SMEs Industrial sector	EEAA/ Federationof Egyptian Industries/ NBE/ DANIDA	
EPAP 2	USD\$ 170 mn	2007	2019	SMEs & large scales Industrial sector	EEAA/ World Bank/ European Investment Bank/ The Japan Bank for International Cooperation/ French Development Agency the European Commission (EC) Facility for Euro-Mediterranean Investment and Partnership	
PPSI	EUR7.2 mn	2009	2017	SMEs Industrial sector	EEAA/ NBE/ KFW	
ESEFF	USD\$ 30 mn	2016	still working	Energy sector	EEAA/ NBE/RCREEE/Eu Bank	
EPAP 3	USD\$ 136 mn	Contract was signed, In project to start soon		Industrial sector	EEAA/NBE/KFW/AFD	
TOTAL	EGP 5,572 mn	Total Available fund Equivalent to the Egyptian pound (at the conversion rate of 15.5 USD/EGP & 20 EUR/EGP)				



Lending with Multilateral Environmental Agreements

Egypt is a signatory to various conventions concerning environment protection, such as: the Environmental Modification Convention; the African Convention on the Conservation of Nature and Natural Resources; the Vienna Convention for the Protection of the Ozone Layer; the Convention for the Prevention of Pollution from Ships; the Barcelona Convention for the Protection of the Mediterranean Sea against Pollution; the United Nation Convention framework of climate change and Paris Agreement of climate change.

Towards Responsible Consumption

NBE's responsible consumption efforts are built around initiatives with 3 key pillars:

01

Water Consumption

It refers to the NBE's efforts to comply with the state's policy in rationalizing water consumption.

Energy Consumption

It refers to the efforts of the National Bank of Egypt to comply with the state's policy towards efficiency of energy consumption, through the use of energy-efficient lighting systems, less energy-consuming air-conditioning systems, & relying on new & renewable energy.



GHG Emission Reduction

It refers to NBE's efforts on energy efficiency policies, leading to a reduction in greenhouse gas emissions, according to the decisions of the Paris Climate Change Agreement.

NBE provided the necessary financing to achieve environmental compatibility for various economic projects whether through direct financing or management of financing by foreign initiatives

Environmental Risks To Financial Institutions

Green financing risk

In terms of green financing, incentives are required to encourage customers to adopt these types of projects. These incentives in clude a low interest rate, a relatively long grace period, and the size of the loan granted to the customer, in addition to bearing the costs of environmental studies for the project (sometimes a grant to the customer). This requires the presence of a specialized department to observe this type of financing within the bank, in order to develop flexible frameworks for green financing and to achieve a reduction in credit risk.

The Credit Department of the National Bank of Egypt, works through an integrated system to reduce the risks related to credit granted to environmental projects, and lower the percentage of customers non-commitment to pay the loan granted to them in this type of financing to 0%.

NBE Leading Transition Towards Green Economy

NBE's Environmental Compliance Egypt Environment Law N4 of 1994

Environmental issues in Egypt are governed by Law No. 4 of 1994. Under this law, the Egyptian Environment Affairs Agency (EEAA) was created for the protection and promotion of the environment. The EEAA formulates general policy and prepares the necessary plans for the protection and promotion of the environment. It also follows up on the implementation of such plans.

The Egyptian government has developed a five-year environmental action plan (1997/98-2001/02) for dealing with the country's solid waste, air and water pollution problems.

NBE's Environmental Cooperation & Stakeholders

- Ministry of Trade and Industry
- Egyptian Environmental Affairs Agency
- The Office of Environmental Compliance in the Federation of Egyptian Industries

NBE's Green Finance

NBE's Domestic and International Loan Agreement Partnerships constitute the real umbrella for sustainable financing in Egypt.

This funding was mainly directed to the industrial sector to comply with the National Environmental Law and reduce rates of industrial pollution, as well as international environmental agreements such as the Paris Climate Change Agreement and the Montreal Protocol on Ozone Depleting Gases.

Also, the bank, in cooperation with the Environmental Protection Fund, the Egyptian Ministry of Environment, funded an important project in the transportation sector to replace old taxis with new ones that operate on natural gas.

National / Domestic Governmental Bodies

- 1 The Egyptian Environmental Affairs Agency (EEAA)
 - The Federation of Egyptian Industries,
- O2 Environmental Compliance Office and Sustainable Development (ECO)
- 03 The Industrial Development Authority.

International/Foreign Financial Institutions

- OI The World Bank (WB)
- 02 The European Construction Bank (EBRD)
- 03 The Japanese Aid (JICA)







Green Finance Programme

Egyptian Pollution Abatement Programs (EPAP)

Programme Overview

- OI Second Phase: EPAP II
- 02 Apex Bank: NBE
- 03 Sum of total fund: \$ 173 mn
- 04 Purpose: Combat industrial pollution.
- Sub-projects should shift the company from environmental non-compliance to compliance and decrease pollution loan by more than %50.
- Geographical Scope:

Egypt, Greater Cairo and Alexandria regions.

Stakeholders:

GoE | Ministry of Environment.Egyptian Environmental Affairs Agency.

Loan & Grant Facility Overview:

Sub-Ioan:

Up to 90% of project investment costs with a maximum sub-loan of USD\$ 15 mn and a minimum sub-loan of USD\$ 100,000.

Grant:

20% of loan for projects achieving environmental objectives.

Interest:

Foreign loans: %3-2 above Libor/Euribor for 6 months plus up to %0.15 monthly commission on highest debit balance.

Local currency:

- %3-2above Egypt Central Bank mid corridor rate plus up to %0.15 monthly commission on highest debit balance.
- Repayment:
- 5-8 years with 1-2 year grace period.



Egypt's Ist Environmental Programme Towards Promoting Green Finance

NBE is the Apex Banking in Egyptian Pollution Abatement Programme (EPAP) since 1998.

An Overview

EPAP is the largest environmental project for combating pollution and compliance with environmental laws in the industrial field. EPAP I and II has been implemented by National Bank of Egypt (NBE) as the Apex Bank (Funding Portfolio Manager) together with the Egyptian Environmental Affairs Agency (EEAA) as technical arm and the involvement of 4 participating banks.

Implementation period was initially 5 years but became 7 years due to the impacts of the Global Financial Crisis of 2008/09, the 2011 Arab Spring, economic issues including shortages of fuel, power and foreign currency in 2012/13, as well as a political upheaval in 2013 and an increase in overall available funds.

Market and regulatory failures result in extensive levels of pollution, causing damage to human health, and natural and productive assets. The prevention and mitigation of these effects at local, regional and global levels call for the proper set of environmental policies and policy implementation instruments.

Pollution abatement financing is considered the mechanism of raising and allocating financial resources for preventing and controlling negative effects due to pollution of the environment. In addition, it is seen as an instrument of a complex policy approach aiming to correct market and administrative failures. Many studies were conducted to address the issues influencing the pollution abatement financing framework including:

- The need for government intervention to correct externalities;
- The effects of environmental policy & implementation approaches;
- The connection with fiscal policies;
- 04 The development of capital & financial markets

Worldwide, various subsidy schemes were applied in order to speed up private pollution abatement and to reduce the financial burden of compliance with new regulations and standards. NBE provided grants to promote the development and application of cleaner technologies.

EPAP objectives



The investment component was financed through loans from the World Bank Management (EBRD - USD\$20mn), EIB (EUR 40 mn), AFD (EUR 40 mn) and JICA (Yen 4.72 bn). Total available funds equated to USD\$160mn at commencement and reached USD\$170 mn in June 2015 due to the appreciation of the Euro and Yen against the USD\$. Technical Assistance was provided by EIB FEMIP (EUR3mn) and the Government of Finland (EUR0.9 mn).

Funding was available to credit worthy industrial facilities in Greater Cairo and Alexandria

Sub-loans could cover up to 90% of eligible investment costs with a maximum of USD\$15 mn. Interest rates were 2-3% above Libor/Euribor for 6 months or 2-3% above the mid corridor rate of Egypt's Central Bank for local currency sub-loans. Repay- ment was extended to 5-8 years with 1-2 years grace period.

NBE Environmental Policy for EPAP

EPAP II is categorized by the World Bank as Category FI (Financing Intermediary). Support has been provided to NBE to help meet its obligations as an FI. An Environmental Management Framework (EMF) was prepared to integrate environmental considerations in its credit appraisal and monitoring system for EPAP-II.

The EMF consists of Environmental Policy, Guiding and Operational Principles, Procedures and Checklists. Central to the procedures is the appraisal process that is done jointly with PMU/EEAA. The appraisal addresses both national regulatory requirements as well as trans-regulatory, market driven, business related risks in the environmental domain. The latter is addressed by NBE. However, compliance to national environmental regulations alone is not considered sufficient to identify and manage the lending risks. Accordingly, a risk control or risk management strategy is evolved.

Environmental Policy of NBE for EPAP II

As Financial Intermediary for the Second Egyptian Pollution Abatement Project (EPAP II), the NBE is committed to making environmentally responsible investment decisions while financing pollution abatement projects with the following aims:

- Supporting public & private Egyptian industries to improve their environmental status, with particular respect to compliance with relevant national & local environmental laws & regulations as a minimum level of performance;
- Working for a cleaner & healthier environment for the Egyptian people;
- Ensuring that economic development is environmentally sustainable.

NBE paid particular attention to requiring suitable & efficient mitigation measures & management of environ- mental issues (if any) arising on account of the project, which may have environmental, financial & reputational implications.

NBE is dedicated to integrating environmental considerations into the project cycle and ensure timely completion of projects. In doing so, NBE shall apply appropriate levels of environmental screening, risk assessment, monitoring and reporting at the proper stages of project implementation.

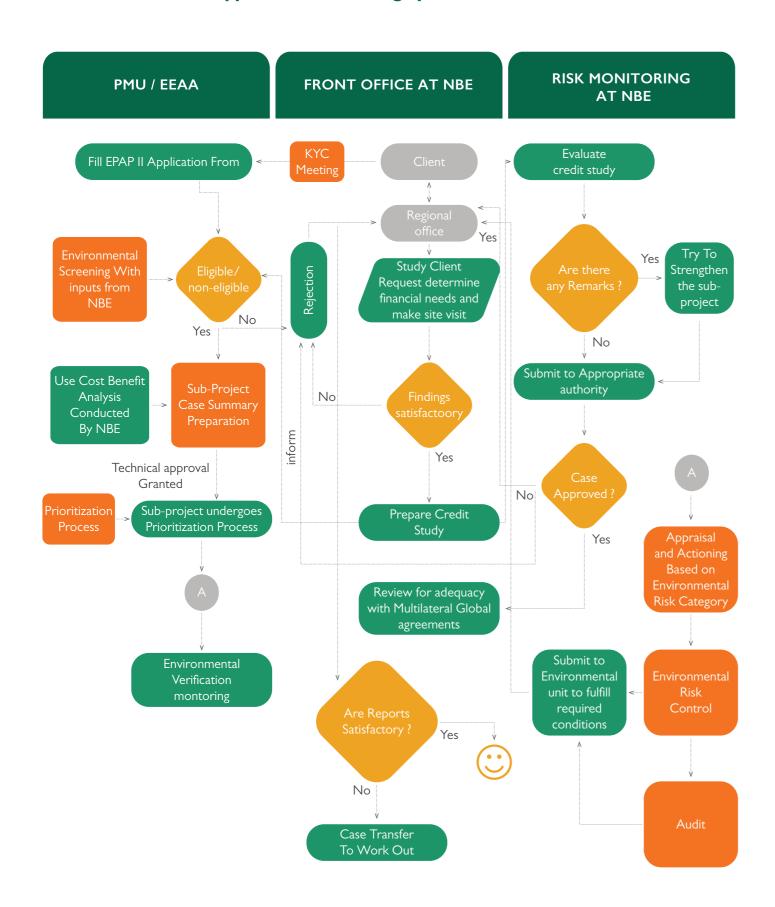
An independent financing follow-up unit has been established for the EPAP II project, under SME, Credit Market Division/EPAP unit.

This Environmental Policy applies to all pollution abatement projects co-financed by NBE under EPAP.

A manual was developed for understanding and implementation of the EMF in consultation between NBE and other stakeholders. This manual is organized into two volumes. Volume I contains the description of the Environmental Management Fund (EMF) and is sub-divided into various parts. A core unit at NBE consisting of three staff members has been provided training on the use of the manual.



Credit Appraisal & Monitoring System for EPAP II at NBE



At December 2019, EPAP II available funds of USD\$173 mn were fully allocated to sub-projects from 27 companies.

