

**Main Highlights of CAE's Audit Committee
Meeting held on 23rd April 2019**

The Audit Committee Meeting was held on Tuesday 23rd April 2019 at 10:00 am.

The meeting was attended by:

Mr. Paul Carite	Non-Executive Board Member – Chairman of Committee
Mr. Assem Ragab	Non-Executive Board Member – Member of Committee
Mrs. Mona El-Baradei	Non-Executive Board Member – Member of Committee

Attendees:

Mr. Hesham Helmy	Head of Internal Audit (CAE)
Mr. Samer Masoud	Deputy Head of Internal Audit (CAE)
Mrs. Hala Ragab	General Counsel & Corporate Secretary (CAE)
Mr. Mohamed Ragaie	Deputy Head of Compliance
Mr. Ehab Azer	Partner – Ernst & Young
Mr. Sherif Abdel-Fadeel	Partner – Hazem Hassan & Co.
Mrs. Nehal El-Shazly	Ernst & Young
Mr. Ayman Fawzy	Financial Administration (CAE)
Mr. Franck Flament	Chief Risk Officer “CRO” (CAE)
Mr. Vincent Gancel	Observer with Expertise – CASA
Mr. Emmanuel Arribat	Observer with Expertise – CASA

The following are the most important items discussed:

- 1) Looking into the status of implementation of the decisions and recommendations of the previous meeting of the Audit Committee.

- 2) Reviewing the financial statements of the Bank for the period ended 31/3/2019.
- 3) Reviewing the Internal Audit Dept.'s report including the audit missions performed in the first quarter of the year 2019; following up the executed part of the Audit Mission for 2019; the Internal Audit Dept.'s assessment of the branches & departments during Q1 of the year; the key recommendations of the Internal Audit Dept. to monitor and improve the internal control environment & maintaining the Bank's assets; and also discussing the data of the Internal Audit staff members.
- 4) Reviewing the reports submitted by the Bank's Risk Dept. regarding the evaluation of collaterals provided by customers against the financing and credit facilities provided to them.
- 5) Follow-up on the reports submitted by the Risk Dept. including a report from the Department of Permanent Control & Operational Risk, as well as reports submitted by the Head of Compliance for the period ended 31/3/2019.
- 6) Reviewing the reports Head of Legal Dept. on the status of the lawsuits brought against or by the Bank and presenting the recommendations of the Legal Department in this regard.
- 7) Discussing the External Auditors' opinion on the financial statements prepared for the period ended 31/3/2019.

Key Decisions taken by the Audit Committee:

- 1- The Audit Committee approved contracting with two independent external audit offices: Kreston EG – Hesham El-Afandi & Co. and Dr. Abdel-Aziz Hegazy to perform the following tasks (as per the instructions of the Central Bank of Egypt "CBE") and the estimated fees in this regard:
 - Validation of the IFRS9 Models used in calculating the Expected Credit Loss "ECL" and evaluating the accuracy of results.
 - Examining the Bank's portfolio of credit facilities granted to SMEs benefiting from the Central Bank of Egypt's Initiative issued to finance this segment.

- 2- The Head of Compliance shall provide the Audit Committee with a list of the key violations escalated to the competent committee in the Bank, and also the actions taken in this concern.
- 3- The Committee reviewed the reports submitted by the CRO of the Bank about reviewing the values of collaterals provided by customers against the financing and credit facilities granted to them.

Paul Carite

**Chairman of Audit Committee
& Member of Board**

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