SUB-PROJECTS NO. OF SUB PROJECTS LOAN VALUE US\$M Completed 20 166.42 Commissioned & under monitoring 6 6.61 TOTAL 26 173.03







Abu Za'bal Factory – After



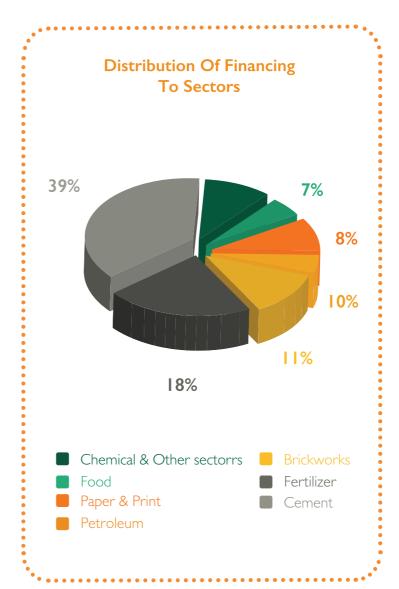
Projects Geographic Distribution

Duning stall some	CAIRO		ALEXA	NDRIA	TOTAL	
Projects' type	NO.	Loan (\$M)	NO.	Loan (\$M)	NO.	Loan (\$M)
DEDUSTING SYSTEMS	6	46.86	3	14.74	9	61.6
WWTP	3	1.14	4	18.11	7	19.25
SOLID WASTE	I	10.6	I	4.25	2	14.85
FUEL SWITCH	5	23.31	2	4.4	7	27.71
PROCESS MODIFY-AIR	3	14.56	0	0	3	14.56
PROCESS MODIFY-WW	I	10.75	3	19.6	4	30.17
WORK ENVIRONMENT	2	2.5	2	2.39	4	4.89
OTHER	0	0	0	0	0	0
Total Loan	21	109.54	15	63.49	36	173.03
Percentage	58%	63%	42%	37%		
No of companies	ı	6	I	l 1	2	7

By sector, the manufacture of cement accounts for 39% of the funded sub-projects of USD\$173.03 mn. The fertilizer sector accounts for 18%, brickworks 11%, petroleum 10%, paper and print 8%, food 7% and 7% is spread among the chemical, steel and other sectors.

Private & Public Sector Distribution

SECTOR	NO. OF PROJECTS	LOAN VALUE (\$MN)
PRIVATE SECTOR	25	122.43
PUBLIC SECTOR	11	50.60
TOTAL	36	173.03





Abu Keir for Cement Factory



EPAP II : Reduction in Greenhouse Gas Emissions

There were six ongoing sub-projects that involved the conversion from heavy fuel oil (mazout) to natural gas that resulted in a significant reduction of CO2 emissions. Estimated total emission reduction, using emission factors, is 656,336 tpa. A sub-project breakdown is given below.

COMPLETED PROJECTS	LOCATION	DESCRIPTION	ТҮРЕ		BEFORE	AFTER	REDUCTION	% REDUCTION
Misr Chemicals	Alexandria	Fule Switch & Replace old boiler	AIR	CO ₂	14,643	7,656	6,987	48%
Delta Steel & Mill Co	N TH Cairo	Fule Switch Preheater furnace from mazout to NG	AIR	CO ₂	5,753	3,000	2,753	48%
Helwan Cement Co	S TH Cairo	Fule Switch Dry Kilns from mazout to NG	AIR	CO ₂	459,061	244,801	214,260	47%
Middle East Paper Manufacturing (SIMO)	N TH Cairo	Fule Switch Boiler from mazout to NG	AIR	CO2	26,148	13,671	12,477	48%
General Co For Paper Industry (RAKTA)	Alexandria	Rehabilitate Boilers & convert from mazout to NG	AIR	CO ₂	146,246	76,556	69,690	48%
Arab Abu Saad Brikwork Cluster	S TH Cairo	Convert 200 brick kilns from mazout to NG	AIR	CO ₂	1,079,271	729,102	350,169	32%
TOTAL					1,731,122	1,074,786	656,336	38%

Impacts of Environmental Projects

The results of the environmentally funded projects include

- Reduction of chemical pollutants by about 65,000 tons, which is about %95 before initiation in 10 projects.
- Reduction by 22,000 tons of sulfur dioxide, which is about %84 before initiation in 7 projects.
- Reductions of air emissions included 10 tons of hydrogen fluoride in Abu Zaabal for Fertilizers and 3,042 tons annually of solvents recovered for reuse through the installation of solvent recovery stations in two factories.

ELEMENT	REDUCTION PER TON
Chemical	65,000
Sulfur Dioxide	22,000
Hydrogen Fluoride	10
Solvents	3,042
Phenol	181







Torra for Cement Factory - After



The Private Public Sector Industry Project (PPSI)

The main objective was contributing to sustainable reduction of industrial environmental pollution and the improvement of living and workplace conditions by reaching partial compliance with national environmental regulations.

The Private Public Sector Industry Project (PPSI) was a major initiative by the Ministry of Environment (MoE), the Egyptian Environmental Affairs Agency (EEAA) & National Bank of Egypt as the Apex Bank to help improve industry performance and achieve at least partial compliance with environmental regulations.

The project objective was for industrial firms & business enterprises to duly deploy the financed industrial pollution abatement technology.

EUR 6.5 mn were provided by KfW. EUR 0.67 mn by the EEAA Environmental Protection Fund. Technical Assistance (EUR 0.6 mn) was financed by KfW.

Preferential treatment was given to SMEs (companies having a turnover of less the LE20 mn per year) with at least 30% of the funds to be allocated for SMEs.

Loan and Grant Fa

I.Investment grant:

Large enterprises – 20% of eligible investment cost

SMEs - 30% of eligible investment cost.

1aximum grant:EUR 800,000

Minimum investment:EUR 15,0000

2. Enterprise self-finance:

Minimum 10% of the

3.External refinance

Large enterprises – max. 70% of investment cost.

SME - max. 60% of investment cost.

4.Technical study grant:

Large enterprises – 20% of technical study costs.

SMEs – 50% of technical study costs.

Grant should not exceed 5% of investment cost.

Project Type and Geographic Location

26 sub-projects with grants of EUR 4.2 mn were located in Upper Egypt and 40 sub-projects with grants of EUR 3.0 were located in the Delta.

Active projects

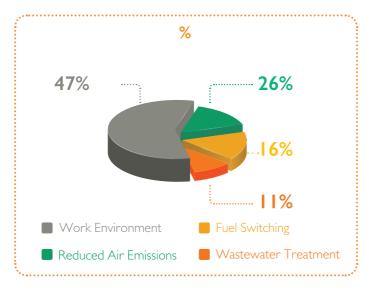
- PPSI provided EUR 7.2 mn of grants to 66 sub-projects from 60 companies with a total investment cost of EUR 27.5 mn.
- O2 SMEs accounted for 51 sub-projects with grants of EUR 4.8 mn equivalent to 67% of the total available.
- A total of 15 non-SME sub-projects accounting for 33% of the total grant amount.

Environmental project Impacts

The dominant type of sub-project for SMEs was work environment (47% by value) followed by fuel switching (%17) and wastewater treatment (16%), with reduced air emissions (26%) and wastewater treatment (11%).

Reduction in greenhouse gas emissions in PPSI

Conversion from mazout to natural gas in 31 sub-projects resulted in the reduction of 568,980 tons of CO2 per year.







Compliance with Environmental Regulation in Industry (ACI)

In the year 2005, a financing partnership agreement was signed between the National Bank of Egypt and the Egyptian Environmental Protection Fund and the Federation of Egyptian Industries in cooperation with the Danish Aid (DANIDA) to provide appropriate financing for small and medium-sized projects for environmental compatibility with the Egyptian Environmental Law. This agreement will continue until 2033.

During the reporting period, the total available funds for environmental projects was about EGP 160 mn in the form of a revolving loan with Simple interest rate of 3.5%. The structure of project financing was according to the following table:

THE INVESTMENT COST OF THE PROJECT	LOAN RATIO	SELF - FINANCING
More than EGP 100,000 to EGP I MN	%90	%10
From one MN to 2 MN	%80	%20
More than 2 MN to 3 MN	%70	%30



Industrial projects in the Greater Cairo region accounted for about EGP 83 mn, 52% of the total available financing, followed by the Delta region with 40 mn about 25%, then Alexandria Governorate with EGP 20 mn EGP about 20%, and Upper Egypt regions came in the lowest percentage, which represented about 15 mn EGP reaching 3% of the total available financing.

The main objective of the available financing is to contribute to the purchase of machinery, equipment, construction work, installations and designs, as well as all necessary costs for the project and any other purposes related to the environmental commitment of the industry- except for those related to taxes, customs and other sovereign expenses.

The environmental returns for these projects were focused on reducing pollution of the internal environment in factories as well as the environment surrounding the industrial facility. The most important success stories in this regard were concentrated in the field of reducing chemical pollution, reusing treated water, developing air systems inside facilities, developing manufacturing systems and replacing manufacturing machinery lighting systems development using energy saving devices.

2003-2010 Other Environmental Sector Programme (ESP) in Egypt

A contract was signed between the Environmental Affairs Agency (EEAA) and the Danish grant (DANIDA) for the project of developing the environmental work system in Egypt and the management of the grant by National Bank of Egypt.



2

3

COMMUNICATION IN ENVIRONMENTAL MANAGEMENT (CEM)

The foremost goal of this component is to help decision- makers, at national and local levels, selected industries, and Non Government Organisations (NGO)/ Community Development Agents (CDA) to take action to improve the quality of life of the poorest and most vulnerable groups in Egypt.

DECENTRALIZED ENVIRONMENTAL MANAGEMENT (DEM)

This component supports in shifting environmental management to the regional level. The goal is that regional branch offices are well established and equipped.

ENVIRONMENTAL MANAGEMENT IN THE GOVERNORATES (EMG)

This component will focus on strengthening environmental management in Governorates of Aswan and Beni Suef, with the objective of providing technology, infrastructure and strong local institutions to assist the poor. Improving and maintaining the quality of the environment in which they live and work.





Egypt Sustainable Energy Financing Facility

The Pilot Egypt Sustainable Energy Financing Facility (Egypt SEFF) is a new credit line dedicated to energy efficiency and renewable energy investments in Egypt. The credit line was developed by the European Bank for Reconstruction and Development (EBRD) and is currently available to clients in Egypt through National Bank of Egypt (NBE). Egypt SEFF offers a one-stop-shop solution to the nation's energy conscious business community to develop their sustainable energy projects.

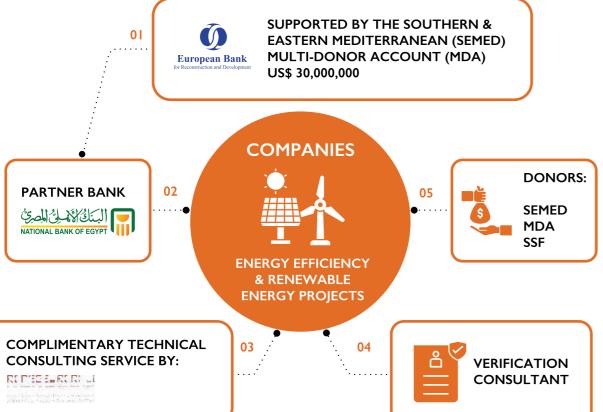
As Egypt aims at boosting the renewables share from 1% to 20% of energy produced by 2022, the state has been eager to secure funding for projects in that sector targeting mainly utility scale renewable energy and small-scale solar energy. Wind and solar are supposed to constitute 12.2% of Egypt's energy, while the rest would be generated from hydro-power.

A milestone was achieved by promulgating the feed-in tariff law in 2014 before it was amended in 2017.

Egypt SEFF is developed by EBRD, distributed through NBE's more than 300 branches, technically supported by MWH Global and RCREEE and financially supported by SEMED MDA and EBRD's SSF. The following diagram summarizes the relationship between all parties. More information about each stakeholder is further explained below.

In addition to providing multicurrency loans worth up to five mn dollars with flexible repayment periods of up to five years, Egypt SEFF also offers free technical assistance and investment incentive grants (depending on the loan and project conditions) to assist Egyptian businesses in managing their energy consumption.





Many parties are participating in this initiative alongside NBE, such as the Regional Center for Renewable Energy and Energy Efficiency (RECREEE) and the European Bank.

FACT

DETAILS

CLIENT PROFILE Private legal entities, individual entrepreneurs or companies investing in energy efficiency and/or renewable energy projects in Egypt. These include small, medium and large-sized enterprises (SMEs and LEs), including suppliers, manufacturers and installers of Renewable Energy and Energy Efficient equipment.

MAXIMUM LOAN AMOUNT

USD 5 mn (depending on the loan type and project conditions).

LOAN CURRENCY

EGP, USD or EUR

INTEREST RATE 3%+ Central Bank of Egypt's lending rate for EGP with a minimum of 4%;12% above 6 months Libor for USD loans; and 4% above 6 months Euribor for Euro loans.

REPAYMENT PERIOD

Up to 5 years (including a grace period up to I year).

INVESTMENT INCENTIVE GRANT 10% or 15% of loan amount excluding custom duties and taxes (depending on the loan type and project eligibility). Supplier Loans are not eligible for incentive grants



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Green Finance: Success Stories

Success Story (1): Taxi Replacement Project

Programme of Activity (POA) Project (MEGA Standalone Project)



In 2007, a contract was signed between the Egyptian Environmental Protection Fund & National Bank of Egypt on a project to replace old taxis with new ones in Greater Cairo. The new taxis operate with natural gas to achieve a set of environmental & social development goals.

The project was registered in the United Nations as a Clean Development Mechanism (CDM) under the umbrella of the Kyoto Protocol project to obtain carbon reduction certificates in cooperation with the World Bank.



Taxi Replacement Project - Before

EGP 10,000 per client

non-refundable grant was provided by NBE to support taxis replacement to operate with natural gas.

NBE has also provided soft loans at an interest rate lower than the prevailing rates, in cooperation with the Ministry of Finance & worked on providing income sources for taxi owners through taxi advertising's revenue share.



Taxi Replacement Project - After

Success Story (2): EPAP II

Egyptian starch & glucose manufacturing company (ESGC)

One of the projects that was funded by EPAPII is ESGC, an Egyptian company engaged in the manufacture and export of starch and glucose. The plant was initially established in 1942 & privatized in 2004.

Environmental Challange

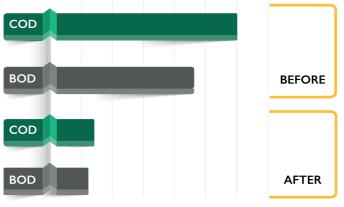
At the time of privatization, the plant was in poor condition. The glucose unit was in a much-deteriorated state with production having declined from a design capacity of 200/tpd to around 105/tpd. Product quality had also deteriorated causing problems in the marketplace. The high pollution load was due to the deteriorated condition of equipment, incomplete hydrolysis of starch resulting in discharge of starch and material losses. The existing water waste treatment plant could not cope with the high pollution loads resulting in non-compliance with the sewer discharge consent.

Solution through EPAP and NBE

A new glucose production unit was constructed using state-of-the-art technology. The overall cost of the project was US \$ 17.6 mn and was supported by EPAP II loan of US \$ 11.1 mn with a 20% grant.

The project resulted in the removal of acid fumes from the work environment and reduction in the waste water volume from 1,440 m3/day to 180 m3/day. The pollution load from the glucose unit decreased by over 95% with a reduction of 5,000 tpa of chemical oxygen demand (COD), 3.430 tpa of Biological Oxygen Demand (BOD).

0 1000 2000 3000 4000 5000 6000



POLLUTION LOAD
Ton per year

Economic Benefits

- Increase in glucose production from 105 tpd to 200 tpd.
- Production of six product types instead of one.
- 03 Improved product quality.
- 04 Reduce chemicals and utility costs.
- Annual net benefits are estimated to be USD \$ 2.7 mn with a payback period of 7 years.



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Success Story (3) Nile Feed Factory in Damietta (ACI)

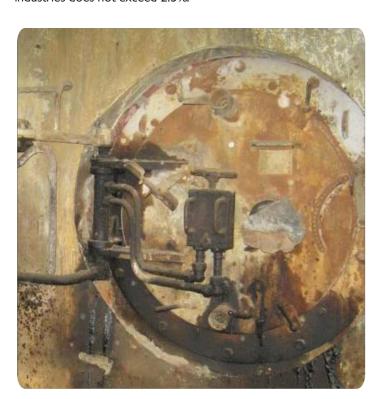
The Nile Feed Factory is a factory located in Kafr Saad city in Damietta Governorate, which makes poultry feed by mixing a group of nutrients important for chicken growth. These components differ in some proportions or some simple additions depending on their purpose, whether they are for fattening or egg production. The production capacity of the Nile Feed Factory in Damietta is about 65 tons/day (24,000 tons annually)

Environmental Problems

Environmental problems include dust and suspended matter in the factory atmosphere, high noise and temperature levels inside the production halls and the internal work environment, which are among the most significant problems in the industry. These mainly affect the health of factory workers, as all production processes are done manually.

Energy consumption (electricity - solar) exceeds the normal rate for such industries by at least 25% as a result of worn out production lines and a steam boiler.

Increase in loss rates in final products from the optimum limit, where the loss rate reaches 5%, while the optimum limit in such industries does not exceed 2.5%.



Nile Feed - Before

The project

Reconciling all production processes technologically and environmentally, starting from the process of receiving and purifying the raw materials to the end of the automatic filling process. It also requires changing the current steam boiler, which contributes greatly to the loss of approximately 25 % of the energy, with modern and environmentally friendly boilers, to reduce gas emissions

Total cost: 30,000,000 Egyptian Pounds Project Ioan managed by National Bank of Egypt Payable over 33 months on favorable terms.

Environmental Benefits

- Increasing the company's production rates by 25% over the current rates.
- Achieve a saving in raw material lost by no less than 124 tons annually.
- Rationalization of the energy consumption required for production (eletricity solar), with no less than 10% of the current consumption.
- Maintaing the occupational safety and health of factory workers from noise and exposure to high temperatures, dust and plankton that harm the respirtory system in production halls
- Reducing harmful gaseous (carbon dioxide, nitrous and sulfur) at rates of 83, 0.1 and 0.3 tons, respectively.



Nile Feed - After

Biodiversity

UN COP 14. Sharm El Sheikh November 2018

An Overview

The Convention on Biological Diversity is one of the three conventions resulting from the Earth Summit in Rio de Janeiro in 1992. The Conference of the Parties is the governing body of the Convention, and advances the implementation of its results through decisions taken at its periodic meetings.

To date, the Conference of the Parties has held 14 ordinary meetings, and one extraordinary meeting (the latter was held in two parts to adopt the Biosafety Protocol). From 1994 to 1996, the Conference of the Parties held its ordinary meetings annually. Since then, these meetings have been held somewhat less frequently and, following a change in the rules of procedure in 2000, will now be held every two years.

Under the theme "Investing in biodiversity for people and planet", Egypt hosted the UN 14th Conference of Parties to the Convention on Biodiversity under the auspices of President Abdel Fattah El Sisi with the participation of 195 countries in Sharm El-Sheikh city on 13-29 November 2018, for the first time in Africa and the Arab world.

During the conference, Egypt celebrated the $25^{\,\text{th}}$ anniversary of the Convention on Biological Diversity. Egypt will chair the Conference on Biological Diversity from 2018 to 2020.

National Bank of Egypt participated within the conference through organizing a side event that addressed the importance of Sustainable finance to serve sustainable development issues. Moreover, the Bank provided a number of ATM across facilitating foreign currency exchange.

SME Banking

The Story: The Leather City Project in Rubiky

This project aims to establish an advanced integrated industrial city specialized in tanning and leather making in Rubiky and encourage the transfer of existing tanneries in the course of El-Ayoun to the new city to develop the sector and increase the added value of the Egyptian product over a total area of about 1629 acres. In order to reduce pollution rates in the archaeological area and preserve the national heritage, they were provided an appropriate environment for the development of the leather tanning industry.

National Bank of Egypt, in cooperation with the Ministry of Industry, has provided financing to the private sector for investment and leather product development. The available financing conditions are to contribute to the financing of machinery and equipment, additional spatial expansion and initial working capital. The Central Bank of Egypt initiative would achieve financing for small and micro-sized projects, if the conditions for the initiative are met, as well as the Saudi Fund for Development program.



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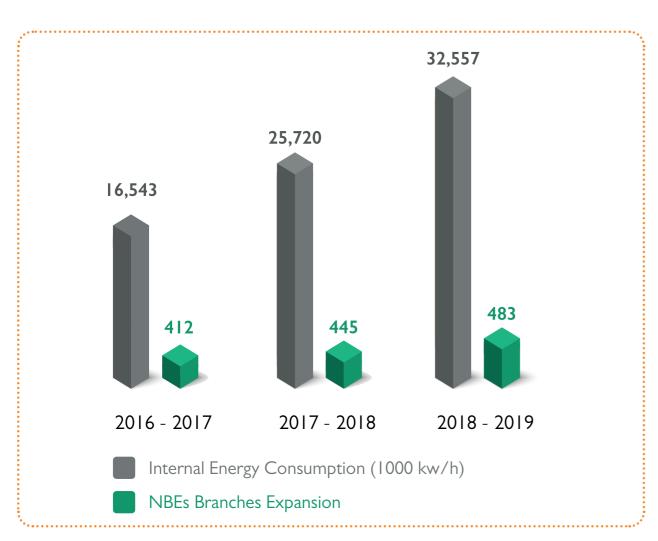
NBE's Internal Environmental Footprint

Energy Consumption: Internal VS. External

Internal Energy Consumption

Electricity consumption in the National Bank of Egypt and its regional branches saw an increase during the reporting period from about 16.5 mn kw/h in 2016/2017 to 32.5 mn kw/h in 2018/2019.

This increase is due to the expansion of new branches in all regions across the country, the number of branches increased from 412 branches in 2016/2017 to 483 branches in 2018-2019, with a total increase of 72 branches.



External Energy consumption

As a result of the bank's initiative to rely on mass transportation and the river transport plan of the main branch overlooking the Nile as one of the mechanisms that aim to rationalize the use of fuel.

Fuel consumption in all its forms decreased from 315 thou-sand liters in 2016/2017 to 194 thousand liters in 2018-2019 despite the rise in fuel prices due to the state's policy to lift subsidies on fuel and energy during the economic reform program.

Internal environmental compatibility Efforts

Reduction of energy consumption (1000 kw/h)

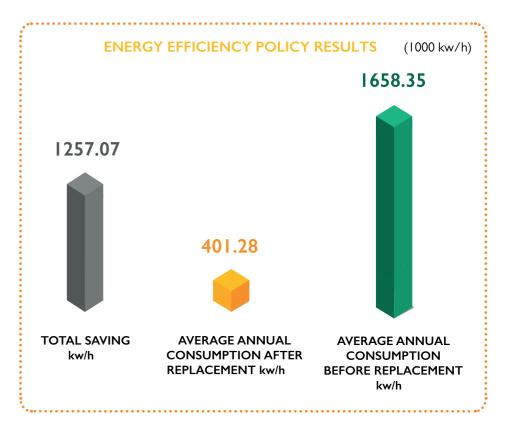
In line with the directions of Egypt Vision 2030 since 2015, as well as the 7th goal of the sustainable development goals, National Bank of Egypt started to follow energy efficiency policies with an increasing dependence on renewable energy sources:

- Replacing the current lighting sources with other energy and saving sources, and Air conditioning systems.
- Increasing dependence on Renewable energy (solar energy)
- Rationalization in various means of transportation.

Energy Efficiency

The bank installed a total number of 289,000 energy-saving LED lamps during the reporting period according to a time plan that includes all the main buildings and the ten regions.

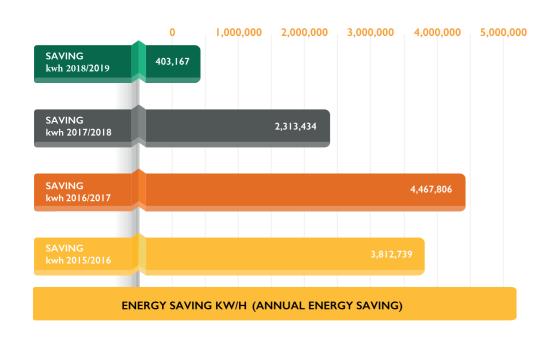
On one hand, this has resulted in reducing the total consumption of lighting energy from 1659,000 kwh/year to an average of 402,000 kwh. Reducing the capacity of about 1,257,000 kilowatts annually.

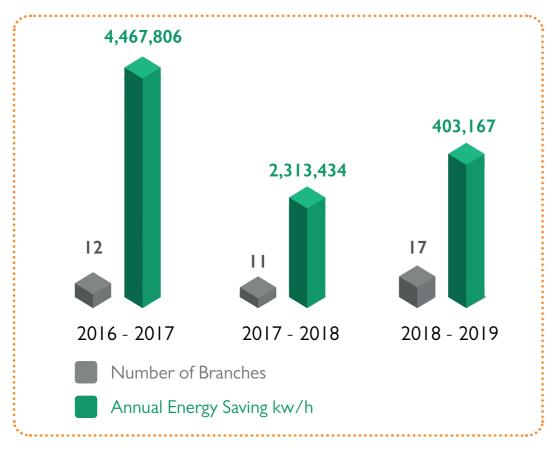




On the other hand, the total financial cost of lighting and the different regions was estimated during the reporting period to about EGP 88 mn, while lighting systems, maintenance and paid consumption costs decreased to about EGP 79 mn, saving around EGP 9 mn.

In continuation of the energy efficiency initiative, the bank developed a plan to replace air conditioning devices in stages starting from the year 2015/2016, in order to comply with the decisions of the Montreal Protocol to address the ozone problem. This went on during the reporting period, as air conditioners were replaced in 41 branches across different regions.

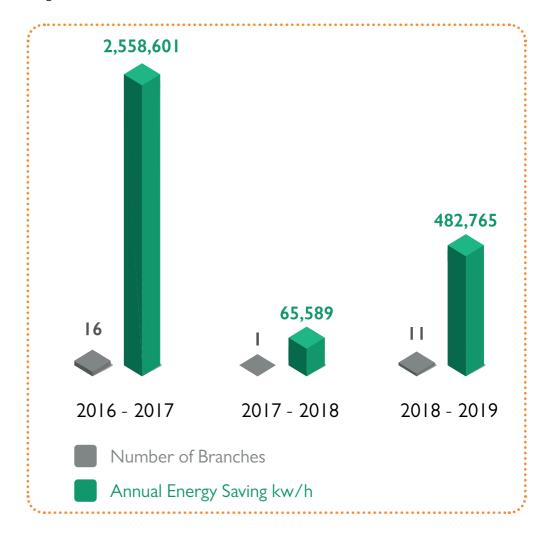




Renewable Energy: Installing Solar Rooftop on Branches

In completion of the energy efficiency plan, National Bank of Egypt 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.

Solar power stations were implemented in 28 stations during the reporting period (2015/2016 to 2018/2019) according to the following table:

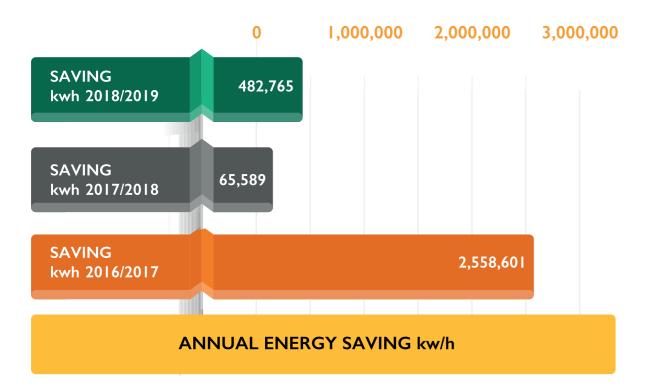






The bank continues to implement solar energy stations, planning during the next stage to implement a number of 50 other stations in various branches, with a total generator capacity of about 4.9 mn kwh, at a total cost of about EGP 55 mn.

Although consumption of energy sources in the National Bank of Egypt is increasing as a result of the opening of new branches, programs to improve energy efficiency and dependence on renewable energy have led to a reduction in total consumption.



Transportation

NBE means of Transportation - Nile Taxi: As a gesture of awareness and environmental responsibility, in 2019 NBE announced shifting employees' means of transportation at the head office from buses into Nile Taxi that would be applied as a pilot project and would be replicate on other lines.

In order to reduce fuel consumption and encourage mass transportation, a quantitative measurement of environmental impacts in the field of emission reduction for this project will be undertaken in the next stage.



Greenhouse Gas Reducing Emissions ¹

As a result of the previous managing energy policies, carbon emissions saw a decrease by about 700,000 tons of carbon dioxide from all sources during the reporting period.

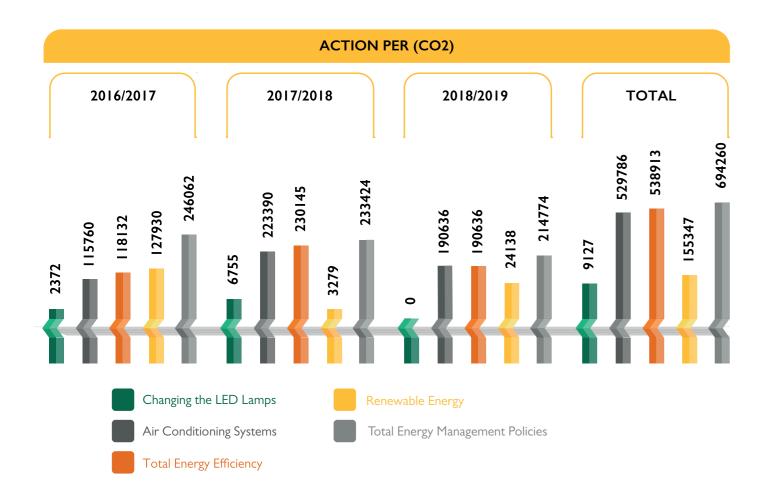
Moreover, about 180,000 tons annually. The follow table showing carbon reduction during the reporting period.

PROJECTS	2016/2017	2017/2018	2018/2019	TOTAL
CHANGING THE LED LAMPS	2,372	6,755	0	9,127
AIR CONDITIONING SYSTEMS	115,760	223,390	190,636	529,786
TOTAL ENERGY EFFICIENCY	118,132	230,145	190,636	538,913
RENEWABLE ENERGY	127,930	3,279	24,138	155,347
TOTAL ENERGY MANAGEMENT POLICIES	246,062	233,424	214,774	694,260



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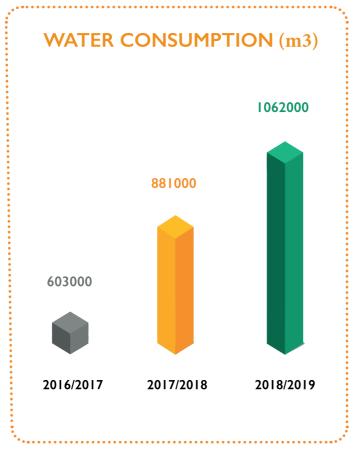




Water Withdrawal By Source

NBE draws water from the National Water Network in Egypt, and the water consumption increase is a result of the increase in the number of branches that are opened annually. Despite the accounting value increase for the cubic meter from the government as a result of the subsidy reduction plan, the increase in consumption is not due to these measures, but rather due to the bank's plans to increase the number of branches. The figure shows the development of water consumption in thousand cubic meters.

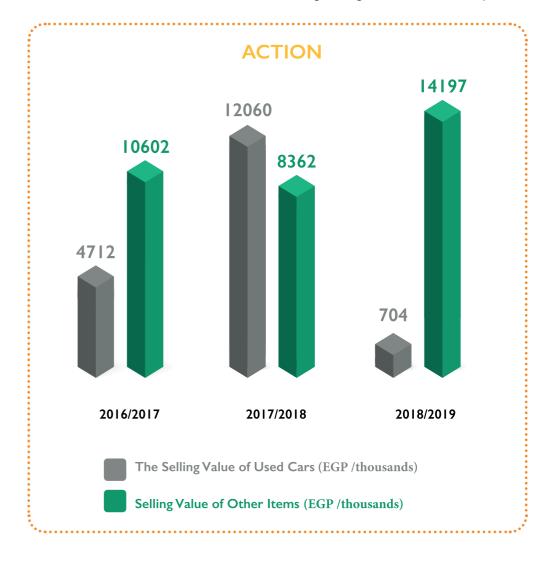




Waste

For NBE, waste is represented in two main types: the first is solid waste, which is produced from daily dealing. The bank contracts with companies specialized in this field and it does not represent a major environmental problem in this regard. Results of the opinion poll taken showed that solid waste constitutes the least environmental problems. (representing only 11% of all environmental problems at NBE).

The second is e-waste resulting from changing and replacing computers or old vehicles with new ones, in addition to used furniture and appliances. According to Law 89 of 1998 regarding the sale and disposal of public property, periodic auctions are made for selling all these items and the bank benefits from its value and reduces the cost of storage. This is in addition to reducing the negative environmental impacts of these waste.



Compliance with environmental laws and regulations

National Bank of Egypt complies with the Egyptian Domestic Law No. 9 of 2009. The bank also provides credit facilities for environmental projects to comply with the law. During the reporting period, environmental fines were not imposed on the bank or any of its branches.



EEE: Employees Environmental Engagement

Under the slogan "Egypt People's Bank", accessibility and availability of bank channels and financial services were key to ensure inclusivity. For this purpose, an annual branches expansion plan was set to ensure nation-wide coverage, starting from major cities to the smallest remote villages.

What is NBE Employees Environmental Engagement (EEE) Survey?



The Employees Environmental Engagement (EEE) is an initiative launched for the first time in NBE identifying and addressing the environmental challenges facing the employees and the degree of their impact on the working environment in the bank's branches

What is the EEE Methodology Used?

The work methodology was done by distributing a questionnaire to a representative sample of participants.

Questions mainly addressed the environmental challenges facing the employees with identifying these challenges and the degree of their impact on the work environment in the bank's branches.

The report monitored many environmental challenges facing the bank, including the presence of some of the bank's branches in areas with high air pollution, high population density or areas that do not deal well with solid waste problems, as well as high noise levels, both inside and outside the branches.

That's in addition to some customers not abiding by environ-mental laws related to, for example, smoking inside the branches. These challenges represent a negative factor in influencing the services quality provided, whether at the level of employees or customers who come daily to obtain banking services. Here, we must increasingly realize the clear health and environmental consequences of pollution, especially in areas with high population density.

Based on the previous results, NBE - especially after the emergence of COVID19- began to expand into digitization systems and increase the number of ATM machines. ATM machines saw an increase from 3578 units in 2016/2017 to 4097 in 2018-2019. The plan to increase ATMs accessibility is still ongoing, however there is a set of recommendations required, including:

The necessity of taking more decisive steps regarding smoking violations within the branches.

Directing part of the banks social financing by reducing environmental problems and coordinating with local government agencies.



Survey Analysis:

Seventy-Nine (79) branches participated in the implementation of this survey, accounting for 15.8% out of 487 total branches, with a good participating random sample representing all major regions.

A total of 210 employees participated in carrying out the survey, representing about 10 % of the total number of employees in branches in which the survey was conducted.

The decrease in the percentage of participants is due to Board of Directors' decision to reduce the number of employees in the branches by 50% as a result of COVID-19.

Noise

The problem of noise within the branches occupies a large proportion of the challenges that affect the work environment.

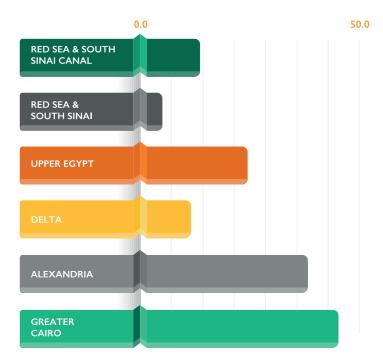
Alexandria comes in the foreground by about 8-29%, followed by the Cairo region with 28.7%, and the Delta region comes in third place, then Upper Egypt and the channel are in fourth and fifth and finally the Red Sea and South Sinai is in the last position. Of course, there is a direct relationship between the population in the governorate and the increase in the noise level.

Crowdedness

The crowding problem within the branches represents one of the biggest challanges, which of course is directly linked to the noise problem. As we see, the Cairo region occupies the largest percentage of crowding, followed by Alexandria, then Upper Egypt, then the Canal area, and finally the Red Sea and South Sinai regions. It is noted here that this arrangement reflects the same figures as the noise proplem, which confirms the importance and connection of these two problems.

CROWDEDNESS







Work Environment Conditions

Total Environmental Challenges and Pollution Aspects

At the level of national branches, the Victoria branch in Alexandria comes first in terms of being affected by internal and external environmental problems at about 6.4%. Secondly, the Iqbal branch in Alexandria comes at about 6 %. The figure shows the ranking of the top 10 in terms of vulnerability to environmental problems where they represent 52% of the total accounted sample (62).

The Greater Cairo area branches occupy the first position in terms of environmental impacts on the work environment with 31.6%. Alexandria branches in general come in second position with 27.4%, followed by the Delta region with 17.2% and the Upper Egypt region with 15.4%, while the Red Sea and South Sinai regions stand at 8.4%. What's noticed here is the discrepancy between the samples representing each region, as the number of branches representing Cairo region are about 26 branches, while Alexandria region is represented by about 9 branches only, which means that the most affected area could be Alexandria.

Internal Category Score inside branches (maximum 5)

The rate of noise within all branches represents the highest environmental problem facing workers, where it stands at 31%. As a result of the direct correlation between crowding and noise, we find that crowding represents a similar percentage at about 30%, followed by the internal ventilation system in the branches by 16%, then the degree of the branch's impact on extreme weather by 15%. Finally, the solid waste problem inside the branches represent only 8%.

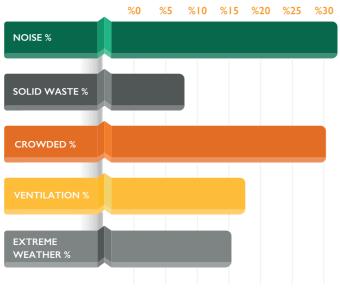
External Category Score Outside branches (maximum 5)

At the level of the external environment surrounding the branches, the problem of external pollution resulting from fumes and dust has increased by 24%, followed by the problem of infrastructure by about 23%. However, the problems of crowding, noise and solid waste surrounding the buildings are equal to approximately 18%.

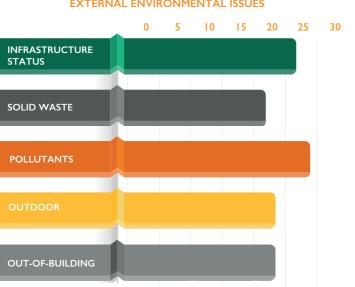
REGIONAL GEOGRAPHICAL ENVIRONMENTAL IMPACT (TIME FRAME)



INTERNAL ENVIRONMENTAL ISSUES



EXTERNAL ENVIRONMENTAL ISSUES







06 OUR GOVERNANCE

- 6.1 Our Governance Structure
- 6.2 Code of Conduct
- 6.3 Committees of the Board
- 6.4 Our Control Environment



NBE's Governance Structure¹

The "Rule of Law" for the "Pulse of a Nation"

Being the largest and most historical financial institution in Egypt is an enormous responsibility, one that requires a true collaborative effort, with an integrated approach and a well calibrated balance of strong governance methods, an efficient delegation approach, a robust control environment and a masterful supervisory outcome.

To achieve this equilibrium, coupled with securing a strong busi ness continuity, NBE's Board governs the institution with two strategic approaches in mind:

A Unique Developmental Role

Performing in accordance with its National Responsibility that represents the foundation of NBE's historical role.

Read: Our Sustainability in Motion

The Traditional Governance Role

Complying with its Fundamental Responsibility that entails main duties.

Setting NBE's purpose, values, mission statement & goals. (Read: Our Values and code of Conduct)

Implementing the bank's main strategies, policies & goals. (Read: The Winning Strategy)

Determining risk appetite and risk tolerance. (Read: Our Risk Management)

Ensuring the quality and integrity of financial control, internal control, & financial robustness of the bank. (Read: Our Control Environment)

Managing capital in line with the business objectives in consideration of the dividend policy & the targeted growth rates. (Read: Our Financial Highlights)

defining authorities and delegations to enable & facilitate Approving and updating the organizational structure & the achievement of senior management's responsibilities & to maintain an effective decision-making & governance. (Read: Our Board Committees & Delegation of Authority)







Our Values & Code of Conduct

Our overarching National Value is to promote responsible, healthy, and fair competition in the Egyptian Banking Sector where the wellbeing of our citizens is above all, while respecting the interests of all banks individually and collectively.

Our Corporate Values

Responsibility and Commitment: acknowledge that we are responsible for our words and actions and committed to comply with all NBE regulations.

Teamwork: collaborate and cooperate in order to achieve our goals.

Professionalism: always act professionally and adeptly in order to serve our customers and the society.

Integrity: always work according to our values even if they are against our own self-interest



NBE seeks the best and safest working environments for its employees, one that instills wellbeing, promotes creativity, and empowers them all through confidence.

NBE expects its employees to adhere to the highest standards of conduct.

In the complex and stringent world of the banking sector, a countless number of emerging conditions are encountered. Managing banking and people comes with an infinite number of scenarios that are as vast as the human mind can encompass. Our guiding document, "The Code of Ethics" covers comprehensive guidelines on interconnected topics, such as, but not limited to:

- 01 Employees' behaviors
- O2 Complying with legal & regulatory requirements, rules, & regulations
- 03 AML & CTF
- 04 Information security
- 05 No racial discrimination or harassment
- 06 Honesty & integrity
- 07 Internal/external fraudulent activities
- 08 Public statements & announcements
- O9 Accepting gifts or money from customers, vendors or third parties
- 10 Employees' complaints
- II Drugs & alcohol prohibition
- Accountability for NBE's assets & property
- Use of NBE's communication systems, equipment, & networks
- | Protecting NBE's & Customers' Data
- 15 Accounting Systems, Security & Safety of Banking Transactions & Financial Reporting
- | Conflict of Interest

NBE accords an uncompromising diligence and focus on the Code of Conduct by all its employees and operations.

Hence, NBE's Regulatory Compliance and Corporate Govern - ance Group is delegated by the Board of Directors to oversee, monitor, and ensure that NBE operate according to the Values of NBE. A dedicated Office of Ethics under the group is responsible of monitoring, receiving, and managing concerns in that regard. (Read: Critical Concerns and Advice on Ethics)

NBE's Code of Ethics is the governing guide to our Corporate Values, Ethics, Conduct, Advice. NBE's Whistleblowing and Whistle-blower Protection Policy aims at providing a safe channel for the employees so as to eliminate their fears and to assure them that they will be protected against any retaliation or harm as a result of reporting such practices. The policy provides protection to whistle-blowers who report any malpractices that do not comply with the Code of Ethics for NBE's Staff and Senior Management.

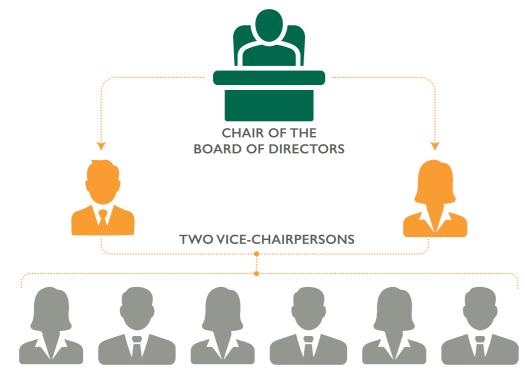


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Nomination & Selection of the Board of Directors¹

The Board of Directors of the National Bank of Egypt is nominated in accordance with the Laws of Central Bank of Egypt (article 90, Law 88 for the year 2003) and NBE's binding by-laws.



SIX MEMBERS OF THE BOARD WITH EXPERTISE IN FINANCIAL, ECONOMIC, & LEGAL MATTERS, WITH EXTENSIVE PRIOR CONTRIBUTION WITHIN THE BANKING SECTOR

The Prime Minister of Egypt appoints the Chairman and members of the Board of Directors, with consideration of input from the Governor of the Central Bank. The two Vice-persons are appointed by the PM after consultation with the appointed Chair. The Board is appointed for a tenure of three years.

Given the critical positioning of the National Bank of Egypt and its role as Egypt's primary public bank, the appointment of the Members gives great weight and consideration to the magnitude of expertise, and diversity of the Chair and each of the members.



Diversity of the Board

An unmatched collective mastery of skills and capability are engulfed in the years of experience for each of the members, extending across their commands of Financial, Legal or Economic affairs, and a proven global banking expertise.

The Chair and each board member also capture extensive in dustry-level knowledge, respective to their fields, through other multiple significant positions and commitments that they have formerly or presently hold. (Read on : Board of Directors)

Needless to note that economic, social, environmental, and political knowledge is a default knowledge base that all appointed members of the National Bank of Egypt have to ensure that steering the business complies with and addresses national priorities, emerging risks, disruptive external changes, and best global practices. (Read: Strategic Sustainability Framework)

Non-executive directors are directors who are not full-time employees at NBE, do not receive any monthly or annual salary from NBE, and do not provide any paid counseling. The Board discloses in its annual report the names of all non-executive directors who are deemed independent from management and do not have any kind of relationship that may prejudice their objectivity in decision making.

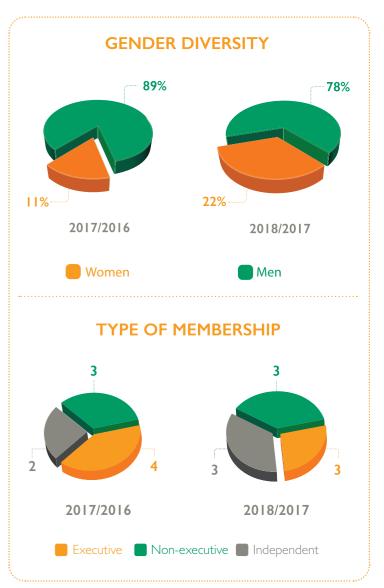
Collective Knowledge of the Board of Directors¹

Keeping momentum, stride, and necessary control to uphold to the bank's obligations in the midst of rapid technologies, en - vironmental responsibility, social needs and economic commit - ments requires continuous and relentless measures to enhance the collective knowledge of the Board Members on those par - ticular topics.

Internally, induction sessions and internal reporting on the bank's sustainability practices has taken a front-seat in the bank's new direction, leading to the preparation and the development of this report — NBE's first assured sustainability Report. (Read more on : Strategic Sustainability Framework)

NBE's industry-level stakeholders' engagement is also considered a main element to inform our Board Members on the latest and most critical emerging topics as part of our core measures to ensure an evolving knowledge curve is well adopted.

On a global level, our latest event took place in 2019, where several of our Board Members have attended a specialized training program conducted by the Banking Institute of Directors (IOD) in London, UK.



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Chair of the Board¹

The Chair is appointed by the Prime Minister of Egypt and in accordance to the Egyptian Law governing the Banking Sector. As Egypt's prime public sector bank, the chair of NBE's Board of Directors hold a unique set of duties in the management of the bank and its operations, making the Chair also an executive officer of the bank.

Mr. Hisham Okasha is NBE's Current Chair, since 2008.

His mandate has included his years as Deputy Chairman and Chairman of the Bank.

Given the unprecedented growth and strategic goals achieved by NBE under his leadership, and stemming of the critical role of the bank as a key financial facilitator in Egypt's Economic Reform Program, it was decided by Egypt's PM that Mr. Okasha continues as Chair of the Board for another renewed term, effective from September 2017.

Role of the Chairman

Like no other leadership, the role of the Chairman of the National Bank of Egypt has always been a duty served with a Patriotic Vigor and a National oversight of the wellbeing of the millions of Egyptians that NBE has been increasingly serving for over 122 years.

In addition to his responsibility to perform his main duties to — ward achieving the strategic directions of the bank and over — seeing the executive management of its goals, his duties also en — compass top-tier Leadership and Executive Roles, among other responsibilities.

Leadership Role

Facilitating and mediating a healthy flow of Governance Practices has been part of the Chair's Core Duties, particularly when appointed for multiple Board Tenures.

As the bank of ALL EGYPTIANS, the "Voice of Real Change" does not only rely on engaging and listening to our stakeholders, but it also fundamentally and foremost rests on the Board's internal engagement on all critical and emerging matters.

The Chairman's role entails crafting management of internal engagements, by:

Encouraging debate & constructive criticism as part of the decision-making process.

Strengthening the engagement, & in turn the trust, among all Board Members, & across the bank with NBE's senior management.

Providing a well-defined & comprehensive induction program for new members of the board, designed to complement & address material topics to allow knowledgeable decision-making.

(Read: Collective knowledge of the Board)

Overseeing that all Board Members carry out self-evaluation.
(Read: Evaluation of Board Performance)

Ensuring that all members & employees respect the NBE Conflict of Interest Policy.
(Read: Critical Concerns & Advice on Ethics)

Executive Role

As an Executive Chair, the Chairman's duties extend to ensure the direct involvement with the Head of Groups (C-level executives) through the Executive Committee Meetings (which the Chair Presides).

The Chair is also in charge of monitoring and evaluating the mechanism related to the promptness and effectiveness of the implementation of the Board decisions. (Read: Executive Committee)

He also ensures that adequate and accurate information is available in a timely manner to members of the Board and shareholders, while daily monitoring the bank's strategy implementation. (Read: Executive Committee and The Wining Strategy)

Board Committee²

The Board establishes permanent or temporary committees from among its members and NBE employees, to assist the Board in carrying out its oversight responsibilities. The purpose and functions of each committee is determined by the Board, along with the means of operation and allowances for members from NBE members. These Committees include the Internal Audit

Committee, the Executive Committee in accordance with the CBE, Banking Sector and Money Law No. 88/2003 and its executive regulations, in addition to the Risk Committee, the Remuneration and Compensation Committee, and the Corporate Governance and Nomination Committee as per the banking governance instructions issued by the CBE.

The Board Committees play an important role in supporting the board's decision-making process, as their power and authority emerge from the board's assignment. Although the Board may delegate certain powers and authorities, but at all times, it is still held responsible.

Each committee have an approved written charter that outlines its membership, functions, frequency of meetings, quorum and rules of convening, decision-making rules, committee's secretary, call for meetings, agenda, and board reporting.

Main Committees

Audit Committe

The Audit Committee's functions are determined in accordance with the Law of the Central Bank, the Banking Sector and Money and its scope of work approved by the Board. The main role of the Audit Committee is to review the Bank's financial statements, ensure the effectiveness of internal control and oversee the performance of internal and external auditors, compliance and AML/CFT functions at the Bank.

As per Banking Sector and Money Law No. 88/2003, the committee holds a meeting at least every three months. The committee has convened 7,3 and 6 meetings during the fiscal years ending June 2017, 2018, and 2019, respectively.

Executive Committee

The Executive Committee's functions are determined in accordance with the Law of the Central Bank, the Banking Sector and Money and its scope of work approved by the Board. The main role of the Executive Committee is to implement the Bank's strategy, direct the Bank's activities and review the reports submitted to it by different divisions and departments of the Bank.

The Executive Committee is constituted by the Board from executive directors and senior executives.

The committee has convened 18,10 and 11 meetings during the fiscal years ending June 2017, 2018 and 2019, respectively.

Risk Committee

The Risk Committee's functions are determined in accordance with the CBE's governance instructions and its scope of work approved by the Board. The main role of Risk Committee is to develop, implement and monitor the Bank's risk management strategy and identify risk policies.

The committee reviews risk procedures and its framework, and identifies relevant roles and responsibilities across the Bank.

The Risk Committee is mainly comprised of non-executive directors, provided that its members shall not be less than three and the head of the committee shall be a non-executive director.

The committee has convened 6,2 and 4 meetings during the fiscal years ending June 2017, 2018, and 2019, respectively.

Remuneration & Compensation Committee

The Remuneration and Compensation Committee's functions are determined in accordance with the CBE's governance instructions and its scope of work approved by the Board. The main role of the committee is to review the framework of benefits, compensation and remuneration.

The Committee is composed of three non-executive directors, and the head of the committee is preferred to be an independent director.

The committee has convened one annual meeting during each of the fiscal years ending June 2017, 2018, and 2019.

Corporate Governance & Nomination Committee¹

The Governance and Nomination Committee's functions are determined in accordance with the CBE's governance instructions and its scope of work approved by the Board. The main role of the committee is to oversee governance practices in the Bank, ensure that the Bank applies good governance measures and propose any amendments it considers significant to the governance policies approved by the Board.

The Governance and Nomination Committee consists of three non-executive directors, and the head of the committee is preferred to be an independent director.

The committee has convened one annual meeting during each of the fiscal years ending June 2017, 2018, and 2019.

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Management Committees¹

In view of implementing strategic plans to develop and ameliorate the Bank and maintaining a good workflow and acceptable risk appetite, the Board may approve the composition of management committees to assist the executive management in carrying out its responsibilities, especially in relation to operating activities.

Management committees are mainly composed of executive directors, executive management and the Bank's staff. Each committee has a separate charter which defines its duties and responsibilities and shall be approved by the Board.

The Board Performance²

Evaluating the performance of the Board of Directors is a core practice that have ensured the historical & cur rent success of NBE and its ability to perform its duty towards Egypt & our clients.

We consider that strong performance of the members and the committees is part of our readiness for emerging disruptions or new national needs. This makes it a core element of our business continuity ability in the face of short-term risks and on the path for long-term strategic achievements.

EVALUATING THE BOARD'S PERFORMANCE

The board follows strict system for annual self-assessment to determine whether the Board and its committees are functioning effectively as a whole and as individuals.

The individual assessment of each director identifies the effectiveness of the member's contributions to the board's meetings and committees, and whether he/she has fulfilled his/her duties

The Chairman is in charge of evaluating the directors> performance by determining the strengths and weaknesses in the board

NBE MANAGEMENT COMMITTEES EMPLOYMENT COMMITTEES CHANGE MANAGEMENT & BIDDING & PROCUREMENT COMMITTEES CHANGE MANAGEMENT & COMMITTEES CHANGE MANAGEMENT & COMMITTEES CREDIT & SETTLEMENT COMMITTEES

Remuneration

In NBE, serving millions of citizens is founded on an unwavering relationship and proximity to our clients. That's why acquiring the best expertise to the governing body, and the most talented and competent employees to our bank, cannot be compromised. Wages, benefits, and compensations are core to the economy, leading to the social wellbeing of all individuals.

The Remuneration and Compensation Committee is delegated by the Board to execute the fundamental duty of fair value and payments to both the Board and employees with a focus that the Percentage increase in annual total compensation ratio is maintained at 1:1. We take pride in our diligent efforts to balance a healthy value that serves all levels of employment.

Stakeholders' Involvement in Remuneration²

NBE respects and complies with the laws, regulations and its own internal policy in setting remuneration for both the Board and employees. We seek guidance from our stakeholders' opinions when fit and necessary.

Our main stakeholders in the process of determining remunera tion are The Prime Minister of Egypt, The central Bank of Egypt, the Ministry of Labor, and the Chief Human Resources Officer.

- The Prime Minister of Egypt, under whose Authority the Chair and the Board are appointed, also sets the Remuner ation of the Board's Chair and Members in accordance with the provisions of the law and the State's Executive Rules.
- The Board of Director complies to the Egyptian Labor Law (No12 of 2003) that regulate and protect the right of all employees for the minimum wages.
- We take guidance from the Central Bank Law No. 88 of 2003

Remuneration Policies & Process 3

NBE's Reward Policy and internal Reward System complement and complies to ALL laws and takes into account our stakehold ers as indicated above. Our Internal Policy is accordingly composed of multiple crucial factors and driven by the best interest of both the bank and the rewarded individuals:

Rewards and wages are compatible with the nature of the work environment and nature of duties of each type of employment or service provided for the bank.

Policies are designed to reward the achievement of targets in the short-term, as well as the acquiring of strategic goals in the long-term.

Policies recommended updates are presented to the Board of Directors for approval based on the risk level.

Policies are disclosed & include the total value of the top 20 salaries and compensations including compensation, allowances, fringe benefits, & any other cash benefits.

The Committee determines the remunerations of the senior executives and provide proposals on the remunerations of the Board Member. Both determination and proposals include salaries, allowances, benefits in kind, and any other elements of a financial nature. NBE respects a maximum Annual total compensation ratio at 40 to 1 and in line with Laws and Central Bank directives.

The Committee performs robust due diligence related to the determination of the numeration of the bank's internal control functions (risk management, compliance management, internal audit, & inspection management) & linked to the achievements of goals without prejudice to their independence.

The Committee regularly reviews the salaries in relation to other institutions in the industry to ensure the bank's ability to attract & retain the best elements. The recommendation & opinions of the chief of human resources are taken into consideration & is invited to attend committee meetings.

The committee regularly reviews & updates its policies when deemed necessary in regard to compensations & benefits & takes into consideration the level of risks to which the bank is exposed at a given time.

Consideration of Remuneration for Board Members:

- The bank's long-term goals are taken into account in setting salary and remuneration policies which include Economic, environmental, and social topics as an integral part of performance indictors in NBE.
- When proposing the remuneration of non-executive board members (including the committee attendance allowanc es), their actual participation and contribution to the board meetings and decisions are taken into consideration.
- Variable pay is controllable in a manner to avoid impairing NBE's ability to support its capital base.
- The amount of variables is determined and may be capped. Risk exposure, particularly liquidity risk, and the required pital tocover such risk, are taken into account.
- For risk-sensitive positions, their variable pays mirrors NBE's performance and its risk exposure. It can only be fixed for no more than one year and disbursed based on perfor mance evaluation standards provided by NBE.

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Our Control Environment

Internal Audit Function

The importance of internal audit function is to ensure the effectiveness and adequacy of NBE's internal controls and governance with the objective of providing a comprehensive vision to the Audit Committee, the senior management and 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.

Compliance Function

The compliance function is intended to establish and implement firm, effective and advanced control policies, systems and tools to ensure NBE's compliance at all times with the existing rules according to applicable legislation and regulatory instructions at the local and international levels. This enables the Bank to face and combat any potential risks relating to the abuse of NBE for illegal or suspicious purposes, particularly financial crimes including money laundering activities. NBE should be well-aware of non-compliance risks. Such risks may include financial loss, legal or regulatory sanctions and/or jeopardy of the Bank's reputation.

As a result, NBE may severely suffer because of its failure to comply with the laws and standards that should be followed and 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.

The Compliance Officer is independent and submits his/her report directly to the Audit Committee and/or the Board.

All mandates, policies and regulations related to NBE Control Environment are disclosed and published Online:

NBE • Governance Manual :

https://www.NBE.com.eg/AssetsManager/00b173c8-d202-46d2-8f3a-4444519cfb78.pdf

NBE • Compliance Policy:

https://www.NBE.com.eg/AssetsManager/8ea6a983-2836-44c5-923a-fe7ba8d508df.pdf





Our Risk Management¹

The Board and the Senior Management of the Bank are ultimately responsible for the Bank's risk management arrangements which encompass the risk profile, risk appetite, management of capital, management of liquidity, recovery plan and resolution pack as per the approved Internal Capital Adequacy Assessment Process (ICAAP), Individual Liquidity Assessment Process (ILAAP), risk policies and its pertaining procedure manuals.

The Risk Management Group performs its functions independently. It is responsible for overseeing the bank's risk activities, including defining and evaluating risks exposure and risk limits, developing and implementing the risk framework across the bank, and disseminating the culture of risk mitigation; all in line with the approval of the Board of Directors to NBE's risk tolerance.

The Compliance Function is an integral part of NBE's three lines of defense

First line of defense

Under the first line of defense, operational management, in this case the Bank's business divisions and branches, has the ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.

Second line of defense

The second line of defense consists of the activities covered by internal control departments (compliance, risk management, and other control departments). This line of defense monitors and facilitates the implementation of effective risk management practices.

Third line of defense

Internal audit forms NBE's third line of defense. An independent internal audit function will provide assurance to the Bank's BoD and senior management. This assurance covers the effectiveness of the first and second lines of defense.

Our risk Group has established an early warning system related to breaches of the bank's risk limits, and in line with the principles of governance. It reports directly to the risk committee and the Board of Directors to allow appropriate decision-making, particularly the results of the stress tests. Read: Our Risks & Impacts

Risk groups are highly selected with the focus to identify and quantify inherent risks to maximize returns and optimize capital allocation. Sever stress scenarios are deployed to place strategic action plans to manage situations of stress.



Risk Review & Re-Assessment:

This process is applied to all risks which could have a significant impact on the bank if they were to materialize. Such material risk represents the bank's risk profile and is reviewed and reasessed at least annually as part of the internal capital adequacy assessment process (ICAAP) and internal liquidity adequacy assessment process (ILAAP).

The Bank risk management framework is based on a set of core guidance principles that ensure streamlined/well defined segregated roles and responsibilities powered the underlying practices:

- **OI** Well defined policies & procedures
- 02 Risk Monitoring & Control
- 03 Risk Measurement / ICAAP / ILAAP
- 04 Capital & Liquidity stress test
- 05 Watertight risk controls
- 06 Contingency Funding Plans
- 07 Well deployed risk mitigation techniques
- 08 Recovery Plans & Resolution Pack

Emerging enterprise risks are identified annually to empower conscious risk-taking. These enterprise-level risks are closely linked to NBE strategy. The bank faces an assortment of external pressures which influence our internal risk profile. The bank Risk Framework is central to the identification and management of these risks. For example: Technology risk, Cyber risk, Regulatory impact risk, Fraud risk, Information risk, Conduct risk, and Third-party risk.

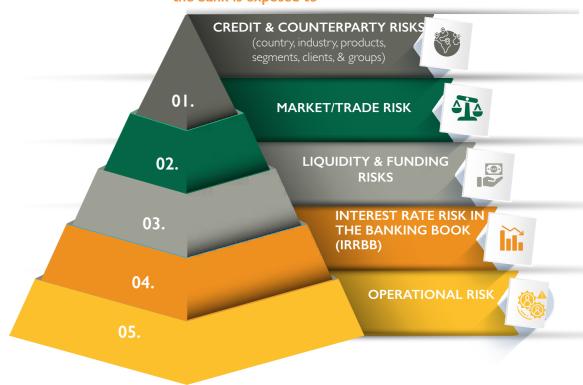
ERM Framework

Enterprise Risk Management (ERM) framework ensures a consistent approach to managing risk across the group, together with a clear risk appetite aligned to our group strategy. NBE takes a holistic and forward-looking view of risks we face, continuously assessing both current and emerging risks.

NBE has embarked on further developing and integrating the deployed risk measurement/management tools for more reliable capital and liquidity planning to pioneer the launch of Enterprise Risk Management solution under a single platform along -side compliance to IFRS9 smooth adoption.

NBE's ERM hosts Credit Risk rating & Scoring models, Loan pricing, ALM & Liquidity Risk Management, Basel Reporting, Risk aggregation & capital Planning in addition to Operational Risk Management & Business continuity.

The most significant risks categories the bank is exposed to



1 102-30



Conflict of Interest¹

Aimed to protect the interest of our shareholders and depositors and the integrity of the bank, our Conflict of Interest Policy applies to all our employees, senior executives, advisors, members of the board or any related companies. The Policy is part of NBE's corporate governance policy and mentioned in the code of ethics . (Read: Our Values & Code of conduct)

The Board of Directors guarantees equal treatment and avoids the preferential treatment of entities directly or indirectly related to the bank, in accordance with the regulations. The Board of Directors guarantees to protect individuals who prepare conflict of interest NBE adopts the software, technologies, and methods to ensure

All individuals covered under the policy are required to disclose a written statement with regards to all other individuals or entities related directly or indirectly to the bank activities, including but not limited to:

Board members & key executives disclose all direct or indirect financial benefits (to them or on behalf of other parties) in relation to agreements, contracts, & all matters that can directly affect the bank.

A member of the board of directors, whether in his personal capacity or as a representative of others, may not also be a member of the board of directors of other banks that is subject to the supervision of the Central Bank of Egypt or to carry out any of the management's work or consulting therein.

The bank is prohibited from providing financing or submitting amounts under the account or credit facilities or guarantees of any kind to the chairman and members of Board of Directors or their spouses or children or their relatives up to the second degree, or any entity where they are partners or shareholders.

The bank can issue electronic payment cards to members of its board of directors, which will be used as a discount on their current account payables.

After the presentation to the Board of Directors, the Governor of the Central Bank has the right to request the removal of one or more of those stipulated in the previous paragraph if it is proven through the inspection of banks that they violate the safety rules for the depositors 'money and the bank's assets. The person concerned reserves the right to file a grievance with the Central Bank.

In 2019, the Compliance and Corporate Governance Group has reviewed 165 cases to ensure that Policy is respected. Cases included employees' relatives loan approvals, outsourcing work, and outsourcing services.

Anti-Money Laundering & Terrorist Financing

a robust and an automated electronic examination and con trol of all transactions that take place through our bank, this includes, but not limited to:



Examination of all parties (on any banking operations) against



Monitoring transactions to ensure their suitability with the customer's financial solvency in light of applying the "Know Your Customer" rule.



Regularly updating policies related to combating Money Laundering & Terrorist Financing, in accordance with the latest developments issued by local and international legislative bodies, as well as all instructions issued by the Financial

The "Banking Compliance Group" prepares an annual report on the Anti-Money Laundering and Terrorist Financing and it is presented to the Board of Directors to express its comments and take the necessary measures where necessary.

NBE AWARDS

NBE AWARDED "THE SAFEST BANK IN EGYPT FOR THE YEAR 2019" BY THE **GLOBAL FINANCE MAGAZINE**



A total of



received more than 8 trainings in the field of Corruption, Anti-money laundering, compliance, & governance including:



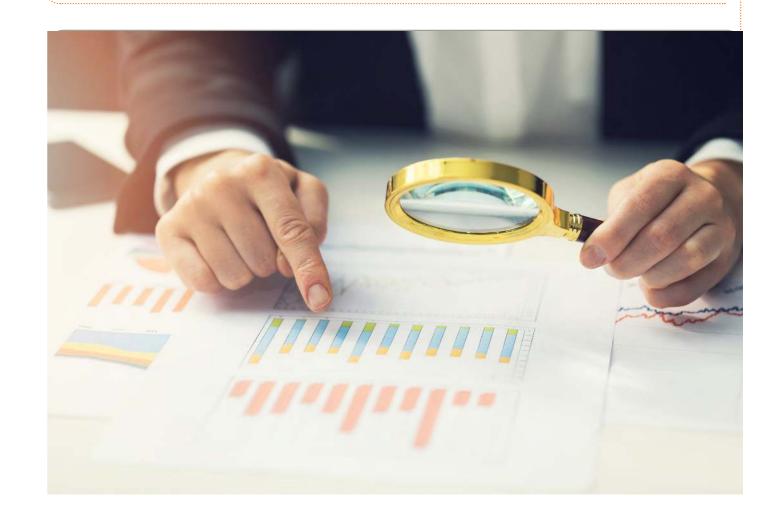




TAX COMPLIANCE ACT ON THE US ACCOUNTS FATCA



KNOW YOUR CUSTOMER



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Critical Concerns & Advice on Ethics¹

It is only under a framework of protection, fairness, and integrity that our employees can acquire the confidence to act transparently and confidently against any misbehaviors, illegal, or unethical conduct.

Reporting critical concerns to the highest governing body is key to establish both internal and external trust and loyalty, and it is protected by the Board of Directors and the bank's policies in that regard. Our Whistle-blowing Policy provides a protective and confidential channel for reporting individuals to come for ward without fear of discrimination, nor retaliation.

This Policy aims at supporting mechanisms for whistle-blowing of illegal and unethical practices to the management whenever concerns arise about an employee who might be engaging/has engaged in an act that violates NBE's Code of Ethics, instruction or by-laws, or any other act that constitutes a crime or a misdemeanor pursuant to the applicable laws and regulations.

The Compliance Group is responsible for regularly reviewing and updating the Code of Ethics and whistleblowing policy biennially or when required and verifying its conformity with NBE's policies, procedures, and any updates as well as developments at the Bank. The whistleblowing policy includes clear communication channels that ensure an effective and secure process for communicating critical concerns to the Board of Directors.

Our Ethics Office is a dedicated destination for all our employees to provide a professional and confidential communication with any reporting person who can choose to keep his/her participation confidential or present it in person to the Ethics Office. the office is also dedicated to receiving and welcoming all

individuals who seek advice or have concerns on ethical issues. the office provides the same mechanisms of confidentiality and it is operated through the most competent officers to provide advice. 2

A dedicated Whistleblower Hotline & email (exclusively to the Compliance Group) is made available & operated by the Ethics Officer to guarantee independent, professional, confidential reporting & whistleblower & advice-seekers' protection.

After verifying the reported violation(s), the Compliance Group investigate - in coordination with the Internal Auditing Division and the Legal Division- to make the necessary remedial measures in view of the damages arising out of the violation(s). In the case of an employee's established violation of instructions included herein, the penalties by disciplinary regulations by NBE's BoD is applied. In 2019, the total reported concerns have reached (11) cases.³

NBE Whistle-blowing and Whistle-blower Protection Policy is published Online:

https://www.NBE.com.eg/AssetsManager/e9577ca6-017f-4498-95f4-4db3091ccdd7.pdf

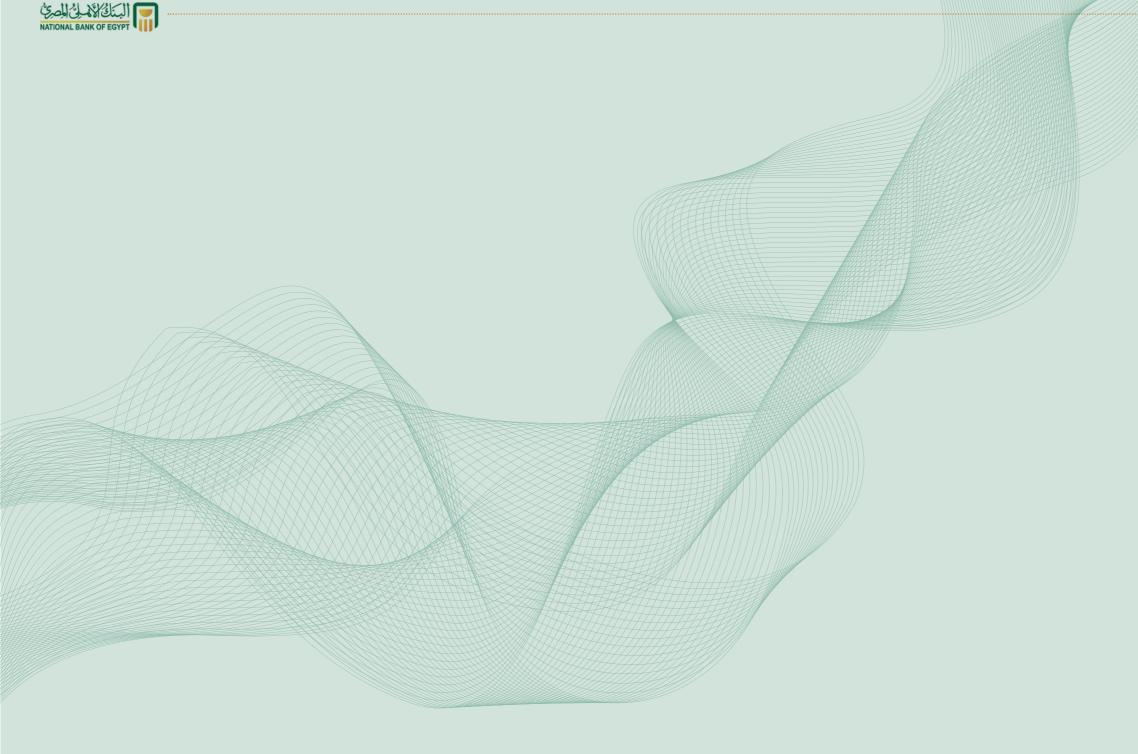


^{1 102-33 / 102-34/ 102-17}

^{2 102-17}

^{3 102-34}





THE WAY FORWARD



The Way Forward

Looking into the future, NBE continues to uphold responsibility towards its business to achieve the best financial performance. We understand our role as a National and Public Sector Bank and our responsibility towards social and environmental contributions.

To address those twining commitments, sustainability is stream—lined into our core business activities, today and onwards, allow—ing us to perform in the best interest of each of our stakehold—ers. Moreover, NBE endorses, advocates and champions Egypt's National Priorities in alignment with the (8) Goals of Egypt Vi—sion 2030, in addition to carrying our extended contribution to the (17) UN Global Development Goals (SDGs).

We will continue our fundamental role in the development of the real economy toward an equitable social distribution. By helping the government, businesses, and individuals to perform their obligations, conduct their operations and enabling invest ments in new developments, we play a key role in every segment of human activities, social and economic.

The current mapping of our core business activities to both Egypt 2030 and the SDGs has set a defined plan to our future key indicators. Diversified Lending Portfolio, Financial Inclusion, Youth and Women Empowerment, investment in national infrastructure, households' long-term needs, and green financing are all material topics that have resonated into our strategy, presently and in the future.

With a population of 100 million Egyptians, no-one-set of targets are inherently better, nor indefinitely optimum. For that end, the key to our continued future success lies in

- I. Our business resilience
- 2. Strategic agility to adapt swiftly
- Efficiently to the needs and priorities of all stakeholders & to the public good; with one ultimate eventual goal: NO-ONE is left behind.

Evidently, the implementation of Egypt vision 2030 requires collaborative and coordinated efforts from all partners. NBE, through its partnerships and networks, will provide a capable hand for achieving targets and goals of the national sustainable development agenda, in turn, the global development agenda.

With the COVID19- pandemic, we are witnessing firsthand how banks are playing a critical role in supporting their countries to navigate numerous challenges. NBE's response to the crisis is now a central priority as it directly affects our stakeholders & the nation at large

Yet, in the midst of this twin global health and economic crises, concerns about climate change may seem to be standing still, while in reality its threat will not fade away. A systemic shift towards a low-carbon/climate-resilient economy continues to be pressing. And while we weather the storms of those saddening threats to people, livelihood and economies, we will continue our parallel role to help navigate the global Climate Action through Responsible/Green Financing.

We will continue our parallel role to help navigate the global Climate Action through Responsible/Green Financing.

The state's approach towards creating sustainable financial instruments confirms its keenness to place appropriate sustainable development frameworks as highest priority, which has become evident by observing its initiation of standards-setting for issuing green bonds, implementing green credit lines and other supportive initiatives.

Consequently, NBE, shall continue financing environmental projects, as well as supporting the private sector towards compatibility with national environmental obligations and implementing initiatives related to climate change. In parallel, the bank will be moving forward towards articulating its Green Finance strategy and considering the necessary steps towards initiating Responsible Banking practices.

The bank will be moving forward towards articulating its Green Finance strategy and considering the necessary steps towards initiating Responsible Banking practices.

Furthermore, in line with CBE instructions, dedicated Financial Inclusion departments are being established across all public and private banks in Egypt. This independent business units will be responsible of the preparation of medium-term strategies.

To this purpose, NBE is in the process of developing its 3-5 years financial inclusion strategy in alignment with the NBE's Sustainability Framework.

NBE's ultimate goal is that, by the time the world recovers from today's global crisis, our progress towards the Social Wellbe ing, Financial Inclusion, and Climate Change would bring us all closer to a more better future for our youth, both socially and economically.





SPECIAL EDITION: COVID-19 CRISIS RESPONSE



Special Edition: COVID-19 Crisis Response

The National Bank of Egypt has responded vibrantly to the rapidly-evolving COVID-19 pandemic through excessive support measures, adaptation policies and continuous community involvement to alleviate the pressure of households and businesses, but most of all, to protect the lives of the people in Egypt.

As the primary supporter of the state and the Egyptian citizens, the NBE has taken several actions to secure operational continuity, social safety, and enough liquidity to address and mitigate the adverse economic impact of COVID-19 on the Egyptian market.

For our people at the National Bank of Egypt, we have activated strong measures to ensure their physical and economic safety and at the same time to be able to stand strong together and serve safely and adequately our customers and partners.

For the people of Egypt, we have expanded our products seek ing to facilitate our clients' immediate needs and we have in creased our digital banking services, encouraging customers to use online and mobile banking tools to stay fully connected while reducing the traffic in our branches to prevent the circulation of the coronavirus.

In this context, in collaboration with the Central Bank of Egypt, we have also postponed the payment commitments of our clients and help them through different schemes to encounter their financial difficulties due to the pandemic situation.

Since March, we have been working cooperatively with the Egyptian government, the Egyptian Banking Federation, and civil society organizations and we have provided significant financial aid to relieve the national economic impact of COVID-19 crisis and secure the provision of medical supplies, ventilation units and quarantine equipment for the affected people in Egypt.

We actively continue our role as the bank of the people of Egypt and we mobilize both our teams and expertise to ease the citizens' lives during these testing times. To inform you more about NBE's COVID 19 response, our efforts are documented below as per GRI guidelines and framework.



NBE SOCIAL CAPITAL: HUMAN RESOURCES SAFEGUARDING EMPLOYEES •"Protect them" Campaign حملة احميهم is an internal daily HR email announcement to raise awareness on COVID 19 and protecting employees' health and keeping their families and community safe, as well as maintaining a connection and feeling of solidarity during difficult times • hand sanitizers units installed across all NBE's branches and gloves and offices. Disposable facial masks provided daily. • Providing online and e-education and training platforms for all NBE employees. SAFEGUARDING CLIENTS Health Culture • NBE ATMs: Providing clients with disposable gloves and face masks when using ATMs. • NBE's Branches: Practicing social distancing by allowing the presence of a certain number of clients to be inside the bank while providing an outdoor seating area to avoid crowds inside branches. • NBE Products: Activating and issuing 68,000 new debit cards for the total of pre-paid cards to reach 49,000 New Ahly Certificates with %15 interest rate, Retail, SMEs and Corporate loan installment exemption for 6 months . • NBE Call Center: NBE clients can sign up for NBE Ahly Net and NBE Phone STRATEGI Cash through the call center & website in alliance with our digital transformation, as well as receive and solve clients' complaints. **NBE BOARD MEMBERS** • In collaboration with CBE: Eliminating ATMs withdrawal fees for other peer banks, daily withdrawal limits, eased loan procedures.. etc. Responsible Corporate • In collaboration with the Government of Egypt: NBE donated 80 million EGP Political Activity for Tahya Misr fund through medical and protective supplies and ventilation • In Collaboration with the Egyptian Banking Federation: NBE donated 80 million EGP to relief economic consequences of the crisis. **NBE CHAIRMAN DEPUTY** • Media (TV): Through speaking of NBE's role in handling the COVID 19- crisis presented in several TV shows. • NBE re-directed and donated its entire Ramadan 2020 marketing campaign to COVID 19 crisis response. Responsible Communication **DIGITAL BANKING ACCELERATION** & Marketing • Moving into and activating digital banking and online banking tools. • NBE provided the opportunity for clients to join NBE online, mobile banking, 6000 new clients for e-wallets and NBE phone cash. Issue NBE Certificates through NBE website and call center. 46,000 new banking operation daily using NBE Mobile Banking.

NBE EFFORTS

ACTIVITY

	ACTIVITY	NBE EFFORTS		ACTIVITY
	Health Promotion & Wellness	TRANSPARENCY & ACCOUNTABILITY • "Your Health Matters" Campaign حملة صحتك تهمنا internal periodical HR email announcement with any COVID 19 affected NBE office, branch or floor is being transparently reported & immediate protective measures take place including closure for 14 days & self-quarantine for employees through exceptional leave, in addition to positive communication with all employees.	SI	WorkTime
ı		PROTECTING OUR MOST VULNERABLE • Exceptional leave for working mothers with children under 12 years' old • Exceptional medical leave for any employee considered a suspected case of	OPERATIONS	Job Security
ı	Paid Family & Medical Leave	 COVID 19. Exceptional leave for 50% of any department's employees based on rotating work schedule. Employees with chronic diseases were granted 14 days of paid exceptional leave at the beginning of COVID 19 spread. 	≪	
POLICIES & BENEFITS	Health Insurance	 KEEPING OUR EMPLOYEES INSURED All NBE employees are insured with Al Ahly Medical Company, a fully-fledged insurance program with a huge medical network all over Egypt. NBE medical applications are updated to facilitate the process of medical billing 	WORKE	Occupational H&S
		approval for employees.		Physical Environmen
	Equality, Diversity & Impartiality	• All NBE outsourced employees (including support staff who are requested to stay home on exceptional leave) are being fully paid, which accounts for diversity for all employees regardless of their employment grade.		Community Impact
		FOREFRONT OF FINANCIAL AWARENESS • NBE provided portable ATMs, particularly for areas with high density• • Availability of online purchase and donations without a fee• • According to CBE guidelines, NBE ATM withdrawal fees has been exempted. • According to CBE guidelines, NBE is now granting loans and funds to profiles	COMMUNITY	Social Capital & Cohesion
	Financial Literacy	 PRACTICING RESPONSIBLE LENDING NBE achieved 14 million banking operations through ATMs with the amount of 26 billion with 468,000 on average daily. NBE attracted 43,000 new clients with an average of 1500 client per day since the COVID-19 breakout. 2.5 million new clients utilizing Ahly Net services. 373,000 banking operation through Ahly Net with an average of 12,500 operation daily. 	OO	Community Involvement

	ACTIVITY	NBE EFFORTS	
S	WorkTime	 PRACTICING SOCIAL DISTANCING 50% attendance Policy for all NBE employees. Work from Home policy and empowering NBE employees with secured mobile phones, email access, VPN and laptops. Working hours reduced to 9:00 am till 2:00 PM and bus scheduled adjfisted new working hours 	
& OPERATIONS	Job Security	 MAINTAINING & SECURING OUR EMPLOYEES NBE's employees are contracted for unlimited time based on yearly appraisal, no employees were let go of, nor any downsizing took place as an effect of COVID-19. 	
FORCE & O	Pay Practices	 EMPOWERING OUR EMPLOYEES FINANCIALLY NBE salaries are paid on time each month and not affected by COVID 19. NBE postponed employees' installment loans for the period of 6 months started from March 2020. 	
WORKFORCE	Occupational H&S	 SAFETY FIRST Sanitizing gates at the entrance of each NBE office, branch and building, as well as measuring the temperature of all employees. A pharmacy unit & clinic with medical staff is available in each NBE office. 	
	Physical Environment	• NBE offices are sanitized & sterilized periodically & all surfaces are cleaned.	
	Community Impacts	• NBE in cooperation with civil society organizations are studying the issuance of sub-loans to the sectors affected by COVID 19.	
COMMUNITY	Social Capital & Cohesion	 SOLIDARITY WITH OUR COMMUNITIES Constant updates and feedback on COVID 19 through HR internal emails. According to CBE guidelines, for all clients who are unable to pay, NBE postponed retail and corporates installment loans for 6 months effective March 2020. NBE adopted all CBE related initiatives (ex: mortgage loans for lower - income brackets, SMEs fund in affected sectors, Tourism sector fundetc). 	
OO	Community Involvement	 COMMUNITY INVESTMENT IN HEALTH NBE donated 10 million EGP for university hospitals (medical supplies, beds & quarantine sections). NBE donated 10 million EGP to the Citizens' Donation Account, and final contribution will be matched by NBE. NBE in cooperation with the Ministry of Health (MoH) & Ahl Misr Foundation, prepared 200 beds in Fever Hospital סעובונולים (for medical quarantine of COVID 19 patients, ventilation units, and medical supplies. 	



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Independent Assurance Statement

To: Mr. Hisham Okasha Chairman of the Board of Directors The National Bank of Egypt

Introduction

DCarbon is a leading sustainability and environmental consultancy based in Egypt and registered under the Egyptian law no. 159 for the year 1981 and its executive regulation. DCarbon assists public and private organizations in understanding and addressing their economic, environmental, and social impact. DCarbon is a member and partner with multiple global establishments in the field of corporate sustainability. We are a certified training partner of the Global Reporting Initiative (GRI), a GRI Gold Community member, and an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD).

DCarbon has been engaged by the **National Bank of Egypt (NBE)** to perform an independent assurance on its 2019 Sustainability reporting process ('the Report') to evaluate the adherence to the GRI reporting principles and disclosures in accordance with the **GRI Standards: Comprehensive option**.

Assurance Scope, Boundary and Limitations

Given the **NBE's** position as a National Bank and its pivotal role in the country, while considering the extent of the National Reform Programs undertaken by the Government of Egypt (GoE), the scope of assurance has included data and information for the reporting period between 1st of July 2017 to 30th of June 2019 for the Bank's operations in Egypt, as well as historical and multiple descriptive overviews of the national context.

The boundary of the report comprises data and information capturing **NBE's** operational business lines and supported by several regulatory publications and data. The boundary equally includes the Bank's Head Office supporting functions and stakeholder engagements as part of this assurance and as indicated in the report.

The assurance do not cover the following:

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





Assurance Methodology

The assurance procedures and principles used for this engagement were drawn from back-end reviews and data verification conducted by the assurance team while taking into consideration Egypt's National Sustainable Development Agenda 2030 as well as regulations of the Central Bank of Egypt. The nature, time and extent of procedures developed by the assurance team depended on its engagements with the bank, the provided data, and the approval of the NBE's Board of Directors.

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

Assurance procedures to obtain evidence about the reliability of the disclosures:

- Review of strategy, internal policies, and procedure documents as provided by the Bank.
- Review of materiality and stakeholder engagement framework and activities as deployed by the Bank.
- Assessment of procedures used for data collection and reporting process in accordance with the GRI Standards, including data collection through surveys, questionnaires, and/or writing prompts; where applicable and/or available.
- Evaluation of processing and monitoring mechanisms of data collection required for disclosures.
- Verification that the report has been prepared in accordance with GRI Standards: Comprehensive Option and GRI Topic-specific Disclosures of material topics as listed in the report.
- Review of the Report to ensure that there is no misrepresentation of disclosures as per the assurance scope and findings.

Level of Assurance

<u>Reasonable Assurance</u> was performed for disclosures covering the following: financial performance, governance, compliance and risk management, strategy, stakeholder engagement practices, materiality assessment, scale of the organization, products and services, market presence, macroeconomic/national impacts, financial and digital inclusion products, financial literacy, and social investment-related activities.

<u>Limited Assurance</u> was performed for disclosures about employees and procurement practices.







Assurance team

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

Sustainability, Risk and Materiality Audits: Dr. Ehab Shalaby

Economic Audit: Dr. Ahmed Yehia Belal Environmental Audit: Mr. Hesham Eissa

Social, Strategy and Governance Audits: Ms. May Elwany

Conclusion

On the basis of our assurance engagement, considering the risk of material error and all necessary explanations received from the Bank, we confirm sufficient evidence to our assurance conclusion. Based on the activities performed and evidence received, the Report;

- Provides a credible and fair representation of the organization's sustainability profile and an application of the Global Reporting Initiative Principles.
- Includes data statements and figures that achieve an adequate level of reliability and accuracy

Our assurance findings also provide confidence that the **National Bank of Egypt** has prepared this Report in accordance with the **GRI Standards: Comprehensive option**.

On behalf of the assurance team November 29, 2020 Cairo, Egypt

Ehab Shalaby, Ph.D.

Chairman and CEO, DCarbon



